# 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 March 31, 2021

or

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

For the transition period from ___ to ___

Commission File No. 001-36297

# Revance Therapeutics, Inc.

(Exact name of registrant as specified in its charter)

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

**1222 Demonbreun Street, Suite 1001, Nashville, Tennessee, 37203**
(Address, including zip code, of principal executive offices)

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

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

| **Title of each class** | **Trading Symbol(s)** | **Name of each exchange on which registered** |
|---|---|---|
| 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 | ☒ | Accelerated filer | ☐ | Emerging growth company | ☐ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐ | | |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial statement accounting standards provide pursuance 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 April 27, 2021: 71,529,367

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"Revance Therapeutics," the Revance logos and other trademarks or service marks of Revance appearing in this quarterly report on Form 10-Q (this "Report") are the property of Revance. This Report contains additional trade names, trademarks and service marks of others, which are the property of their respective owners. We do not intend our use or display of other companies' trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, these other companies.

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)**

| | March 31, 2021 | December 31, 2020 |
|---|---|---|
| **ASSETS** | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | $ 249,427 | $ 333,558 |
| Short-term investments | 137,386 | 102,947 |
| Accounts and other receivables, net | 5,186 | 1,829 |
| Inventories | 5,629 | 5,876 |
| Prepaid expenses and other current assets | 8,799 | 5,793 |
| Total current assets | 406,427 | 450,003 |
| Property and equipment, net | 20,766 | 17,499 |
| Goodwill | 146,964 | 146,964 |
| Intangible assets, net | 67,837 | 71,343 |
| Operating lease right of use assets | 28,779 | 29,632 |
| Restricted cash | 3,445 | 3,445 |
| Other non-current assets | 1,729 | 1,334 |
| TOTAL ASSETS | $ 675,947 | $ 720,220 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| CURRENT LIABILITIES | | |
| Accounts payable | $ 7,079 | $ 12,657 |
| Accruals and other current liabilities | 27,101 | 32,938 |
| Deferred revenue, current portion | 9,046 | 7,851 |
| Operating lease liabilities, current portion | 4,472 | 4,437 |
| Derivative liability | 3,140 | 3,081 |
| Total current liabilities | 50,838 | 60,964 |
| Convertible senior notes | 279,694 | 180,526 |
| Deferred revenue, net of current portion | 74,967 | 77,294 |
| Operating lease liabilities, net of current portion | 26,201 | 27,146 |
| TOTAL LIABILITIES | 431,700 | 345,930 |
| Commitments and Contingencies (Note 12) | | |
| STOCKHOLDERS' EQUITY | | |
| Convertible preferred stock, par value $0.001 per share — 5,000,000 shares authorized, and no shares issued and outstanding as of March 31, 2021 and December 31, 2020 | — | — |
| Common stock, par value $0.001 per share — 95,000,000 shares authorized both as of March 31, 2021 and December 31, 2020; 71,411,389 and 69,178,666 shares issued and outstanding as of March 31, 2021 and December 31, 2020, respectively | 71 | 69 |
| Additional paid-in capital | 1,432,457 | 1,500,514 |
| Accumulated deficit | (1,188,281) | (1,126,293) |
| TOTAL STOCKHOLDERS' EQUITY | 244,247 | 374,290 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | $ 675,947 | $ 720,220 |

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 March 31, | |
|---|---|---|
| | 2021 | 2020 |
| Revenue: | | |
| Product revenue | $ 11,647 | $ — |
| Collaboration revenue | 1,511 | 58 |
| Service revenue | 141 | — |
| Total Revenue | 13,299 | 58 |
| Operating expenses: | | |
| Cost of product revenue (exclusive of amortization) | 4,217 | — |
| Cost of service revenue (exclusive of amortization) | — | — |
| Selling, general and administrative | 49,005 | 21,224 |
| Research and development | 27,251 | 39,794 |
| Amortization | 2,838 | — |
| Total operating expenses | 83,311 | 61,018 |
| Loss from operations | (70,012) | (60,960) |
| Interest income | 97 | 1,491 |
| Interest expense | (1,560) | (2,148) |
| Changes in fair value of derivative liability | (59) | (90) |
| Other expense, net | (105) | (126) |
| Loss before income taxes | (71,639) | (61,833) |
| Income tax provision | — | (100) |
| Net loss | (71,639) | (61,933) |
| Unrealized gain and adjustment on securities included in net loss | — | 521 |
| Comprehensive loss | $ (71,639) | $ (61,412) |
| Basic and diluted net loss | $ (71,639) | $ (61,933) |
| Basic and diluted net loss per share | $ (1.08) | $ (1.15) |
| Basic and diluted weighted-average number of shares used in computing net loss per share | 66,636,830 | 53,868,036 |

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 March 31, | | | |
|---|---|---|---|---|
| | 2021 | | 2020 | |
| | Shares | Amount | Shares | Amount |
| **Convertible Preferred Stock** | — | $ — | — | $ — |
| **Common Stock** | | | | |
| Balance — Beginning of period | 69,178,666 | 69 | 52,374,735 | 52 |
| Issuance of restricted stock awards and performance stock awards, net of cancellation | 869,586 | 1 | 1,197,054 | 1 |
| Issuance of common stock in connection with at-the-market offerings | 761,526 | 1 | — | — |
| Issuance of common stock upon exercise of stock options and warrants | 729,438 | — | 52,352 | — |
| Shares withheld related to net settlement of restricted stock awards | (127,827) | — | (72,987) | — |
| Issuance of common stock in connection with the Teoxane Agreement | — | — | 2,500,000 | 3 |
| Issuance of common stock in connection with offerings | — | — | 975,000 | 1 |
| Balance — End of period | 71,411,389 | 71 | 57,026,154 | 57 |
| **Additional Paid-In Capital** | | | | |
| Balance — Beginning of period | — | 1,500,514 | — | 1,069,639 |
| Cumulative-effect adjustment from adoption of ASU 2020-06 | | (108,509) | — | — |
| Issuance of restricted stock awards and performance stock awards, net of cancellation | — | (1) | — | (1) |
| Issuance of common stock in connection with at-the-market offerings, net of issuance costs | — | 21,700 | — | — |
| Issuance of common stock upon exercise of stock options and warrants | — | 11,136 | — | 572 |
| Shares withheld related to net settlement of restricted stock awards | — | (3,645) | — | (1,401) |
| Stock-based compensation | — | 11,262 | — | 6,544 |
| Equity component of convertible senior notes | — | — | — | 108,510 |
| Issuance of common stock in connection with the Teoxane Agreement | — | — | — | 43,397 |
| Issuance of common stock in connection with offerings, net of issuance costs of $44 | — | — | — | 15,536 |
| Capped call transactions related to the issuance of convertible senior notes | — | — | — | (28,865) |
| Balance — End of period | — | 1,432,457 | — | 1,213,931 |
| **Other Accumulated Comprehensive Gain** | | | | |
| Balance — Beginning of period | — | — | — | 3 |
| Unrealized gain and adjustment on securities included in net loss | — | — | — | 521 |
| Balance — End of period | — | — | — | 524 |
| **Accumulated Deficit** | | | | |
| Balance — Beginning of period | — | (1,126,293) | — | (844,204) |
| Cumulative-effect adjustment from adoption of ASU 2020-06 | — | 9,651 | — | — |
| Net loss | — | (71,639) | — | (61,933) |
| Balance — End of period | — | (1,188,281) | — | (906,137) |
| **Total Stockholders' Equity** | 71,411,389 | $ 244,247 | 57,026,154 | $ 308,375 |

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)**

| | Three Months Ended March 31, | |
|---|---|---|
| | **2021** | **2020** |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Net loss | $ (71,639) | $ (61,933) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Stock-based compensation | 10,607 | 6,544 |
| Depreciation and amortization | 4,241 | 739 |
| Amortization of debt discount and issuance costs | 310 | 1,505 |
| Amortization of discount on investments | (55) | (513) |
| Other non-cash operating activities | 59 | 371 |
| Non-cash in-process research and development | — | 11,184 |
| Changes in operating assets and liabilities: | | |
| Accounts and other receivables | (3,357) | — |
| Inventories | 247 | — |
| Prepaid expenses and other current assets | (3,006) | (467) |
| Operating lease right of use assets | 853 | 570 |
| Other non-current assets | (395) | 175 |
| Accounts payable | (4,996) | 789 |
| Accruals and other liabilities | (5,582) | (2,373) |
| Deferred revenue | (1,132) | 942 |
| Operating lease liabilities | (910) | (822) |
| **Net cash used in operating activities** | (74,755) | (43,289) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Purchases of investments | (87,384) | (159,412) |
| Purchases of property and equipment | (4,036) | (539) |
| Proceeds from maturities of investments | 53,000 | 54,500 |
| Purchase of intangible assets | — | (118) |
| **Net cash used in investing activities** | (38,420) | (105,569) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Proceeds from issuance of common stock in connection with at-the-market offerings, net of commissions | 21,706 | — |
| Proceeds from the exercise of stock options and common stock warrants | 11,136 | 572 |
| Taxes paid related to net settlement of restricted stock awards | (3,645) | (1,401) |
| Payment of offering costs | (153) | (337) |
| Proceeds from issuance of convertible senior notes | — | 287,500 |
| Proceeds from issuance of common stock in connection with offerings, net of commissions and discount | — | 15,581 |
| Payment of capped call transactions | — | (28,865) |
| Payment of convertible senior notes transaction costs | — | (8,703) |
| **Net cash provided by financing activities** | 29,044 | 264,347 |
| NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH | (84,131) | 115,489 |
| CASH, CASH EQUIVALENTS, AND RESTRICTED CASH — Beginning of period | 337,003 | 171,890 |
| CASH, CASH EQUIVALENTS, AND RESTRICTED CASH — End of period | $ 252,872 | $ 287,379 |
| **SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING AND FINANCING INFORMATION:** | | |
| Internally developed software capitalized from stock-based compensation | $ 655 | $ — |
| Property and equipment purchases included in accounts payable and accruals | $ 213 | $ 247 |
| Accrued offering costs | $ 40 | $ — |
| Issuance of common stock in connection with the Teoxane Agreement | $ — | $ 43,400 |
| Accrued transaction costs on convertible senior notes | $ — | $ 487 |

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 innovative aesthetic and therapeutic offerings, including its next-generation neuromodulator product, DaxibotulinumtoxinA for Injection. DaxibotulinumtoxinA for Injection combines a proprietary stabilizing peptide excipient with a highly purified botulinum toxin that does not contain human or animal-based components. We have successfully completed a Phase 3 program for DaxibotulinumtoxinA for Injection in glabellar (frown) lines and are pursuing United States ("U.S.") regulatory approval. We are also evaluating DaxibotulinumtoxinA for Injection in the full upper face, including glabellar lines, forehead lines and crow's feet, as well as in two therapeutic indications—cervical dystonia and adult upper limb spasticity. To accompany DaxibotulinumtoxinA for Injection, we own a unique portfolio of premium products and services for U.S. aesthetics practices, including the exclusive U.S. distribution rights to Teoxane SA ("Teoxane")'s line of Resilient Hyaluronic Acid® ("RHA®") Collection of dermal fillers, the first and only range of U.S. Food and Drug Administration (the "FDA")-approved fillers for correction of dynamic facial wrinkles and folds, and the HintMD fintech platform (the "HintMD platform"), which provides an integrated smart payment solution that supports aesthetic practice management, practice economics and practice loyalty. We have also partnered with Viatris Inc. (formerly Mylan N.V.) ("Viatris") to develop a biosimilar to the branded biologic product (onabotulinumtoxinA) marketed as BOTOX® ("an onabotulinumtoxinA biosimilar"), which would compete in the existing short-acting neuromodulator marketplace. We are dedicated to making a difference by transforming patient experiences.

On July 23, 2020, we completed the acquisition of all of the issued and outstanding shares of Hint, Inc. (d/b/a HintMD) (the "HintMD Acquisition"), and HintMD became a wholly owned subsidiary of Revance. The HintMD platform provides a seamless, simple and smart payment solution that enables medical aesthetic practices to improve practice management and economics and foster loyalty with customers, which completes the value chain of our aesthetics portfolio and aligns with our goal to improve outcomes for patients and practices. The HintMD Acquisition leverages our existing and planned commercial infrastructure, and, we believe this financial technology service offering will enable us to grow our U.S. aesthetics business.

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 DaxibotulinumtoxinA for Injection, DaxibotulinumtoxinA Topical, the onabotulinumtoxinA biosimilar, and the commercial launch of our products and services. We have incurred losses and negative cash flows from operations. We have not generated substantial revenue to date, and will continue to incur significant research and development, sales and marketing, and other expenses related to our ongoing operations.

For the three months ended March 31, 2021, we had a net loss of $71.6 million. As of March 31, 2021, we had a working capital surplus of $355.6 million and an accumulated deficit of $1.2 billion. In recent years, we have funded our operations primarily through the sale of common stock, convertible senior notes, and payments received from collaboration arrangements. As of March 31, 2021, we had capital resources of $386.8 million consisting of cash, cash equivalents, and short-term investments. We believe that our existing capital resources will fund our operating plan through at least the next 12 months following the issuance of this Report, and we may identify additional capital resources to fund our operations.

### 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.

**REVANCE THERAPEUTICS, INC.**

**Notes to Condensed Consolidated Financial Statements — (Continued)**

**(Unaudited)**

Our condensed consolidated balance sheet for the year ended December 31, 2020 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, 2020, which was filed with the Securities and Exchange Commission (the "SEC"), on February 25, 2021.

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.

**Use of Estimates**

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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Such estimates include, but are not limited to, the fair value of assets and liabilities assumed in business combinations, incremental borrowing rate used to measure operating lease liabilities, the recoverability of goodwill and long-lived assets, useful lives associated with property and equipment and intangible assets, period of benefit associated with deferred costs, useful lives of customer contracts, 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 including clinical trial costs, valuation and assumptions underlying stock-based compensation and other equity instruments, fair value of derivative liability, fair value of the liability component of the convertible senior notes, allocation of purchase consideration in asset acquisitions, and income taxes.

The ongoing COVID-19 pandemic has caused a global slowdown of economic activity which has negatively impacted consumer spending, including with respect to our current and potential customers, while also disrupting sales channels and marketing activities. In November 2020, the FDA deferred a decision on the biologics license application ("BLA") for DaxibotulinumtoxinA for Injection for the treatment of moderate to severe glabellar (frown) lines. The FDA reiterated that an inspection of our manufacturing facility is required as part of the BLA approval process, but the FDA was unable to conduct the required inspection of our manufacturing facility in Newark, California, due to the FDA's travel restrictions associated with the COVID-19 pandemic. We are unable to predict the future impact of the COVID-19 pandemic on the FDA inspection required for the approval of DaxibotulinumtoxinA for Injection for the treatment of glabellar lines, the progress of clinical trials, supplies and sales of the RHA® Collection of dermal fillers, demand for our products and other aspects of our operations. 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.

**Recently Adopted Accounting Pronouncement**

In August 2020, the Financial Accounting Standards Board issued ASU 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*. The amendments in ASU 2020-06 simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts in an entity's own equity. Among other changes, ASU 2020-06 simplifies the accounting for convertible debt instruments by removing certain requirements to separately account for conversion options embedded in debt instruments that are not required to be accounted for as derivative instruments. ASU 2020-06 also updates and improves the consistency of earnings per share calculations for convertible instruments. ASU 2020-06 is effective for fiscal years beginning after December 15, 2021, with early adoption permitted for fiscal years beginning after December 15, 2020, and can be adopted on either a fully retrospective or modified retrospective basis. On January 1, 2021, we adopted ASU 2020-06 using the modified retrospective method and the adoption did not have any impact for our consolidated balance sheets as of

December 31, 2020. As a result of the adoption, on January 1, 2021, we made certain adjustments on our consolidated balance sheets which consisted of an increase of $98.9 million in Convertible Senior Notes (the 2027 Notes as defined in Note 9), a decrease of $108.5 million in Additional Paid-in Capital and a decrease of $9.7 million in Accumulated Deficit. Additionally, from January 1, 2021, we will no longer incur non-cash interest expense for the amortization of debt discount after adoption, therefore the interest expense for the 2027 Notes, which is included in the Interest Expense on the condensed consolidated statements of operations and comprehensive loss, will be lower comparing to fiscal year 2020.

**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 financial position or results of operations.

**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 13). The following tables present our revenues disaggregated by the timing of transfer of goods or services:

| | Three Months Ended March 31, 2021 | | | |
|---|---|---|---|---|
| (in thousands) | Product Revenue | Collaboration Revenue | Service Revenue | Total |
| Timing of revenue recognition: | | | | |
| Transferred at a point in time | $ 11,647 | $ — | $ — | $ 11,647 |
| Transferred over time | — | 1,511 | 141 | 1,652 |
| Total | $ 11,647 | $ 1,511 | $ 141 | $ 13,299 |

For the three months ended March 31, 2020, we had no product or service revenue, and our collaboration revenue of $58 thousand was transferred over time.

**Product Revenue**

For the three months ended March 31, 2021, all product revenue was generated from the sale of the RHA® Collection of dermal fillers.

**Collaboration Revenue**

***Viatris Collaboration and License Agreement***

*Agreement Terms*

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

Viatris has paid us an aggregate of $60 million in non-refundable fees as of March 31, 2021, 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.

*Revenue Recognition*

We re-evaluate the transaction price at each reporting period. We estimated the transaction price for the Viatris 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 Viatris. Other than the upfront payment, all other milestones and consideration we may earn under the Viatris Collaboration are subject to uncertainties related to development achievements, Viatris' rights to terminate the agreement, and estimated effort for cost-sharing payments. Components of such estimated effort for cost-sharing payments include both internal and external costs. Consequently, the transaction price does not include any milestones and considerations that, if included, could result in a probable significant reversal of revenue when related uncertainties become resolved. Sales-based milestones and royalties are not included in the transaction price until the sales occur because the underlying value relates to the license and the license is the predominant feature in the Viatris Collaboration. As of March 31, 2021, the transaction price allocated to the unfulfilled performance obligations was $102.7 million.

We recognize revenue and estimate deferred revenue based on the cost of development service incurred over the total estimated cost of development service to be provided for the development period. For revenue recognition purposes, the development period is estimated to continue through 2025. It is possible that this period will change and is assessed at each reporting date.

For the three months ended March 31, 2021 and 2020, we recognized revenue related to development services of $1.5 million and $0.1 million, respectively. As of March 31, 2021 and December 31, 2020, we estimated short-term deferred revenue of $9.0 million and $7.9 million, respectively; and long-term deferred revenue of $44.0 million and $46.3 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 our proprietary DaxibotulinumtoxinA for Injection in mainland China, Hong Kong and Macau (the "Fosun Territory") and certain sublicense rights.

Fosun has paid us non-refundable upfront and other payments totaling $31.0 million before foreign withholding taxes. We are also eligible to receive (i) additional remaining contingent payments of up to $229.5 million upon the achievement of certain milestones based on (a) the approval of BLAs for certain aesthetic and therapeutic indications and (b) 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.

*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 March 31, 2021, the transaction price allocated to unfulfilled performance obligation was $31.0 million.

For the three months ended March 31, 2021 and 2020, no revenue was recognized from the Fosun License Agreement. Substantially all payments received to date were included in long-term deferred revenue as of March 31, 2021 and December 31, 2020.

**REVANCE THERAPEUTICS, INC.**

**Notes to Condensed Consolidated Financial Statements — (Continued)**

**(Unaudited)**

**Service Revenue**

Following the HintMD Acquisition in July 2020, we began to offer customer payment processing and certain value-added services through our HintMD platform to aesthetic practices. Revenue related to the payment processing service is recognized at a point in time, whereas revenue related to the value-added services is recognized over time.

**3. Cash Equivalents and Short-Term Investments**

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

| | March 31, 2021 | | December 31, 2020 | |
|---|---|---|---|---|
| **in thousands** | **Cost** | **Fair Value** | **Cost** | **Fair Value** |
| Money market funds | $ 243,266 | $ 243,266 | $ 267,130 | $ 267,130 |
| Commercial paper | 137,386 | 137,386 | 113,446 | 113,446 |
| Total cash equivalents and available-for-sale securities | $ 380,652 | $ 380,652 | $ 380,576 | $ 380,576 |
| | | | | |
| Classified as: | | | | |
| Cash equivalents | | $ 243,266 | | $ 277,629 |
| Short-term investments | | 137,386 | | 102,947 |
| Total cash equivalents and available-for-sale securities | | $ 380,652 | | $ 380,576 |

As of March 31, 2021 and December 31, 2020, 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.

**4. Intangible Assets, net**

The following table sets forth the intangible assets and the remaining useful lives for the intangible assets:

| | March 31, 2021 | | | | December 31, 2020 | | | |
|---|---|---|---|---|---|---|---|---|
| **(in thousands, except for in years)** | **Remaining Useful Lives (in years)** | **Gross Carrying Amount** | **Accumulated Amortization** | **Net Carrying Amount** | **Remaining Useful Lives (in years)** | **Gross Carrying Amount** | **Accumulated Amortization** | **Net Carrying Amount** |
| Distribution rights | 3.2 | $ 32,334 | $ (6,736) | $ 25,598 | 3.4 | $ 32,334 | $ (4,715) | $ 27,619 |
| Developed technology | 5.3 | 19,600 | (2,178) | 17,422 | 5.6 | 19,600 | (1,362) | 18,238 |
| In-process research and development [1] | N/A | 16,200 | — | 16,200 | N/A | 16,200 | — | 16,200 |
| Customer relationships | 3.3 | 10,300 | (1,717) | 8,583 | 3.6 | 10,300 | (1,072) | 9,228 |
| Tradename | 0.3 | 100 | (66) | 34 | 0.6 | 100 | (42) | 58 |
| Total intangible assets | | $ 78,534 | $ (10,697) | $ 67,837 | | $ 78,534 | $ (7,191) | $ 71,343 |

(1) In-process research and development relates to the research and development of payment facilitator technology to facilitate the processing of customer payments. As of March 31, 2021, no amortization expense has been recorded as the assets have not yet been completed and placed into service. Upon completion of the associated research and development activities, the assets' useful lives will be determined. Prior to completion of certain research and development activities, these intangible assets will be subject to annual impairment tests, or more frequent tests in the event of any impairment indicators occurring. These impairment tests require significant judgment regarding the status of the research activities, the potential for future revenues to be derived from any products that may result from those activities, and other factors.

For the three months ended March 31, 2021, the aggregate amortization expense of intangible assets was $3.5 million, of which $2.8 million was recorded to “Amortization” in the condensed consolidated statement of operations and comprehensive loss and it was related to the amortization of Distribution rights and Developed technology, the remaining

$0.7 million was recorded to “Selling, general and administrative” in the condensed consolidated statement of operations and comprehensive loss. No amortization expense of intangible assets was recorded for the three months ended March 31, 2020.

Based on the amount of intangible assets subject to amortization as of March 31, 2021, the estimated amortization expense for each of the next five fiscal years and thereafter was as follows:

| Year Ending December 31, | (in thousands) |
|---|---|
| 2021 remaining nine months | $ 10,477 |
| 2022 | 13,925 |
| 2023 | 13,925 |
| 2024 | 8,137 |
| 2025 | 3,267 |
| 2026 and thereafter | 1,906 |
| Total | $ 51,637 |

**5. Inventories**

As of March 31, 2021 and December 31, 2020, we had inventories of $5.6 million and $5.9 million, respectively, which were finished goods from purchased RHA® Collection of dermal fillers.

**6. Balance Sheet Components**

**Accruals and Other Current Liabilities**

Accruals and other current liabilities consist of the following:

| (in thousands) | March 31, 2021 | December 31, 2020 |
|---|---|---|
| Accruals related to: | | |
| Compensation | $ 13,940 | $ 17,374 |
| General expenses | 6,052 | 5,683 |
| Clinical trials | 3,052 | 3,726 |
| Interest expense | 629 | 1,887 |
| Inventories | 215 | 1,796 |
| Other current liabilities | 2,213 | 1,472 |
| Nonrecurring milestone payment | 1,000 | 1,000 |
| Total | $ 27,101 | $ 32,938 |

**Property and Equipment, net**

Property and equipment, net consists of the following:

| (in thousands) | March 31, 2021 | December 31, 2020 |
|---|---|---|
| Manufacturing equipment | $ 19,937 | $ 19,810 |
| Leasehold improvements | 5,978 | 5,972 |
| Platform software [1] | 5,369 | 3,388 |
| Other construction in progress | 3,210 | 1,539 |
| Computer software | 2,972 | 2,972 |
| Computer equipment | 1,909 | 1,768 |
| Furniture and fixtures | 1,616 | 1,541 |
| Total property and equipment | 40,991 | 36,990 |
| Less: Accumulated depreciation and amortization | (20,225) | (19,491) |
| Property and equipment, net | $ 20,766 | $ 17,499 |

(1) The platform software was not placed in service as of both March 31, 2021 and December 31, 2020.

**7. Derivative Liability**

In 2012, we entered into a settlement agreement in which we are obligated to pay $4.0 million upon achieving regulatory approval for DaxibotulinumtoxinA for Injection or DaxibotulinumtoxinA Topical. We determined that such payment was a derivative instrument that requires fair value accounting as a liability and periodic fair value remeasurements until settled. 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.

As of March 31, 2021, the fair value of the derivative liability was $3.1 million, which was measured using a term of 0.3 years based on an expected BLA approval in 2021, a risk-free rate of 0.03% and a credit risk adjustment of 7.5%. As of December 31, 2020, the fair value of the derivative liability was $3.1 million, which was measured using a term of 0.5 years based on an expected BLA approval in 2021, a risk-free rate of 0.1% and a credit risk adjustment of 7.5%.

**8. Leases**

We have non-cancelable operating leases for facilities related to research, manufacturing, and administrative functions, and equipment operating leases. As of March 31, 2021, the weighted average remaining lease term is 5.8 years. The monthly payments for the facility leases escalate over the facility lease terms with the exception of a decrease in payments at the beginning of 2022. We have options to extend certain facility operating leases for up to 14 years. Our lease contracts do not contain termination options, residual value guarantees or restrictive covenants.

The operating lease costs are summarized as follows:

| (in thousands) | Three Months Ended March 31, 2021 | 2020 |
|---|---|---|
| Operating lease cost | $ 1,704 | $ 1,425 |
| Variable lease cost [1] | 283 | 77 |
| Total operating lease costs | $ 1,987 | $ 1,502 |

(1) 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 March 31, 2021, maturities of our operating lease liabilities are as follows:

| Year Ending December 31, | (in thousands) |
|---|---|
| 2021 remaining nine months | $ 5,888 |
| 2022 | 6,613 |
| 2023 | 6,741 |
| 2024 | 6,952 |
| 2025 | 7,165 |
| 2026 and thereafter | 8,003 |
| Total operating lease payments | 41,362 |
| Less imputed interest (1) | (10,689) |
| Present value of operating lease payments | $ 30,673 |

(1) Our lease contracts do not provide a readily determinable implicit rate. The imputed interest was based on a weighted average discount rate of 11.4%, which represents the estimated incremental borrowing based on the information available at the adoption or commencement dates.

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

| | Three Months Ended March 31, | |
|---|---|---|
| (in thousands) | 2021 | 2020 |
| Cash paid for amounts included in the measurement of operating lease liabilities | $ 1,761 | $ 1,677 |

**Leases Not Yet Commenced**

In November 2020, we entered into a non-cancelable operating lease for an office space in Nashville, Tennessee. The arrangement also provides a temporary space that does not qualify as a lease. As of March 31, 2021, the accounting commencement date of the primary office lease had not occurred and is expected to take place when the office space is made available to us after the completion of certain improvement work, which is expected in June 2021. The lease has a term of 150 months from the commencement date defined in the lease. We have an option to extend the lease for one seven-year term. The monthly base rent payments for the lease escalate over the term. The total undiscounted base rent payments determinable are $22.9 million.

In December 2020, we entered into Amendment No.1 to 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”) (the “ABPS Amendment”). The ABPS Amendment contains a lease related to a dedicated fill-and finish-line for the manufacturing of DaxibotulinumtoxinA for Injection. The arrangements with ABPS contain a lease because it has an identified asset that is 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) 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. The embedded lease has not yet commenced as of March 31, 2021. The commencement and recognition of the right-of-use lease asset and lease liabilities related this embedded lease will take place when we have substantively obtained the right of control, which is expected to be in January 2022.

**REVANCE THERAPEUTICS, INC.**

**Notes to Condensed Consolidated Financial Statements — (Continued)**

**(Unaudited)**

**9. Convertible Senior Notes**

On February 14, 2020, we issued $287.5 million aggregate principle amount of convertible senior notes that are due in 2027 (the "2027 Notes") pursuant to an indenture, dated February 14, 2020, between Revance 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, if approved, DaxibotulinumtoxinA for Injection for glabellar lines, 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 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.

Prior to adoption of ASU 2020-06 on January 1, 2021 (Note 1), we separated the 2027 Notes into liability and equity components. The carrying amount of the liability component was $175.4 million, which was calculated by using a discount rate of 9.5%, which was estimated to be our borrowing rate on the issuance date for a similar debt instrument without the conversion feature. The carrying amount of the equity component was $112.1 million, which represents the conversion option, and was determined by deducting the fair value of the liability component from the par value of the 2027 Notes. The

equity component of the 2027 Notes is included in additional paid-in capital in the condensed consolidated balance sheets and will not be subsequently remeasured as long as it continues to meet the conditions for equity classification. The difference between the principal amount of the 2027 Notes and the liability component (the "debt discount") is amortized to interest expense in the condensed consolidated statements of operations and comprehensive loss using the effective interest method over the term of the 2027 Notes.

Total transaction costs for the issuance of the 2027 Notes were $9.2 million, consisting of the initial purchasers' discount, commissions, and other issuance costs. Prior to adoption of ASU 2020-06 we allocated the total transaction costs proportionally to the liability and equity components. The transaction costs attributed to the liability component were $5.6 million, which were recorded as debt issuance costs (presented as contra debt in our condensed consolidated balance sheets) and are amortized to interest expense in the condensed consolidated statements of operations and comprehensive loss over the term of the 2027 Notes. The transaction costs attributed to the equity component were $3.6 million, which were included in additional paid-in capital.

As a result of the early adoption of ASU 2020-06 (Note 1), we reclassified the equity component associated with the 2027 Notes principle and transaction costs from the additional paid-in capital to the convertible senior notes on the condensed consolidated balance sheet. Debt discount was eliminated and the adjustment to the interest expenses was recorded in the accumulated deficit on the condensed consolidated balance sheets.

Interest expense relating to the 2027 Notes in the condensed consolidated statements of operations and comprehensive loss are summarized as follows:

| | Three Months Ended | |
|---|---|---|
| **(in thousands)** | **March 31, 2021** | **March 31, 2020** |
| Contractual interest expense | $ 1,258 | $ 643 |
| Amortization of debt issuance costs | 310 | 44 |
| Amortization of debt discount [(1)] | — | 1,461 |
| Total interest expense | $ 1,568 | $ 2,148 |

(1) The effective interest rate on the liability component of the 2027 Notes was 9.5% for the year ended December 31, 2020, which remained unchanged from the issuance date. As of December 31, 2020, the unamortized debt discount was $101.7 million and will be amortized over 6.1 years. Due to the adoption of ASU 2020-06 (Note 1), debt discount was eliminated on January 1, 2021 therefore we no longer amortize debt discount.

As of March 31, 2021 and December 31, 2020, the convertible senior notes on the condensed consolidated balance sheet represented the carrying amount of the liability component of the 2027 Notes, net of unamortized debt discounts and debt issuance costs (as applicable), which are summarized as follows:

| **(in thousands)** | **March 31, 2021** | **December 31, 2020** |
|---|---|---|
| 2027 Notes | $ 287,500 | $ 287,500 |
| Less: Unamortized debt issuance costs | (7,806) | (5,275) |
| Less: Unamortized debt discount | — | (101,699) |
| Carrying amount of 2027 Notes | $ 279,694 | $ 180,526 |

**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 March 31, 2021 and December 31, 2020, we had not purchased any shares under the capped call transactions.

**10. Stockholders' Equity and Stock-Based Compensation**

***2014 Equity Incentive Plan (the "2014 EIP")***

On January 1, 2021, the number of shares of common stock reserved for issuance under the 2014 EIP increased by 2,767,146 shares. For the three months ended March 31, 2021, 501,982 stock options and 932,827 restricted stock awards, including 234,350 performance stock awards, were granted under the 2014 EIP. As of March 31, 2021, 2,492,257 shares were available for issuance under the 2014 EIP.

***2014 Inducement Plan (the "2014 IN")***

For the three months ended March 31, 2021, 104,090 restricted stock awards were granted under the 2014 IN. As of March 31, 2021, 485,425 shares were available for issuance under the 2014 IN.

***HintMD Plan***

On July 23, 2020, in connection with the HintMD Acquisition, we registered 1,260,946 shares under the Hint, Inc. 2017 Equity Incentive Plan (the "HintMD Plan"). For the three months ended March 31, 2021, no stock options and no restricted stock awards were granted under the HintMD Plan. As of March 31, 2021, 427,313 shares were available for issuance under the HintMD Plan.

***2014 Employee Stock Purchase Plan (the "2014 ESPP")***

On January 1, 2021, the number of shares of common stock reserved for issuance under the 2014 ESPP increased by 300,000 shares. As of March 31, 2021, 1,909,800 shares were available for issuance under the 2014 ESPP.

**Net Loss per Share**

Our basic net loss per share is calculated by dividing the net loss by the weighted average number of shares of common stock outstanding for the period, 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, underlying shares of convertible senior notes at the initial conversion price, outstanding stock options, outstanding common stock warrants, unvested restricted stock awards and performance stock awards, 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 as below:

| | March 31, | |
|---|---|---|
| | 2021 | 2020 |
| Convertible senior notes | 8,878,938 | 8,878,938 |
| Outstanding common stock options | 5,004,596 | 5,305,185 |
| Unvested restricted stock awards and performance stock awards | 4,083,686 | 2,799,982 |
| Shares of common stock expected to be purchased on June 30 under the 2014 ESPP | 100,769 | 49,861 |

**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 2020 ATM Agreement, we may offer and sell, from time to time, through Cowen, shares of our common stock, par value $0.001 per share, having an aggregate offering price of up to $125 million. We are not obligated to sell any shares under the 2020 ATM Agreement. Subject to the terms and conditions of the 2020 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% of the aggregate gross proceeds from each sale of shares, reimburse legal fees and disbursements and provide Cowen with customary indemnification and contribution rights. The 2020 ATM Agreement may be terminated by Cowen or us at any time upon notice to the other party, or by Cowen at any time in certain circumstances, including the occurrence of a material and adverse change in our business or financial condition that makes it impractical or inadvisable to market the shares or to enforce contracts for the sale of the shares.

For the three months ended March 31, 2021, we sold 761,526 shares of common stock under the 2020 ATM Agreement at a weighted average price of $29.09 per share resulting in net proceeds of $21.7 million after sales agent commissions and offering costs. No shares of common stock were sold under the 2020 ATM Agreement after the filing of our 2020 Form 10-K dated February 25, 2021. As of March 31, 2021, we had $32.6 million available under the 2020 ATM Agreement. For the year ended December 31, 2020, we sold 2,585,628 shares of common stock under the 2020 ATM Agreement at a weighted average price of $27.18 per share resulting in net proceeds of $68.2 million after sales agent commissions and offering costs.

**Stock-based Compensation**

Stock-based compensation expense was allocated as follows:

| | Three Months Ended March 31, | |
|---|---|---|
| (in thousands) | 2021 | 2020 |
| Selling, general and administrative | $ 7,281 | $ 4,102 |
| Research and development | 3,326 | 2,442 |
| Total stock-based compensation | $ 10,607 | $ 6,544 |

REVANCE THERAPEUTICS, INC.

Notes to Condensed Consolidated Financial Statements — (Continued)

(Unaudited)

## 11. 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.

| | March 31, 2021 | | | |
|---|---|---|---|---|
| (in thousands) | Fair Value | Level 1 | Level 2 | Level 3 |
| **Assets** | | | | |
| Money market funds | $ 243,266 | $ 243,266 | $ — | $ — |
| Commercial paper | 137,386 | — | 137,386 | — |
| Total assets measured at fair value | $ 380,652 | $ 243,266 | $ 137,386 | $ — |
| | | | | |
| **Liabilities** | | | | |
| Derivative liability | $ 3,140 | $ — | $ — | $ 3,140 |
| Total liabilities measured at fair value | $ 3,140 | $ — | $ — | $ 3,140 |

| | December 31, 2020 | | | |
|---|---|---|---|---|
| (in thousands) | Fair Value | Level 1 | Level 2 | Level 3 |
| **Assets** | | | | |
| Money market funds | $ 267,130 | $ 267,130 | $ — | $ — |
| Commercial paper | 113,446 | — | 113,446 | — |
| Total assets measured at fair value | $ 380,576 | $ 267,130 | $ 113,446 | $ — |
| | | | | |
| **Liabilities** | | | | |
| Derivative liability | $ 3,081 | $ — | $ — | $ 3,081 |
| Total liabilities measured at fair value | $ 3,081 | $ — | $ — | $ 3,081 |

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

The 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, 2020 | $ 3,081 |
| Change in fair value | 59 |
| Fair value as of March 31, 2021 | $ 3,140 |

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 (Note 7). 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.

The fair value of the 2027 Notes (Note 9) 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 for disclosure purposes only. As of March 31, 2021, and December 31, 2020 the fair value of the 2027 Notes was $325.9 million and $326.2 million, respectively.

## 12. Commitments and Contingencies

### Teoxane Agreement

We entered into an exclusive distribution agreement (the "Teoxane Agreement") with Teoxane SA ("Teoxane") in January 2020, pursuant to which Teoxane granted us the exclusive right to import, market, promote, sell and distribute Teoxane's line of RHA® dermal fillers 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.

### Other Purchase Commitments

Under the ABPS Amendment, we are subject to minimum purchase obligations to ABPS of $8.0 million for the year ending in December 31, 2021, and $30.0 million for each of the years ending December 31, 2022, 2023 and 2024. Each party has the right to terminate the ABPS Amendment, without cause, with an 18-month written notice to the other party.

In December 2020, we renewed and entered into a supply agreement with Bachem Americas, Inc. ("Bachem") under which Bachem will supply us peptide raw materials based on the price set in the agreement and in accordance with certain specifications. The initial term of the supply agreement is three years, with automatic renewal for one year unless either company provides written notice 90 days before the end of initial term. We are subject to the minimum order amount of $3.3 million during the term of the supply agreement and additional $1.2 million for the one-year renewal term.

### Other Contingencies

We are obligated to make a $2.0 million milestone payment to a developer of botulinum toxin, List Biological Laboratories, Inc. ("List Laboratories") upon achievement of a certain regulatory milestone. As of March 31, 2021, the milestone had not been achieved. We are also obligated to pay royalties to List Laboratories on future sales of botulinum toxin products.

We entered into an asset purchase agreement with Botulinum Toxin Research Associates, Inc. ("BTRX"), under which we are obligated to pay up to $16.0 million to BTRX upon the satisfaction of milestones relating to our product revenue, intellectual property, and clinical and regulatory events. As of March 31, 2021, a one-time intellectual property development milestone liability of $1.0 million has been recorded in accruals on our condensed consolidated balance sheets.

### 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 these indemnification agreements is not determinable because it involves claims that may be made against us in the future but have not been made. We have not incurred costs to defend lawsuits or settle claims related to these 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 three months ended March 31, 2021, no amounts associated with the indemnification agreements have been recorded.

**13. Segment Information**

**Reportable Segments**

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

As a result of the HintMD Acquisition in July 2020, we now 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 chief operating decision maker (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 and development of innovative aesthetic and therapeutic products, including DaxibotulinumtoxinA for Injection for various indications, the U.S. distribution of the RHA® Collection of dermal fillers, and the onabotulinumtoxinA biosimilar program in partnership with Viatris. Both product and collaboration revenues and related expenses are included in Product Segment.

***Service Segment***

Our Service Segment refers to the business of payment facilitation, integrated smart payment, subscription and other value-added services through our HintMD fintech platform.

Corporate and other expenses include operating expense related to general and administrative expenses, depreciation and amortization, stock-based compensation, and in-process research and development that are not used in evaluating the results of, or in allocating resources to, our segments. There was no inter-segment revenue for the three months ended March 31, 2021 and 2020.

**Reconciliation of Segment Revenue to Consolidated Revenue**

| | Three Months Ended March 31, | |
|---|---|---|
| **(in thousands)** | **2021** | **2020** |
| **Revenue:** | | |
| Product Segment | $ 13,158 | $ 58 |
| Service Segment | 141 | — |
| Total revenue | $ 13,299 | $ 58 |

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

| (in thousands) | Three Months Ended March 31, 2021 | 2020 |
|---|---|---|
| **Loss from operations:** | | |
| Product Segment | $ (37,285) | $ (44,467) |
| Service Segment | (3,975) | — |
| Corporate and other expenses | (28,752) | (16,493) |
| Total loss from operations | $ (70,012) | $ (60,960) |

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

**14. Subsequent Event**

**LSNE Supply Agreement**

In April 2021, we and Lyophilization Services of New England, Inc., a contract development and manufacturing services organization ("LSNE"), entered into a commercial supply agreement (the "LSNE Agreement") pursuant to which LSNE would serve as a non-exclusive manufacturer and supplier of our anticipated products currently under development (the "Products").

The LSNE Agreement provides us with an additional source of manufacturing to support clinical development and commercialization of the Products to potentially mitigate supply chain risk. Pursuant to the LSNE Agreement, we will be responsible for an estimated $28.0 million in costs associated with the design, equipment procurement and validation and facilities-related costs, which would be paid in accordance with a payment schedule based on the completion of specified milestones.

The initial term of the LSNE Agreement is dependent upon the date of regulatory submission for the applicable Product and may be sooner terminated by either party in accordance with the terms of the LSNE Agreement. The term of the LSNE Agreement may also be extended by mutual agreement of the parties. The LSNE Agreement also sets forth, among other things, our purchase requirements, pricing and payment information, deliverables, timelines, milestones, payment schedules, manufacturing facility obligations and development of a drug manufacturing process. The parties would also enter into quality agreements and other supplements which detail the process and product specifications for the applicable Product.

We are currently evaluating the accounting for the LSNE Agreement.

## 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, 2020, filed with the SEC on February 25, 2021.

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 Quarterly Report on Form 10-Q (this "Report") and the documents incorporated by reference herein, including statements regarding our future financial condition, 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, market demand, conditions and trends relevant to our business, milestone expectations, and expected cash runway; our future responses to and the effects of the COVID-19 pandemic; ability to obtain, and the timing relating to, regulatory submissions, meetings and approvals with respect to our drug product candidates, including with respect to the anticipated approval of DaxibotulinumtoxinA for Injection for the treatment of glabellar lines and RHA® 1; the timing and outcome of the U.S. Food and Drug Administration's (the "FDA") inspection of the Company's Northern California manufacturing facility; our ability to integrate, expand and achieve the anticipated benefits of the HintMD platform; the timing of the release of, and our expectations regarding, the next generation HintMD fintech platform, including its profitability; the process of, and ability to complete, the current and anticipated future clinical development of our product candidates including the outcome of such clinical studies and trials; development of an onabotulinumtoxinA biosimilar, which would compete in the existing short-acting neuromodulator marketplace; our ability to effectively and reliably manufacture supplies of DaxibotulinumtoxinA for Injection; our business strategy; our ability to build our own sales and marketing capabilities; our plans and prospects, including our commercialization plans and ability to commercialize Teoxane SA's ("Teoxane") line of Resilient Hyaluronic Acid® dermal fillers and DaxibotulinumtoxinA for Injection; and the potential benefits of our drug product candidates and our technologies 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 the section titled "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 the document containing the applicable statement. 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 is substantially dependent on the clinical and commercial success of our product candidate, DaxibotulinumtoxinA for Injection, and 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 (collectively, the "RHA® Collection of dermal fillers"); RHA® 1, for which FDA approval is targeted for the second half of 2021 for the treatment of perioral rhytids (lip lines), and is currently in ongoing clinical trials; and future

hyaluronic acid filler advancements and products by Teoxane (collectively the "RHA® Pipeline Products"). Our ability to finance our business and generate revenue depends on the successful development, regulatory approval and commercialization of these product candidates, an onabotulinumtoxinA biosimilar or any future product candidates. If we experience delays 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.

- We may be unable to obtain regulatory approval for DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar or future product candidates in a timely manner or at all.

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

- The current COVID-19 pandemic has and may continue to adversely affect our product 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. The FDA deferred its decision on the Biologics License Application ("BLA") for DaxibotulinumtoxinA for Injection for the treatment of glabellar lines on November 24, 2020 because it was unable to conduct the required inspection of our manufacturing facility due to FDA travel restrictions associated with the COVID-19 pandemic. 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.

- 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 if our product candidates are approved. This increases the risk that we will not have sufficient quantities of our product candidates or be able to obtain such quantities at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts.

- 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.

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

- DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar, 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 and our operating results and financial condition would be adversely affected.

- Our product candidates and the RHA® Pipeline Products 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 FDA and other regulatory authorities. Our failure to effectively compete may prevent us from achieving significant market penetration and expansion.

- If our competitors develop and market products that are safer, more effective or more convenient or less expensive than DaxibotulinumtoxinA for Injection, the RHA® Pipeline Products, an onabotulinumtoxinA biosimilar or any other future product candidates, if approved, our commercial opportunity could be reduced or eliminated.

- As we evolve from a company primarily involved in research and development and commercialization of aesthetic products in the U.S. to a company involved in the commercialization of aesthetic and therapeutic products domestically and internationally, we will need to maintain and expand sales, marketing, managerial and/or operational capabilities on our own or through third parties, and we may be unable to do so successfully.

- We use third-party collaborators, including Viatris Inc. (formerly Mylan N.V.) ("Viatris"), 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 such product candidates could be impaired or delayed if these collaborations are unsuccessful.

- 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.

- We have incurred significant losses since our inception and we anticipate that these losses will continue for the foreseeable future as we continue our development of, seek regulatory approval for and begin to commercialize DaxibotulinumtoxinA for Injection and continue to commercialize the RHA® Collection of dermal fillers and the HintMD platform. 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.

- We moved our global headquarters from Newark, California, to Nashville, Tennessee on January 1, 2021. In connection with this relocation, we could experience unexpected costs or business disruption and diversion of management attention, which could negatively impact our business operations and result in additional costs.

- We may require substantial additional financing 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, commercialization and sales efforts, and other operations.

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

- If our efforts to protect our intellectual property related to DaxibotulinumtoxinA for Injection, the RHA® Pipeline Products, any future product candidates, including onabotulinumtoxinA biosimilar, or the HintMD platform are not adequate, we may not be able to compete effectively. Additionally, we may become involved in lawsuits to protect or enforce our patents or other intellectual property or the patents of our licensors, which could be expensive and time-consuming.

- If product liability 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.

**Overview**

Revance is a biotechnology company focused on innovative aesthetic and therapeutic offerings, including its next-generation neuromodulator product, DaxibotulinumtoxinA for Injection. DaxibotulinumtoxinA for Injection combines a proprietary stabilizing peptide excipient with a highly purified botulinum toxin that does not contain human or animal-based components. We have successfully completed a Phase 3 program for DaxibotulinumtoxinA for Injection in glabellar (frown) lines and are pursuing U.S. regulatory approval. We are also evaluating DaxibotulinumtoxinA for Injection in the full upper face, including glabellar lines, forehead lines and crow's feet, as well as in two therapeutic indications—cervical dystonia and adult upper limb spasticity. To accompany DaxibotulinumtoxinA for Injection, we own a unique portfolio of premium products and services for U.S. aesthetics practices, including the exclusive U.S. distribution rights to Teoxane SA's line of RHA® Collection of dermal fillers, the first and only range of the FDA-approved fillers for correction of dynamic facial wrinkles and folds, and HintMD platform, which provides an integrated smart payment solution that supports aesthetic practice management, practice economics and practice loyalty. We have also partnered with Viatris to develop an onabotulinumtoxinA biosimilar, which would compete in the existing short-acting neuromodulator marketplace. We are dedicated to making a difference by transforming patient experiences.

**Impact of the COVID-19 Pandemic on Our Operations**

The COVID-19 pandemic caused general business disruption worldwide beginning in January 2020. The health and safety of our team, their families and our communities remain our top priority. In response to the COVID-19 pandemic, we curtailed employee travel and implemented a corporate work-from-home policy in March 2020. We continue to monitor the situation and have gradually resumed essential on-site corporate operations in accordance with local and regional restrictions. We have adopted remote working tools to minimize the disruption to the achievement of our goals and objectives for employees whose job duties do not require physical presence to complete their work. Certain manufacturing, quality and laboratory-based employees have continued to work onsite, and certain employees with customer-facing roles are onsite for training and interfacing in-person with customers in connection with the product launch of the RHA® Collection of dermal fillers. 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 clinical trials and sales activities.

The COVID-19 pandemic has and may continue to negatively affect our ability to obtain approval of product candidates from the FDA or other regulatory authorities, supply chain, end user demand for our products and commercialization activities. In November 2020, the FDA deferred a decision on the BLA for DaxibotulinumtoxinA for Injection for the treatment of moderate to severe glabellar (frown) lines. The FDA reiterated that an inspection of our manufacturing facility is required as part of the BLA approval process, but the FDA was 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. The FDA did not indicate there were any other review issues at the time beyond the on-site inspection.

In addition, the product supply of the RHA® Collection of dermal fillers was delayed by distribution partner Teoxane as they temporarily suspended production in Geneva, Switzerland as a precaution surrounding 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. In addition, port closures and other restrictions resulting from the COVID-19 pandemic may disrupt our supply chain or limit our ability to obtain sufficient materials for the production of our products. We have taken steps to build sufficient levels of inventory to help mitigate potential future supply chain disruptions.

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 our current and future clinical trials. 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 the 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 to date. We released topline results from the Phase 2 study in February 2021, which informed our dosing strategy for the Phase 3 program.

To ensure proper clinical trial coordination and completion, in line with the FDA-issued guidance of March 18, 2020 on the Conduct of Clinical Trials of Medical Products during the COVID-19 pandemic, we have evaluated and implemented risk-based approaches for remote clinical trial monitoring and activities, including remote patient assessment, for those subjects who cannot physically visit clinic sites, to ensure the full completion of trials.

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 BLA, 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.

**HintMD Platform**

In July 2020, we completed the HintMD Acquisition, and HintMD became a wholly owned subsidiary of Revance. The HintMD platform provides a seamless, simple and smart payment solution that enables practices to improve practice management and economics and foster loyalty with customers, which completes the value chain of our aesthetics portfolio and aligns with our goal to improve outcomes for patients and practices. The next-generation HintMD platform, which is expected to launch in mid-2021, will operate as a fully integrated payment facilitator ("PayFac").

**Recent Developments**

***At-The-Market Offering***

For the three months ended March 31, 2021, we sold 761,526 shares of common stock under the 2020 ATM Agreement at a weighted average price of $29.09 per share resulting in net proceeds of $21.7 million after sales agent commissions and offering costs.

***RHA® Technology and Launch***

We launched the RHA® Collection of dermal fillers in 2020, and we recognized $11.6 million in product revenue and $4.2 million in cost of product revenue (exclusive of amortization) from the launch of the RHA® Collection of dermal fillers for the three months ended March 31, 2021.

***BLA Approval***

As discussed above, in November 2020, the FDA deferred a decision on the BLA for DaxibotulinumtoxinA for Injection for the treatment of moderate to severe glabellar lines due to its inability to conduct the required inspection of our manufacturing facility due to the FDA's travel restrictions associated with the COVID-19 pandemic. As of the date of this Report, the FDA has not scheduled or conducted the pre-approval inspection. We continue to work closely with the FDA to schedule an inspection as soon as possible and are building pre-commercial inventory of the drug product.

**Results of Operations**

As a result of the HintMD Acquisition in July 2020, we have two reportable segments: the Product Segment and the Service Segment. Our Product Segment refers to the business that includes the research and development of innovative aesthetic and therapeutic products, including DaxibotulinumtoxinA for Injection for various indications, the U.S. distribution of the RHA® Collection of dermal fillers, and the onabotulinumtoxinA biosimilar program in partnership with Viatris. Both product and collaboration revenues and related expenses are included in Product Segment. Our Service Segment refers to the business of the HintMD platform described previously.

***Revenue***

| | Three Months Ended March 31, | | |
|---|---|---|---|
| **(in thousands, except percentages)** | **2021** | **2020** | **Change** |
| Product revenue | $ 11,647 | $ — | N/M |
| Collaboration revenue | 1,511 | 58 | 2,505 % |
| Service revenue | 141 | — | N/M |
| Total revenue | $ 13,299 | $ 58 | 22,829 % |

N/M - Percentage not meaningful

*Product Revenue*

We generate product revenue from the sale of the RHA® Collection of dermal fillers in 2021. We had not generated any product revenue prior to the initial sale in June 2020.

For the three months ended March 31, 2021, we recognized $11.6 million in product revenue, which represented an increase of $1.6 million or 16% compared to the three months ended December 31, 2020, due to more products sold in the current quarter.

*Collaboration Revenue*

We are in the continuation phase of the onabotulinumtoxinA biosimilar program and are moving forward with characterization and product development work, followed by an anticipated filing of an Investigational New Drug Application with the FDA in 2022.

For the three months ended March 31, 2021, our collaboration revenue increased compared to the same period in 2020 due to increased development activities associated with the Viatris Collaboration.

*Service Revenue*

Our service revenue is generated from the HintMD platform, which earns revenues through payment processing fees net of costs and value-added services. We completed the HintMD Acquisition in July 2020. In our current platform service agreements, we generally recognize service revenue net of costs as an accounting agent. Revenue in new or revised future service offerings and arrangements may be presented differently subject to the accounting evaluation of control.

For the three months ended March 31, 2021, our overall payment processing transaction volume increased from the three months ended December 31, 2020; however, net service revenue decreased by $0.1 million or 33%. This net service revenue decrease was primarily due to the incentives provided to new customers onboarded to the HintMD platform during the current quarter.

***Operating Expenses***

| (in thousands, except percentages) | Three Months Ended March 31, 2021 | 2020 | Change |
|---|---|---|---|
| Operating expenses: | | | |
| Cost of product revenue (exclusive of amortization) | $ 4,217 | $ — | N/M |
| Cost of service revenue (exclusive of amortization) | — | — | N/M |
| Selling, general and administrative | 49,005 | 21,224 | 131 % |
| Research and development | 27,251 | 39,794 | (32)% |
| Amortization | 2,838 | — | N/M |
| Total operating expenses | $ 83,311 | $ 61,018 | 37 % |

N/M - Percentage not meaningful

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. We expect our operating expenses to increase in the near term as we continue to commercialize the RHA® Collection of dermal fillers in the U.S. and the next-generation HintMD platform, account for the full year impact of an expanded organization related to the HintMD Acquisition and the hiring of our sales force, and other actions taken to prepare for the commercialization of DaxibotulinumtoxinA for Injection for the treatment of glabellar lines if our BLA is approved in 2021. We also expect our operating expenses related to research and development to decrease as we complete existing clinical trials and associated programs related to DaxibotulinumtoxinA for Injection for certain indications, offset by future potential new indications and an onabotulinumtoxinA biosimilar.

***Cost of Product Revenue (exclusive of amortization)***

The costs of product revenue (exclusive of amortization) primarily consists of the cost of inventory and distribution expenses related to the RHA® Collection of dermal fillers. We did not incur costs of product revenue until the first delivery of the RHA® Collection of dermal fillers in the second quarter of 2020. The cost of product revenue increased by $0.6 million or 15% from the three months ended December 31, 2020 due to increased sales of the RHA® Collection of dermal fillers.

***Cost of Service Revenue (exclusive of amortization)***

The costs of service revenue (exclusive of amortization) consist of miscellaneous costs in fulfilling certain services provided by the HintMD platform. For three months ended March 31, 2021, we did not have such costs for the fulfillment of services, and we did not incur such cost until the completion of the HintMD Acquisition in July 2020.

***Selling, General and Administrative Expenses***

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

- Costs of sales and marketing activities and sales force compensation related to the RHA® Collection of dermal fillers and HintMD platform;
- DaxibotulinumtoxinA for Injection pre-commercial activities such as market research and public relations;
- Personnel and professional service costs in our finance, information technology, commercial, investor relations, legal, human resources, and other administrative functions, including related stock-based compensation costs; and

- Depreciation and amortization of certain assets used in selling, general and administrative activities.

We expect that our selling, general and administrative expenses will increase as a result of the expenses associated with the operation of HintMD and its full year impact and the potential commercial launch of DaxibotulinumtoxinA for Injection, if approved.

Our selling, general and administration expenses are summarized as follows:

| | Three Months Ended March 31, | | |
|---|---|---|---|
| **(in thousands, except percentages)** | **2021** | **2020** | **Change** |
| Selling, general and administrative | $ 40,792 | $ 16,880 | 142 % |
| Stock-based compensation | 7,281 | 4,102 | 77 % |
| Depreciation and amortization | 932 | 242 | 285 % |
| Total selling, general and administrative expenses | $ 49,005 | $ 21,224 | 131 % |

*Selling, general and administrative expenses before stock-based compensation*

For the three months ended March 31, 2021, selling, general and administrative expenses increased by $23.9 million, or 142%, compared to the same period in 2020. $16.7 million of the increase is attributed to sales and marketing expenses in the Product Segment primarily related to the promotional, professional education, and sales and marketing activities for the RHA® Collection of dermal fillers and pre-commercial activities for DaxibotulinumtoxinA for Injection. $2.0 million of the increase is attributed to sales and marketing expenses in the Service Segment. The remaining increase is attributed to general and administrative expenses, which were primarily related to increased compensation costs from onboarded HintMD team members and other personnel and costs related to investment in information technology infrastructure and administrative functions to support our continued growth as a commercial company with an expanding portfolio of products and services.

If DaxibotulinumtoxinA for Injection is approved for the treatment of glabellar lines, we expect selling, general and administrative expenses to increase as we prepare for commercial activities.

*Stock-based compensation*

For the three months ended March 31, 2021, stock-based compensation included in selling, general and administrative expenses increased by $3.2 million, or 77%, compared to the same period in 2020, primarily due to increased stock award grants related to an increase in employee headcount.

***Research and Development Expenses***

In the Product Segment, we do not believe that allocation of all 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 our existing and next-generation HintMD platform.

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 DaxibotulinumtoxinA for Injection, future innovations related to Teoxane's 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 development of the HintMD platform but unrelated to developing new features or functionalities of our proprietary HintMD platform and services;
- depreciation and other allocated expenses; and
- charges from the RHA® Collection 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. Further, 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 costs to decrease overall in the near term primarily due to the impact of capitalizing inventory costs of DaxibotulinumtoxinA for Injection, if approved. Other factors contributing to the anticipated decrease include the completion of our existing clinical development of DaxibotulinumtoxinA for Injection for various indications, offset by the collaboration effort in developing an onabotulinumtoxinA biosimilar, continued product development related to our HintMD platform not subjected to software capitalization, and certain shared development costs with Teoxane related to future dermal filler innovations and indications. However, these expenses may increase to the extent we conduct clinical trials for additional indications and depending on the need for additional clinical trials for the current indications we are pursuing.

Our research and development expenses 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.

Our research and development expenses are summarized as follows:

| (in thousands, except percentages) | Three Months Ended March 31, 2021 | 2020 | Change |
|---|---|---|---|
| Manufacturing and quality | $ 10,078 | $ 8,976 | 12 % |
| Clinical and regulatory | 8,064 | 14,659 | (45)% |
| Other research and development expenses | 3,231 | 2,036 | 59 % |
| Platform and software development | 2,081 | — | N/M |
| Stock-based compensation | 3,326 | 2,442 | 36 % |
| Depreciation and amortization | 471 | 497 | (5)% |
| In-process research and development | — | 11,184 | N/M |
| Total research and development expenses | $ 27,251 | $ 39,794 | (32)% |

N/M - Percentage not meaningful

*Manufacturing and quality*

Manufacturing and quality expenses include personnel and occupancy expenses, external contract manufacturing costs and pre-approval manufacturing of drug products used in our research and development of DaxibotulinumtoxinA for Injection. 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 March 31, 2021 and 2020, manufacturing and quality expenses were $10.1 million, or 37%, and $9.0 million, or 23%, respectively, of the total research and development expenses for the respective periods.

For the three months ended March 31, 2021, manufacturing and quality expenses increased by $1.1 million, or 12%, compared to the same period in 2020, primarily due to increased expenses related to manufacturing and quality activities, and hiring additional personnel in anticipation and support of the potential FDA inspections and the approval process of DaxibotulinumtoxinA for Injection. We expect that our manufacturing and quality expenses will continue to increase to prepare for the potential launch of DaxibotulinumtoxinA for Injection if approved. Certain amounts of the manufacturing and quality expenses, among other costs, are expected to be treated as inventory costs if approval of DaxibotulinumtoxinA for Injection is obtained.

*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 the clinical development of DaxibotulinumtoxinA for Injection. For the three months ended March 31, 2021 and 2020, clinical and regulatory costs totaled $8.1 million, or 30%, and $14.7 million, or 37%, respectively, of the total research and development expenses for the respective periods.

For the three months ended March 31, 2021, clinical and regulatory expenses decreased by $6.6 million, or 45%, compared to the same period in 2020, primarily as a result of the completion of multiple clinical trials in 2020, offset by ongoing BLA regulatory support and other developmental efforts. We expect clinical and regulatory expenses to decrease in the near term because we completed our existing clinical development of DaxibotulinumtoxinA for Injection for the treatment of glabellar lines, forehead lines, lateral canthal lines (“LCL” or “crow’s feet”) and have completed clinical trials for cervical dystonia and adult upper limb spasticity. However, these expenses may increase to the extent we conduct clinical trials for additional indications and depending on the need for additional clinical trials for the current indications we are pursuing.

*Other research and development expenses*

Other research and development expenses include expenses for personnel, contract research organizations, consultants, and supplies used to conduct preclinical research and development of DaxibotulinumtoxinA for Injection and an onabotulinumtoxinA biosimilar. For the three months ended March 31, 2021 and 2020, other research and development expenses were $3.2 million, or 12%, and $2.0 million, or 5%, respectively, of the total research and development expenses for the respective periods.

For the three months ended March 31, 2021, other research and development expenses increased by $1.2 million, or 59%, compared to the same period in 2020, primarily due to the onabotulinumtoxinA biosimilar program.

*Platform and software development*

Platform and software development include expenses associated with research and development activities in the Service Segment, which represent the costs of developing new functionality or features of the HintMD platform. For the three months ended March 31, 2021, platform and software development expenses were $2.1 million, or 8% of total research and development expenses. We did not have any platform and software development expenses prior to the HintMD Acquisition in July 2020.

*Stock-based compensation*

For the three months ended March 31, 2021, stock-based compensation included in research and development expenses increased by $0.9 million, or 36%, compared to the same periods in 2020, primarily due to increased stock award grants related to an increase in employee headcount in research and development related functions.

*In-process research and development*

In connection with the Teoxane Agreement entered into in January 2020, $11.2 million of the aggregate purchase consideration was recognized as in-process research and development expense in the first quarter of 2020, which was related to certain products and indications not approved by the FDA. This is a one-time non-recurring charge.

***Amortization***

For the three months ended March 31, 2021, amortization increased by $2.8 million compared to the same period in 2020, due to the amortization of distribution rights from the Teoxane Agreement beginning in the second quarter of 2020 and the amortization of developed technology resulting from the HintMD Acquisition beginning in the third quarter of 2020. We expect such expense to increase due to a full year of amortization associated with intangible assets acquired in the HintMD Acquisition.

***Net Non-Operating Income and Expense***

| (in thousands, except percentages) | Three Months Ended March 31, 2021 | 2020 | Change |
|---|---|---|---|
| Interest income | $ 97 | $ 1,491 | (93)% |
| Interest expense | (1,560) | (2,148) | (27)% |
| Change in fair value of derivative liability | (59) | (90) | (34)% |
| Other expense, net | (105) | (126) | (17)% |
| Total net non-operating expense | $ (1,627) | $ (873) | 86 % |

*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 primarily includes cash and non-cash components from the 2027 Notes. The cash component of the interest expense represents the contractual interest charges.

In 2020, the non-cash component of the interest expense represents the amortization of debt discount and issuance costs for our 2027 Notes. In 2021, due to adoption of ASU 2020-06, the non-cash component of the interest expense represents only the amortization of debt issuance costs for our 2027 Notes. For the three months ended March 31, 2021, interest expense decreased $0.6 million, or 27.4% compared to the same period in 2020 primarily due to the elimination of the amortization of the debt discount for our 2027 Notes.

*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. We will continue to record adjustments to the fair value of derivative liability until paid.

*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) | March 31, 2021 | December 31, 2020 | Decrease |
|---|---|---|---|
| Cash, cash equivalents, and short-term investments | $ 386,813 | $ 436,505 | $ (49,692) |
| Working capital | $ 355,589 | $ 389,039 | $ (33,450) |
| Stockholders' equity | $ 244,247 | $ 374,290 | $ (130,043) |

***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 and commercial paper. Our investment portfolio is structured to provide for investment maturities and access to cash to fund our anticipated working capital needs.

As of March 31, 2021 and December 31, 2020, we had cash, cash equivalents and short-term investments of $386.8 million and $436.5 million, respectively, which represented a decrease of $49.7 million. The decrease was primarily due to cash used in operating activities of $74.8 million, payment of proceeds for the net settlement of restricted stock awards for employee taxes of $3.6 million, purchase of property and equipment of $4.0 million, and payments of offering costs of $0.2 million. These decreases were primarily offset by the issuance of shares of our common stock in connection with the at-the-market offering program, net of commissions, of $21.7 million, and the proceeds from the exercise of stock options and the purchase of shares of our common stock under the 2014 ESPP of $11.1 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:

| | Three Months Ended March 31, | |
|---|---|---|
| **(in thousands)** | **2021** | **2020** |
| Net cash provided by (used in): | | |
| Operating activities | $ (74,755) | $ (43,289) |
| Investing activities | $ (38,420) | $ (105,569) |
| Financing activities | $ 29,044 | $ 264,347 |

*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 three months ended March 31, 2021, net cash used in operating activities was $74.8 million, which was primarily due to personnel and compensation costs of approximately $37.0 million; professional services and consulting fees of approximately $27.6 million; rent, supplies and utilities expenses of approximately $10.2 million; clinical trials expenses of approximately $4.0 million; legal and other administrative expense of approximately $1.9 million, and the 2027 Notes interest paid of $2.5 million, offset by $8.4 million from product and service revenue.

For the three months ended March 31, 2020, net cash used in operating activities was $43.3 million, which was primarily due to approximately $15 million of investing in our personnel and talent retention; approximately $12 million in professional services and consulting; approximately $11 million in clinical trials; $4 million in rent, supplies and utilities; and $4 million in legal and other administrative expenditure; offset by $1.5 million in interest income from our cash, cash equivalent and short-term investments, and $0.9 million payment received from Fosun.

*Cash Flows from Investing Activities*

For the three months ended March 31, 2021 and 2020, net cash used in investing activities was primarily due to fluctuations in the timing of purchases and maturities of investments, purchases of property and equipment, and the purchase of intangible assets in 2020.

*Cash Flows from Financing Activities*

For the three months ended March 31, 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 common stock warrants. The inflows were offset by the net settlement of restricted stock awards for employee taxes and payments of offering costs. For the three months ended March 31, 2020, net cash provided by financing activities was driven by proceeds from issuance of the 2027 Notes (as described below), proceeds from the issuance of common stock in connection with the follow-on public offering during December 2019 and January 2020, net of commissions and discount, and proceeds from the exercise of stock options and common stock warrants. The inflows were offset by payment of capped call transactions, payments of offering costs and convertible senior notes transaction costs, and net settlement of restricted stock awards for employee taxes.

***Convertible Senior Notes***

On February 14, 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 by the holders at any time 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.

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.

***At-The-Market Offering***

For the three months ended March 31, 2021, we sold 761,526 shares of common stock under the 2020 ATM Agreement at a weighted average price of $29.09 per share resulting in net proceeds of $21.7 million after sales agent commissions and offering costs. No shares of common stock were sold under the 2020 ATM Agreement after the filing of our 2020 Form 10-K dated February 25, 2021. As of March 31, 2021, we had $32.6 million available under the 2020 ATM Agreement.

***Follow-On Public Offering***

During December 2019 and January 2020, we completed a follow-on public offering, pursuant to which we issued an aggregate of 7,475,000 shares of common stock at $17.00 per share, which included the exercise of the underwriters' over-allotment option to purchase 975,000 additional shares of common stock, for net proceeds of $119.2 million, after underwriting discounts, commissions and other offering expenses, of which $103.6 million was received in December 2019 and $15.6 million was received in January 2020.

***Common Stock and Common Stock Equivalents***

As of April 27, 2021, outstanding shares of common stock were 71,529,367, outstanding stock options were 4,976,053, unvested restricted stock awards and performance stock awards were 4,152,780, shares expected to be purchased on June 30, 2021 under the 2014 ESPP were 100,769, and underlying shares convertible from the 2027 Notes is 8,878,938 at the initial conversion price.

***Operating and Capital Expenditure Requirements***

We have not achieved profitability on a quarterly or annual basis since our inception and we expect to continue to incur net losses for the foreseeable future. We expect to make additional capital outlays, which will increase operating expenditures over the next several years to support the completion of clinical trials and associated programs relating to DaxibotulinumtoxinA for Injection for various indications, an onabotulinumtoxinA biosimilar, our investment in future innovations in the RHA® Pipeline Products, the procurement of regulatory approval for DaxibotulinumtoxinA for Injection for various indications and an onabotulinumtoxinA biosimilar, preparation for and, if approved, commercialization for DaxibotulinumtoxinA for Injection, the sale of the RHA® Collection of dermal fillers in the U.S. and the integration of HintMD and the development and commercialization of the HintMD platform. We have funded our operations primarily through the sale of common stock, convertible senior notes and payments received from collaboration arrangements. We believe that our existing capital resources will be sufficient to fund our operations for at least the next 12 months following the filing 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. For example, if the FDA does not approve our BLA for DaxibotulinumtoxinA for Injection for the treatment of glabellar lines on a timely basis or at all, it may take longer than anticipated to generate revenue sufficient to fund our operations. In order to meet additional cash requirements, we may seek to sell additional equity or debt, convertible debt or other securities that may result in dilution to our stockholders. If we raise additional funds through the issuance of debt or convertible debt securities, these securities could have rights senior to those of our common stock and could contain covenants that restrict our operations. There can be no assurance that we will be able to obtain additional equity or debt financing on terms acceptable to us, if at all. Debt financing, if available, would result in increased fixed payment obligations and may involve agreements that include covenants limiting or restricting our ability to take specific actions such as incurring debt, making capital expenditures or declaring dividends. In addition, the COVID-19 pandemic and uncertain market conditions may limit our ability to access capital. Our failure to obtain sufficient funds on acceptable terms when needed could have a material adverse effect on our business, results of operations, and financial condition.

If adequate funds are not available to us on a timely basis, or at all, we may be required to terminate or delay preclinical studies, clinical trials and research and development activities for DaxibotulinumtoxinA for Injection, the RHA® Pipeline Products, an onabotulinumtoxinA biosimilar and any future product candidates, and the development and commercialization of the HintMD platform, or scale back the establishment of sales and marketing capabilities or other activities that may be necessary to commercialize our services and product candidates, if we obtain marketing approval. Further, if adequate funds are not available to us on a timely basis, or at all, we may be required to curtail integration of and execution of operation strategies related to the HintMD platform. We may elect to raise additional funds even before we need them if the conditions for raising capital are favorable.

Please read Part II, Item 1A. "Risk Factors" for additional risks associated with our substantial capital requirements.

**Critical Accounting Policies and Estimates**

For the three months ended March 31, 2021, there have been no material changes in our critical accounting policies as compared to those disclosed in Item 7 in our Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC on February 25, 2021.

**Contractual Obligations**

There were no material changes outside of the ordinary course of business in our contractual obligations as of March 31, 2021, from those as of December 31, 2020 as reported in our Annual Report on Form 10-K for the year ended December 31, 2020, as filed with the SEC on February 25, 2021.

**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.

**Off-Balance Sheet Arrangements**

As of March 31, 2021, we did not have any off-balance sheet arrangements or any relationships with any entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities that would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

**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 three months ended March 31, 2021, our exposure to market risk has not changed materially since that disclosed in Item 7A in our Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC on February 25, 2021.

**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 March 31, 2021, 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. We are not currently involved in any material legal proceedings. We may, however, be involved in material legal proceedings in the future. Such matters are subject to uncertainty and there can be no assurance that such legal proceedings will not have a material adverse effect on our business, results of operations, financial position or cash flows.

### 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 condensed 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, 2020.

**Risks Related to Our Business and Strategy**

**We are substantially dependent on the clinical and commercial success of DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar or any future product candidates.**

To date, we have invested substantial efforts and financial resources in the research and development of neuromodulator product candidates. Our success as a company is substantially dependent on the clinical and commercial success of DaxibotulinumtoxinA for Injection. In December 2018, we completed Phase 3 clinical development for DaxibotulinumtoxinA for Injection in North America for the treatment of glabellar lines. Although we have successfully completed the Phase 3 clinical development program, we have not received FDA approval for DaxibotulinumtoxinA for Injection in glabellar lines and the timing to receive FDA approval, if at all, is uncertain.

We submitted the BLA for DaxibotulinumtoxinA for Injection for the treatment of glabellar lines in November 2019, which was accepted by the FDA on February 5, 2020, and the PDUFA target action date was initially set for November 25, 2020. On November 24, 2020, the FDA deferred its decision on the BLA. The FDA reiterated that an inspection of our manufacturing facility is required as part of the BLA approval process, but the FDA was unable to conduct the required inspection due to the FDA's travel restrictions associated with the COVID-19 pandemic. Though our BLA is still under review, the FDA did not indicate there were any other review issues at the time beyond the on-site inspection. Currently, however, the FDA is still subject to restrictions on travel related to the COVID-19 pandemic, therefore there may be continued delays. A delay in obtaining FDA approval of the BLA for DaxibotulinumtoxinA for Injection for the treatment of glabellar lines as a result of the FDA travel restrictions or otherwise would delay commercialization and could adversely impact our results of operations and financial condition. Further, failure to obtain FDA approval of the BLA for DaxibotulinumtoxinA for Injection for the treatment of glabellar lines due to issues with the FDA's inspection of our manufacturing facility or for any other reason would adversely impact our results of operations and financial condition.

We also have completed and have ongoing clinical trials evaluating DaxibotulinumtoxinA for Injection for other indications. Our clinical trials may not have an effective design or generate positive results. For example, in November 2020, we released topline results from the Phase 2 study of DaxibotulinumtoxinA for Injection for the management of plantar fasciitis. The results of this study did demonstrate pain relief on the NPRS that was numerically greater from baseline than placebo. However, neither dose used in the study met the primary efficacy endpoint of statistically significant improvement from baseline compared to placebo. As a result, we are not currently pursuing the plantar fasciitis indication, and we will focus our efforts on indications for muscle movement and pain disorder indications where the use of neuromodulators is well-

established. In addition, in February 2021, we announced topline data from the JUNIPER Phase 2 trial. The JUNIPER Phase 2 trial achieved one co-primary endpoint, which evaluated the change in the MAS score from baseline, with demonstration of 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 meet the level of statistical significance or efficacy required by the FDA for approval.

Our near-term prospects, including our ability to finance our business and generate revenue, will depend heavily on the successful development, regulatory approval and commercialization of DaxibotulinumtoxinA for Injection, including the receipt of FDA approval of the BLA for DaxibotulinumtoxinA for Injection for the treatment of glabellar lines. Our longer-term prospects will depend on the successful development, regulatory approval and commercialization of DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar product candidate and any future product candidates. The preclinical, clinical and commercial success of our product candidates will depend on a number of factors, including the following:

- delays in the FDA's approval of the BLA for DaxibotulinumtoxinA for Injection for the treatment of glabellar lines, including as a result of continued delays in the site inspection conducted by the FDA of our manufacturing facility due to the COVID-19 pandemic, observations made by the FDA during the site inspection or other reasons;
- disruptions to our manufacturing operations, supply chain, end user demand for our products, commercialization efforts, business operations, clinical trials and other aspects of our business, including those resulting from the COVID-19 pandemic, including delays in regulatory approvals;
- timely completion of, or need to conduct additional clinical trials, including clinical trials for DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar and any future product candidates, which may be significantly slower or cost more than we currently anticipate and will depend substantially upon the number and design of such trials and the accurate and satisfactory performance of third-party contractors;
- the timely receipt of necessary marketing approvals from the FDA and foreign regulatory authorities;
- achieving and maintaining compliance with all regulatory requirements applicable to DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar or any future product candidates or approved products;
- our ability to successfully commercialize DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar or any future product candidates, if approved for marketing and sale, whether alone or in collaboration with others;
- our ability to demonstrate and the market perception of the differentiation of our products on a consistent basis as compared to existing or future therapies, including as it relates to cost, safety, efficacy and other benefits;
- our success in educating physicians and patients about the benefits, administration and use of DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar or any future product candidates, if approved;
- our ability to demonstrate to the satisfaction of the FDA or other similar foreign regulatory agencies, the safety and efficacy of DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar or any future product candidates through clinical trials;
- the prevalence and severity of adverse events experienced with our product candidates or future approved products and the continued acceptable safety profile of our products, if approved;
- the effectiveness of our own or our current and any future potential strategic collaborators' distribution strategy and operations;

- our ability and the ability of any third-party partners to effectively and reliably manufacture supplies of DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar or any future product candidates for clinical trials and commercialization, if approved, and to develop, validate and maintain a commercially viable manufacturing process that is compliant with current good manufacturing practices ("cGMP");

- our ability to enforce our intellectual property rights in and to DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar or any future product candidates;

- our ability to avoid third-party patent interference or intellectual property infringement claims;

- the willingness of third-party payors to reimburse physicians or patients for DaxibotulinumtoxinA for Injection and any future products we may commercialize for therapeutic indications, if approved;

- the willingness of patients to pay out of pocket for DaxibotulinumtoxinA for Injection and any future products we may commercialize for aesthetic indications if approved; and

- the ability to raise additional capital on acceptable terms and in the time frames necessary to achieve our goals.

One or more of these factors, many of which are beyond our control, could cause significant delays or an inability to successfully commercialize our product candidates. Accordingly, we cannot assure you that we will be able to generate sufficient revenue through the sale of DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar or any future product candidate to continue our business.

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

In September 2020, we became a commercial company and launched the Prestige Aesthetics Portfolio by introducing the RHA® Collection of dermal fillers. As of the date of this report, we have not generated revenue from the sale of any pharmaceutical 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 and successfully commercialize the other products in the RHA® Pipeline Products, which will depend on many factors including, but not limited to, our ability to:

- develop and execute our sales and marketing strategies for the RHA® Collection of dermal fillers;

- develop, maintain and manage the necessary sales, marketing and other capabilities and infrastructure that are required to successfully integrate and commercialize the RHA® Collection of dermal fillers, including in connection with our marketing and sale of DaxibotulinumtoxinA for Injection;

- 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 under the Teoxane Agreement, which has in the past and may in the future be adversely affected by factors relating to the COVID-19 pandemic;
- 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;
- register as the initial importer of the RHA® Collection of dermal fillers with the FDA and obtain necessary state prescription medical device distribution permits and hire and operationalize complaint and medical device vigilance services in support of the RHA® Collection of dermal fillers; and
- establish agreements with third party logistics providers to distribute the RHA® Collection of dermal fillers to customers.

If we do not achieve 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 other products in 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. 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 lack of, or 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.

**Even if DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar, the RHA® Pipeline Products, or any future product candidates obtain regulatory approval, they may never achieve market acceptance or commercial success.**

Even if we obtain FDA or other regulatory approvals, DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar, the RHA® Pipeline Products or any future product candidates 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 DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar, the RHA® Pipeline Products or any future product candidates for which we receive approval depends on a number of factors, including:

- the safety and 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 our 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 our product and overall treatment experience;
- the potential and perceived advantages and cost of our products over alternative treatments;
- the willingness of patients to pay for DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar, the RHA® Pipeline Products 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 DaxibotulinumtoxinA for Injection and any future products we may commercialize for therapeutic indications;
- the revenue and profitability that our 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 our product candidates, if approved, or the RHA® Pipeline Products that obtain regulatory approval 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, DaxibotulinumtoxinA for Injection has only been used in clinical trials to date. Therefore, the commercial or real-world experience 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 adoption.

**The regulatory approval process is highly uncertain and we or any collaboration partner may not obtain regulatory approval for the commercialization of DaxibotulinumtoxinA for Injection, RHA® 1 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. Neither we nor any collaboration partner are permitted to market DaxibotulinumtoxinA for Injection or any future product candidates in the U.S. until we receive approval of a BLA from the FDA. Even though filed with the FDA, our BLA may receive a Complete Response Letter or another response from the FDA identifying deficiencies that must be addressed, rather than an approval. Obtaining regulatory approval of a BLA can be a lengthy, expensive and uncertain process. Although Teoxane has received PMA approval for the RHA® Collection of dermal fillers, it must obtain PMA approval by the FDA for RHA® 1.

In addition, 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.

Regulatory approval of a BLA or PMA, or BLA or PMA supplement, 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. The number of preclinical studies and clinical trials that will be required for FDA approval varies depending on the product candidate, the disease or the condition that the product candidate is designed to address and the regulations applicable to any particular product candidate. The FDA can delay, limit or deny approval of a product candidate for many reasons, including the following:

- a product candidate may not be deemed safe, effective, or of required quality;
- FDA officials may not find the data from preclinical studies and clinical trials sufficient;
- the FDA might not approve our third-party manufacturers' processes or facilities; or
- the FDA may change its approval policies or adopt new regulations.

If DaxibotulinumtoxinA for Injection, RHA® 1 or any future product candidates fail to demonstrate safety and efficacy in clinical trials or do not gain approval, our business and results of operations will be materially and adversely harmed.

The COVID-19 pandemic has affected the business of the FDA and may affect the business of the European Medicines Agency or other health authorities. In March 2020, the FDA announced the postponement of most foreign inspections due to the global impact of COVID-19 and, in July 2020, only restarted domestic inspections on a risk-based prioritization basis, and foreign inspections on a mission-critical basis. For domestic inspections, the FDA is using a rating system to determine what categories of regulatory activity can take place in a given geographic region. If a prolonged government shutdown or other disruption to the normal functioning of government agencies occurs, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse

effect on our business or prospects. For instance, 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 DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar, RHA® 1 or any future hyaluronic acid filler products developed pursuant to the Teoxane Agreement or any future product candidates, including the BLA approval for DaxibotulinumtoxinA for Injection in the treatment of glabellar lines. In addition, the COVID-19 pandemic has generally diverted healthcare resources away from the conduct of clinical trials and may cause delays or difficulties in clinical site initiation and site inspection, including difficulties in recruiting clinical site investigators and clinical site staff. 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, which may affect the approval timeline for our product candidates, including DaxibotulinumtoxinA for Injection in the treatment of glabellar lines. For instance, before approving the BLA, the FDA will inspect the facilities at which we plan to manufacture DaxibotulinumtoxinA for Injection, and the FDA will not approve the BLA unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications.

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 no 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.

**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. In addition, we may not realize the anticipated benefits within the anticipated time frame, or at all, if the integration process takes longer than expected or is more costly than expected. Achieving the benefits of the HintMD Acquisition will depend, in part, on our ability to integrate the business, operations and services of HintMD successfully and efficiently with our business and the commercial acceptance of the HintMD platform. The challenges involved in the integration and commercial success of the HintMD 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 HintMD platform;
- technical or other difficulties faced by our aesthetic practice customers when using the HintMD 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 HintMD platform;
- retaining and managing existing relationships with HintMD's customer base;
- developing new product features for the HintMD platform;
- expanding sales and marketing efforts to effectively position the HintMD platform and expand the HintMD customer base;
- the HintMD platform's ability to create loyalty between physicians and their patients through repeated aesthetic treatments and increase the number of aesthetic procedures performed, including with products we offer;
- 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 commercial strategy leveraging the HintMD platform to build a prestige aesthetics category 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 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.**

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. On November 24, 2020, the FDA deferred its decision on the BLA for DaxibotulinumtoxinA for Injection for the treatment of moderate to severe glabellar lines. The FDA reiterated that an inspection of our manufacturing facility is required as part of the BLA approval process, but the FDA was unable to conduct the required inspection of our manufacturing facility in Newark, California due to the FDA's travel restrictions associated with the COVID-19 pandemic. We are unable to predict when the FDA will conduct the required inspection because of the uncertainty associated with the COVID-19 pandemic. 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 or whether such delays will delay regulatory approvals.

Many physician customers of the HintMD platform temporarily closed their offices and stopped performing procedures, and some that have reopened are now focusing on only essential procedures while deferring or cancelling non-essential procedures because of the COVID-19 pandemic. 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 had a negative impact on our access to customers and our ability to introduce the HintMD 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 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. 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 DaxibotulinumtoxinA for Injection 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 COVD-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 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, as employees who cannot perform their responsibilities from home are not able to report to work. In addition, we have had to put in place a work from home policy for all employees. Although we believe we have successfully integrated the work from home policy into the culture of our business, certain departments like clinical and manufacturing, are dependent on working on-site. The effective operation of these departments is critical to the completion of our clinical programs and, 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, our increased 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, HintMD 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.

The ultimate extent of the impact of the COVID-19 pandemic or any other epidemic, pandemic or other health crisis on our business, financial condition and results of operations or healthcare systems generally or the global economy as a whole will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity and duration of such epidemic, pandemic or other health crisis and actions taken to contain or prevent their further spread, among others. These and other potential impacts of an epidemic, pandemic or other health crisis, such as COVID-19 pandemic, could therefore materially and adversely affect our business, financial condition and 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 and other challenges affecting the global economy, including the ongoing COVID-19 pandemic. Increases in the rates of unemployment, reduced access to credit and issues related to domestic and international politics may adversely affect consumer confidence and disposable income levels. 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. A weak or declining economy 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 HintMD's customer base. If economic conditions deteriorate, current and prospective HintMD customers may elect to decrease their information technology budgets or cancel subscriptions to the HintMD platform, which would limit our ability to grow the HintMD 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.

**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 Product**s**. We cannot assure you that patients receiving the RHA® Collection of dermal fillers will not experience serious adverse events that require submission of 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 Product**s**, which could result in reduced sales. For example, facial swelling in patients with dermal filler cosmetic injections was reported as a serious adverse event in patients receiving the Moderna COVID-19 vaccination. Teoxane may also be required to further 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.

**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.**

The Teoxane Agreement requires us to make specified annual minimum purchases of the RHA® Collection of dermal fillers, and to meet an annual minimum expenditure on marketing and other areas related to the commercialization of

the RHA® Collection of dermal fillers, regardless of whether our commercialization efforts are successful. 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 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 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.

**We may be unable to obtain regulatory approval for DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar or future product candidates, and Teoxane may be unable to do the same for RHA® 1 and future hyaluronic acid filler advancements. The denial or delay of any such approval, including as a result of the COVID-19 pandemic, would delay commercialization and have a material adverse effect on our potential to generate revenue, our business prospects, and our results of operations.***

To gain approval to market a biologic product, such as DaxibotulinumtoxinA for Injection or an onabotulinumtoxinA biosimilar, we must provide the FDA and applicable foreign regulatory authorities with data that adequately demonstrate the safety, efficacy and quality of the product for the intended indication applied for in the BLA, or other respective marketing applications. Teoxane must do the same with its PMAs to the FDA for the RHA® Pipeline Products. The development of such products is a long, expensive and uncertain process, and delay or failure can occur at any stage of any of our clinical trials. A number of companies in the pharmaceutical industry, including biotechnology companies, have suffered significant setbacks in clinical trials, including in Phase 3 development, even after promising results in earlier preclinical studies or clinical trials. These setbacks have been caused by, among other things, findings made while clinical trials were underway, safety or efficacy observations, including previously unreported adverse events, and the need to conduct further supportive or unanticipated studies, even after initiating Phase 3 trials. Success in preclinical testing and early clinical trials does not ensure that later clinical trials will be successful or that additional supportive studies will not be required, and the results of clinical trials by other parties may not be indicative of the results in trials we may conduct.

For example, we completed DaxibotulinumtoxinA Topical clinical trials for the treatment of “crow’s feet and primary axillary hyperhidrosis but discontinued further clinical development in 2016 following the results from our REALISE 1 Phase 3 clinical trial for crow’s feet. In addition, in November 2020, we released topline results from the Phase 2 study of DaxibotulinumtoxinA for Injection for the management of plantar fasciitis. The results of this study did demonstrate pain relief on the NPRS that was numerically greater from baseline than placebo. However, neither dose used in the study met the primary efficacy endpoint of statistically significant improvement from baseline compared to placebo. As a result, we are not currently pursuing the plantar fasciitis indication, and we will focus our efforts on indications for muscle movement and pain disorder indications where the use of neuromodulators is well-established.

Further, obtaining regulatory approval of our product candidates or the completion of our clinical trials may be delayed as a result of the COVID-19 pandemic. For example, in November 2020, the FDA deferred its decision on our BLA for DaxibotulinumtoxinA for Injection for the treatment of glabellar lines because it was unable to conduct the required site inspection of our manufacturing facility due to the FDA's travel restrictions associated with the COVID-19 pandemic. In addition, 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 the JUNIPER trial with 83 patients enrolled. We released topline results from JUNIPER trial in February 2021. Delays in the completion of clinical trials could also delay regulatory submissions and as a result, regulatory approvals.

Our business currently depends substantially on the successful development, regulatory approval and commercialization of our product candidates. Of the large number of drugs, including biologics, and medical devices in development, only a small percentage successfully complete the FDA or other regulatory approval processes and are commercialized. 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 the RHA® Collection of dermal fillers.

We may never obtain regulatory approval to commercialize DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar, or future rights to commercialize RHA® 1 or any hyaluronic acid filler products developed pursuant to the Teoxane Agreement. The research, testing, manufacturing, labeling, approval, sale, marketing and distribution of drug, biologic and medical device products are subject to extensive regulation by the FDA and other regulatory authorities in the U.S. and other countries, and such regulations differ from country to country. We are not permitted to market our biologic product candidates, including DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar, any hyaluronic acid filler products, such as RHA® 1 or future advancements developed by Teoxane, or future product candidates, in the U.S. until we receive approval of a BLA from the FDA. We are also not permitted to market the RHA® Collection of dermal fillers for additional indications for use unless and until Teoxane receives approval of a PMA supplement for such new indication for use. We are also not permitted to market our product candidates in any foreign countries until we receive the requisite approval from the regulatory authorities of such countries.

The FDA or any foreign regulatory body can delay, limit or deny approval of our product candidates for many reasons, including:

- our inability to demonstrate to the satisfaction of the FDA or applicable foreign regulatory body that DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar, RHA® 1 or any future hyaluronic acid filler products developed pursuant to the Teoxane Agreement or any future product candidates are safe and effective for the requested indication;
- Teoxane's inability to satisfy FDA approval requirements with respect to the RHA® Pipeline Products or any future hyaluronic acid filler products developed pursuant to the Teoxane Agreement;
- our inability to demonstrate proof of concept of an onabotulinumtoxinA biosimilar, RHA® 1 or any future hyaluronic acid filler products developed pursuant to the Teoxane Agreement or other 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 DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar, RHA® 1 or any future hyaluronic acid filler products developed pursuant to the Teoxane Agreement, or any future product candidates 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 DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar, RHA® 1 or any future hyaluronic acid filler products developed pursuant to the Teoxane Agreement or any future product candidates;

- the FDA's or applicable foreign regulatory agency's failure to approve our manufacturing processes or facilities, or the manufacturing processes or facilities of third-party manufacturers with which we contract; or

- the potential for approval policies or regulations of the FDA or applicable foreign regulatory agency to significantly change in a manner rendering our clinical data insufficient for approval.

Further, interruption or delays in the operations of the FDA or other applicable local or foreign regulatory agencies caused by the COVID-19 pandemic may affect the review and approval timelines for DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar, RHA® 1 or any future hyaluronic acid filler products developed pursuant to the Teoxane Agreement or any future product candidates, including the BLA approval for DaxibotulinumtoxinA for Injection in the treatment of glabellar lines.

Even if we eventually complete clinical testing and receive approval of any regulatory filing for DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar, RHA® 1 or any future hyaluronic acid filler products developed pursuant to the Teoxane Agreement 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 DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar, RHA® 1 or any future hyaluronic acid filler products developed pursuant to the Teoxane Agreement, 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.

**All of the RHA® Pipeline Products and any of our approved products and product candidates in the future will be subject to ongoing FDA and foreign regulatory obligations and continued regulatory review.***

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 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 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 our product candidates), 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 or may suspend the manufacturing operations. If the manufacturing operations of any of the suppliers for our product candidates are suspended, we may be unable to generate sufficient quantities of commercial or clinical supplies of product to meet market demand, 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.

Failure to comply with regulatory requirements and reports of adverse events or safety concerns could prevent or delay marketing approval or require additional clinical trials and the expenditure of money or other resources to correct. Failure to comply with applicable requirements and reports of adverse events or safety concerns may also result in warning letters, fines, injunctions, civil penalties, recall or seizure of products, total or partial suspension of production, refusal of the government to renew marketing applications and criminal prosecution, any of which could be harmful to our ability to generate revenues and our stock price. As such, 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.

Any regulatory approvals that we receive for our product candidates are likely to contain requirements for post-marketing follow-up studies, which may be costly. Product approvals, once granted, may be modified based on data from subsequent studies or commercial use. As a result, limitations on labeling indications or marketing claims, or withdrawal from the market may be required if problems occur after approval and commercialization.

**We will require substantial additional financing 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 DaxibotulinumtoxinA for Injection 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. We have incurred substantial transaction expenses in order to complete the HintMD Acquisition and expect to incur additional expenses in connection with combining our business, operations, networks, systems, technologies, policies and procedures with those of HintMD. Further, to grow the HintMD platform business, we must develop features, products and services that reflect the changing nature of payments processing software and continually modify and enhance the HintMD 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.

As of March 31, 2021, we had a working capital surplus of $355.6 million and an accumulated deficit of $1.2 billion. Our recorded net losses were $71.6 million and $61.9 million, respectively, for the three months ended March 31, 2021 and 2020. We have funded our operations primarily through the sale of common stock, convertible senior notes and payments received from collaboration arrangements. As of March 31, 2021, we had capital resources consisting of cash, cash equivalents and short-term investments of $386.8 million. We believe that we will continue to expend substantial resources for the foreseeable future for (i) the continued sales and marketing of the RHA® Collection of dermal fillers; (ii) the potential commercialization of DaxibotulinumtoxinA for Injection for the treatment of glabellar lines, if approved; (iii) the clinical development of DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar and development of any other indications and product candidates that we may choose to pursue; (iv) the integration of HintMD into our business and to grow the HintMD platform business; and (v) the continued build-out of our sales and marketing functions. These 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 the HintMD platform. In addition, other unanticipated costs may arise from remote working arrangements for our employees or disruptions associated with the COVID-19 pandemic. We cannot reasonably estimate the actual amounts necessary 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 DaxibotulinumtoxinA for Injection and any future product candidates. In addition, we have formed strategic collaborations, licensing and similar arrangements with third parties, such as the Teoxane Agreement, the Viatris Collaboration and the Fosun License Agreement. 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 and research and development pursuant to the Teoxane Agreement; milestone payments in connection with the Fosun License Agreement, and cost-sharing arrangements with Viatris 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.

Our future capital requirements depend on many factors, including:

- disruptions to our and our suppliers' manufacturing operations, our supply chain, end user demand for our products, our commercialization efforts, our business operations, our clinical trials and other aspects of our business, including a delay in the FDA's approval of the BLA, including as a result of the COVID-19 pandemic;
- disruptions to the business or operations of our manufacturers, CROs, physician customers or other third parties with whom we conduct business resulting from the COVID-19 pandemic;
- future global financial crises and economic downturns, including those caused by widespread public health crises such as the COVID-19 pandemic;
- our ability to successfully commercialize the RHA® Collection of dermal fillers;
- our ability to establish, maintain and grow our marketing, sales, and distribution functions;
- the results of our clinical trials for DaxibotulinumtoxinA for Injection and preclinical studies and clinical trials of an onabotulinumtoxinA biosimilar, RHA® 1 or any future hyaluronic acid filler products developed pursuant to the Teoxane Agreement or any future product candidates;
- the timing of, and the costs involved in, obtaining regulatory approvals for DaxibotulinumtoxinA for Injection, or any future product candidates including an onabotulinumtoxinA biosimilar, RHA® 1 or any future hyaluronic acid filler products developed pursuant to the Teoxane Agreement or any future product candidates;
- the number and characteristics of any additional product candidates we develop or acquire;
- the scope, progress, results and costs of researching and developing and conducting preclinical and clinical trials of DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar, RHA® 1 or any future hyaluronic acid filler products developed pursuant to the Teoxane Agreement or any future product candidates;
- the cost of commercialization activities if DaxibotulinumtoxinA for Injection or any future product candidates, including an onabotulinumtoxinA biosimilar or any hyaluronic acid filler products developed pursuant to the Teoxane Agreement, are approved for sale, including marketing, sales and distribution costs;
- the cost of manufacturing DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar, or any future product candidates and any products we successfully commercialize and maintaining our related facilities;
- our ability to establish and maintain strategic collaborations, licensing or other arrangements including the Viatris Collaboration, Fosun Licensing Agreement, and the terms of and timing such arrangements;
- the degree and rate of market acceptance of any future approved products;
- the emergence, approval, availability, perceived advantages, relative cost, relative safety and relative efficacy of alternative and competing products or treatments;
- our ability to increase market acceptance and adoption of and to generate revenues from the HintMD platform;
- the integration costs associated with the HintMD Acquisition;

- any product liability or other lawsuits related to our products;
- the expenses needed to attract and retain skilled personnel;
- any litigation, including litigation costs and the outcome of such litigation;
- the costs associated with being a public company;
- the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing patent claims, including litigation costs and the outcome of such litigation; and
- the timing, receipt and amount of sales of, or royalties on, future approved products, if any.

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 terminate or delay preclinical studies, clinical trials and research and development activities for DaxibotulinumtoxinA for Injection, the RHA® Pipeline Products, an onabotulinumtoxinA biosimilar and any future product candidates and delay the complete integration of HintMD and the development and commercialization of the HintMD platform, or scale back the establishment of sales and marketing capabilities or other activities that may be necessary to commercialize our services and product candidates, if we obtain marketing approval.

If we raise additional capital through marketing and distribution arrangements or other collaborations, strategic alliances or licensing arrangements with third parties, we may have 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 covenants limiting or restricting our ability to take specific actions, such as incurring additional debt or making capital expenditures or specified financial ratios, any of which could restrict our ability to commercialize our product candidates or operate as a business.

**Our product candidates and the RHA® Pipeline Products that are approved 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® Pipeline Products and our product candidates, which could reduce or eliminate our commercial opportunity.**

We expect to enter highly competitive pharmaceutical and medical device markets if our product candidates are approved. 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.

Upon marketing approval, the first expected use of DaxibotulinumtoxinA for Injection or an onabotulinumtoxinA biosimilar will be in aesthetic medicine. Competition in aesthetic products is significant and dynamic and is characterized by rapid and 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 DaxibotulinumtoxinA for Injection, if approved, will face significant competition from existing injectable neuromodulators as well as unapproved and off-label treatments. Further, if approved, in the future we may face competition for DaxibotulinumtoxinA for Injection from biosimilar products and products based upon botulinum toxin. In addition, the only products we are currently commercializing are 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 DaxibotulinumtoxinA for Injection, if approved, or the RHA® Collection of dermal fillers and in our product candidates or products being developed by us, 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.

Due to 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 currently make our DaxibotulinumtoxinA for Injection clinical drug product exclusively in one internal manufacturing facility. We plan to utilize internal and external facilities, including through one or more third-party contractors, in the future to support clinical and commercial production if our product candidates are approved. If we experience a significant disruption in our manufacturing operations or our third-party manufactures 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 clinical drug product to support DaxibotulinumtoxinA for Injection development in one internal manufacturing facility. In March 2017, we entered into the Technology Transfer, Validation and Commercial Fill/Finish Services Agreement (as amended, the "ABPS Services Agreement") with ABPS, a contract development and manufacturing organization, and in April 2021, we entered into the LSNE Agreement with LSNE. We plan to utilize our internal and external ABPS and LSNE facilities to provide multiple sources of clinical and commercial production of our drugs 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, outbreaks, or public health crises, or otherwise, or if performance of such manufacturing facilities is disrupted for any other reason, such an event could delay our clinical trials or, if our product candidates are approved, jeopardize the ability to manufacture our products as promptly as our customers expect or at all. As the ultimate impact of the COVID-19 pandemic is highly uncertain and subject to change, we do not yet know the full extent of potential delays or impacts on our manufacturing operations or on the ability of our third-party contractors to provide manufacturing services for our product candidates. If we experience delays in achieving our development objectives, or if we are unable to manufacture an approved product within a timeframe that meets our customers' expectations, our business, prospects, financial results and reputation could be materially harmed.

**We have not yet manufactured DaxibotulinumtoxinA for Injection at full commercial scale. If DaxibotulinumtoxinA for Injection is approved, we will face certain risks associated with manufacturing DaxibotulinumtoxinA for Injection to support commercial production.***

We have developed an integrated manufacturing, research and development facility located at our Newark, California office. We manufacture drug substance and finished dose forms of the drug product at this facility that we use for research and development purposes, clinical trials and ultimately for commercial supplies post regulatory approval. There are risks associated with commercial manufacturing including, among others, cost overruns, process reproducibility, stability issues, lot consistency and timely availability of raw materials. If DaxibotulinumtoxinA for Injection is approved, there is no assurance that we will be successful in operating a commercial scale manufacturing process. If DaxibotulinumtoxinA for Injection is approved, we may need to expand our manufacturing facilities, add manufacturing personnel and ensure that validated processes are consistently implemented in our facilities and potentially enter into additional relationships with third-party manufacturers. The upgrade and expansion of our 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, 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. If we are unable to expand our manufacturing facilities in compliance with regulatory requirements, to hire additional necessary manufacturing personnel, or retain our third-party manufacturers, we may encounter delays or additional costs in achieving our research, development and commercialization objectives, including obtaining regulatory approvals of our product candidates, which could materially damage our business and financial position.

**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 if our product candidates are approved. This increases the risk that we will not have sufficient quantities of our product candidates or be able to obtain such quantities at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts.***

We currently rely on third-party manufacturers for certain components and services necessary to produce DaxibotulinumtoxinA for Injection for our clinical trials, and we expect to continue to rely on these and other manufacturers to support our commercial requirements if DaxibotulinumtoxinA for Injection or other product candidates are approved. In particular, we plan to utilize our internal and the external ABPS and LSNE facilities to support clinical and commercial production of product candidates, if approved. We may never be able to successfully operate a manufacturing process at commercial scale or establish additional suppliers to support commercialization of our product candidates, if approved. Even where alternative sources of supply are available, qualifying alternate suppliers 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 for our product candidates and the loss of one of our suppliers 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 have incurred significant losses since our inception and we anticipate that we will continue to incur losses for the foreseeable future. We have only had commercial sales of the RHA® Collection of dermal fillers, and aside from our rights to the RHA® Collection of dermal fillers, we only have one product candidate in clinical trials, which makes it difficult to assess our future viability.***

Biotechnology product development is a highly speculative undertaking and involves a substantial degree of risk. 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 and have not demonstrated the ability to successfully commercialize the RHA® Collection of dermal fillers over the long-term. To date, we have not obtained any regulatory approvals for any of our product candidates or generated any revenue from product sales relating to DaxibotulinumtoxinA for Injection or an onabotulinumtoxinA biosimilar. We continue to incur significant research and development and other expenses related to our ongoing clinical trials and operations, and expect to incur additional expenses in building out our sales, marketing and distribution function as we pursue commercialization of DaxibotulinumtoxinA for Injection, if approved, and the RHA® Collection of dermal fillers. In addition, prior to the HintMD Acquisition, HintMD incurred a net loss in each year since its inception. We may have difficulties entering the payments industry and integrating new technologies in which we have no direct prior experience. We expect to incur significant expense developing the HintMD platform and growing business of the HintMD platform.

As of March 31, 2021, we had a working capital surplus of $355.6 million and an accumulated deficit of $1.2 billion. Our recorded net losses were $71.6 million and $61.9 million, respectively, for the three months ended March 31, 2021 and 2020. As of March 31, 2021, we had capital resources consisting of cash, cash equivalents and short-term investments of $386.8 million. We have funded our operations primarily through the sale of common stock, convertible senior notes and payments received from collaboration arrangements. Our capital requirements to implement our business strategy are substantial, including our capital requirements to commercialize the RHA® Collection of dermal fillers and to

develop and commercialize DaxibotulinumtoxinA for Injection, if approved. We believe that our currently available capital is sufficient to fund our operations through at least the next 12 months following the filing of our 2020 Form 10-K.

We expect to continue to incur losses for the foreseeable future as we continue our development of, seek regulatory approval for and begin to commercialize DaxibotulinumtoxinA for Injection, and continue to commercialize the RHA® Collection of dermal fillers. Our ability to achieve revenue and profitability is dependent on our ability to complete the development of our product candidates, obtain necessary regulatory approvals and manufacture, market and commercialize our products successfully, and increase market acceptance and adoption of and generate revenues from the HintMD platform. 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.

**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. For example, any positive results generated to date in clinical trials for DaxibotulinumtoxinA for Injection do not ensure that later clinical trials, including any DaxibotulinumtoxinA for Injection clinical trials for the treatment of glabellar lines, will demonstrate similar results. Product candidates in later stages of clinical trials may fail to show the desired safety profile and efficacy despite having progressed through preclinical studies and initial clinical trials.

A number of companies in the biotechnology industry have suffered significant setbacks in advanced clinical trials due to a lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier clinical trials. We have suffered similar setbacks with the clinical development of DaxibotulinumtoxinA Topical and for DaxibotulinumtoxinA for Injection for the management of plantar fasciitis, and we cannot be certain that we will not face other similar setbacks in the future for DaxibotulinumtoxinA for Injection in other indications or other clinical development programs. Even if our clinical trials are completed, the results may not be sufficient to obtain regulatory approval for our product candidates.

We may 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, due to the COVID-19 pandemic, 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, with demonstration of 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 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; or
- manufacture sufficient quantities of product candidate for use in clinical trials.

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.

If we experience delays in the completion or termination of any clinical trial of our product candidates, the commercial prospects of these product candidates may be harmed, and our ability to generate product revenues from any of these product candidates will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down our product candidate development and approval process and jeopardize our ability to commence product sales and generate revenues. Any of these occurrences may significantly harm our business, financial condition and prospects. 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.

**We rely on Teoxane for the manufacture and supply of the RHA® Collection of dermal fillers pursuant to the Teoxane Agreement, 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 DaxibotulinumtoxinA for Injection, 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 DaxibotulinumtoxinA for Injection for our clinical trials 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 our product candidates for our clinical trials and, if approved, ultimately for commercial sale. 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. Although we generally do not begin a clinical trial unless we believe that we have a sufficient supply of a product candidate to complete the clinical trial and while we have taken steps to ensure we are sufficiently scaled to support expected future commercial demands, any significant delay in the supply of DaxibotulinumtoxinA for Injection or any future product candidates, or the raw material components thereof, for an ongoing clinical trial due to the need to replace a third-party supplier could considerably delay completion of our clinical trials, product testing and potential regulatory approval of DaxibotulinumtoxinA for Injection or any future product candidates. 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 DaxibotulinumtoxinA for Injection 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.

Furthermore, if there is a disruption to our or our third-party suppliers' relevant operations, including as a result of the COVID-19 pandemic, we will have no other means of producing DaxibotulinumtoxinA for Injection or any future product candidates until they restore the affected facilities or we or they procure alternative facilities. Additionally, any damage to or destruction of our or our third party or suppliers' facilities or equipment may significantly impair our ability to manufacture our product candidates on a timely basis.

**We or the third parties upon whom we depend may be adversely affected by earthquakes or other natural disasters and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster.**

Our corporate office that houses the majority of our workforce and other facilities, including our internal manufacturing facility, are located in the San Francisco Bay Area, which has experienced severe earthquakes. We do not carry earthquake insurance. Earthquakes or other natural disasters could severely disrupt our operations, and have a material adverse effect on our business, results of operations, financial condition and prospects.

If a natural disaster, power outage or other event occurred that prevented us from using all or a significant portion of our offices or facilities or that damaged critical infrastructure, such as our manufacturing facility, enterprise financial systems or manufacturing resource planning and enterprise quality systems, or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible for us to continue our business 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. The disaster recovery and business continuity plans we have in place currently are limited and 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.

Furthermore, integral parties in our supply chain are geographically concentrated and operating from single sites, thereby increasing their vulnerability to natural disasters or other sudden, unforeseen and severe adverse events. If such an event were to affect our supply chain, it could have a material adverse effect on our business.

**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 DaxibotulinumtoxinA for Injection, RHA® 1 or any hyaluronic acid filler products developed pursuant to the Teoxane Agreement or any future product candidates.**

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.

**If we are found to have improperly promoted off-label uses for our products that are approved for marketing, including the RHA® Collection of dermal fillers and, if approved for marketing, DaxibotulinumtoxinA for Injection, 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, such as the RHA® Collection of dermal fillers and, if approved, DaxibotulinumtoxinA for Injection. 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 the RHA® Collection of dermal fillers and, if approved, DaxibotulinumtoxinA for Injection or our other 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 DaxibotulinumtoxinA for Injection or any future product candidates for therapeutic indications, could hinder or prevent their commercial success.***

Our ability to commercialize DaxibotulinumtoxinA for Injection or any future product candidates for therapeutic indications such as cervical dystonia, adult upper limb spasticity or migraine will depend in part on the coverage and reimbursement levels set by governmental authorities, private health insurers and other third-party payors. As a threshold for coverage and reimbursement, third-party payors generally require that drug products have been approved for marketing by the FDA. Third-party payors also 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 DaxibotulinumtoxinA for Injection or any future product candidates for therapeutic indications, or we may be required to sell them at a discount. Third party payor coverage and reimbursement will not likely be available for our products developed for aesthetic indications.

We expect that third-party payors will consider the efficacy, cost effectiveness and safety of DaxibotulinumtoxinA for Injection in determining whether to approve reimbursement for DaxibotulinumtoxinA for Injection for therapeutic indications and at what level. Our business would be materially adversely affected if we do not receive coverage and adequate reimbursement of DaxibotulinumtoxinA for Injection for therapeutic indications 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. Our business could also be adversely affected if third-party payors limit the indications for which DaxibotulinumtoxinA for Injection will be reimbursed to a smaller patient set than we believe they are effective in treating. In the absence of third party payor coverage and reimbursement for DaxibotulinumtoxinA for Injection for aesthetic indications, our ability to commercialize DaxibotulinumtoxinA for Injection for aesthetic indications will depend on patients' willingness to pay out of pocket for our product.

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 DaxibotulinumtoxinA for Injection, 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.

**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, DaxibotulinumtoxinA for Injection, if approved, and as a result of the clinical testing of DaxibotulinumtoxinA for Injection, 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, DaxibotulinumtoxinA for Injection 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 commercialize the RHA® Collection of dermal fillers, DaxibotulinumtoxinA for Injection 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 prevent or inhibit the commercialization of DaxibotulinumtoxinA for Injection, the RHA® Collection of dermal fillers or any future products we develop. We currently carry product liability insurance covering our clinical trials. Although we maintain such 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 and when we obtain approval for marketing DaxibotulinumtoxinA for Injection we intend to expand our insurance coverage to include the sale of DaxibotulinumtoxinA for Injection as applicable; however, we may be unable to obtain this liability insurance on commercially reasonable terms.

**We have been, 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 have been, and may in the future be, the target of securities class actions or stockholder derivative claims. On May 1, 2015, a securities class action complaint was filed on behalf of the City of Warren Police and Fire Retirement System against us and certain of our directors and executive officers at the time of our follow-on public offering, and the investment

banking firms that acted as the underwriters in our follow-on public offering. The Court granted final approval of the settlement, as set forth in the Stipulation of Settlement, on July 28, 2017. While the litigation has ended, we may be subject to future securities class action and shareholder derivation actions, which may adversely impact our business, results of operations, financial position or cash flows and divert management's time and attention from the business.

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

Although a substantial amount of our effort will focus on the commercialization of the RHA® Collection of dermal fillers and the continued clinical testing and working toward approval of DaxibotulinumtoxinA for Injection, our strategy also includes the discovery, development and commercialization of a portfolio of neuromodulator products for both aesthetic and therapeutic indications. We are seeking to do so through our internal research programs and may explore strategic collaborations for the development or acquisition of new products.

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 cross-linked 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 shareholders. 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.

While DaxibotulinumtoxinA for Injection is in the clinical development stage, our onabotulinumtoxinA biosimilar and all of our other potential product candidates remain in the discovery or preclinical stage. Research programs to identify product candidates require substantial technical, financial and human resources, whether or not any product candidates are ultimately identified. Our research 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, our business and future prospects may be harmed and our business will be more vulnerable to problems that we encounter in commercializing the RHA® Collection of dermal fillers and in developing and commercializing DaxibotulinumtoxinA for Injection.

**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, 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 under applicable laws and regulations governing the use, storage, handling and disposal of these materials and specified waste products. Although we believe that the safety procedures utilized by us and our third-party manufacturers for handling and disposing of these materials generally comply with the standards prescribed by these laws and regulations, we cannot guarantee that this is the case or eliminate the risk of accidental contamination or injury from these materials. In such an event, we may be held liable for any resulting damages and such 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.

**We may use third-party collaborators to help us develop, validate or commercialize any new 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 DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar, hyaluronic acid filler products, and any future product candidates. For instance, in February 2018, we and Viatris entered into the Viatris Collaboration, as amended in August 2019, pursuant to which we and Viatris 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 DaxibotulinumtoxinA for Injection 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® 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. Our collaboration with Viatris is for the development of an onabotulinumtoxinA biosimilar, which is subject to risks inherent with the relatively short history of biosimilar product approvals in the U.S. In February 2019, we and Viatris participated in a BIAM with the FDA to discuss the feasibility of a 351(k) onabotulinumtoxinA biosimilar submission and the necessary development pathway for an onabotulinumtoxinA biosimilar product candidate. We have begun the continuation phase of the onabotulinumtoxinA biosimilar program and are moving forward with characterization and product

development work. While we believe that a pathway is viable, the successful development and commercialization of an onabotulinumtoxinA biosimilar product in any indications of BOTOX® or BOTOX Cosmetic® would be subject to FDA requirements that would need to be assessed by us and Viatris in determining the development of an onabotulinumtoxinA biosimilar product candidate. Even if successfully developed, an onabotulinumtoxinA biosimilar product would be subject to similar commercial risks as DaxibotulinumtoxinA for Injection.

**Significant disruptions of information technology systems or security breaches could materially adversely affect our business, our reputation, our customer relationships, results of operations and financial condition.**

We collect and maintain information in digital form that is necessary to conduct our business, and we are increasingly dependent on information technology systems and infrastructure to operate our business. In the ordinary course of our business, we collect, store and transmit confidential information, including intellectual property, proprietary business information, and personally identifiable information ("personal information"). It is critical that we do so in a secure manner to maintain the confidentiality and integrity of such confidential information. We have established physical, electronic and organizational measures to safeguard and secure our systems to prevent a data compromise, and rely on commercially available systems, software, tools, and monitoring to provide security for our information technology systems and the processing, transmission and storage of digital information. We have also outsourced elements of our information technology infrastructure, and as a result a number of third-party vendors may or could have access to our confidential information. Our internal information technology systems and infrastructure, and those of our current and any future collaborators, contractors and consultants and other third parties on which we rely, are vulnerable to damage from computer viruses, malware, natural disasters, terrorism, war, telecommunication and electrical failures, cyber-attacks or cyber-intrusions over the Internet, attachments to emails, persons inside our organization, or persons with access to systems inside our organization. Because the techniques used to obtain unauthorized access or to sabotage systems change frequently and often are not identified until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. We may also experience unauthorized, accidental or unlawful destruction, loss, alteration, disclosure of, or access to, data, systems, networks, infrastructure and facilities ("security breaches") that may remain undetected for extended periods of time. Security breaches can be difficult to detect and any delay in identifying them could increase their harm. While we have implemented security measures to protect our data security and information technology systems, the recovery systems, security protocols, network protection mechanisms and other security measures that we have integrated into our systems, the HintMD platform, systems, networks, and physical facilities, which are designed to protect against, detect and minimize security breaches, may not be adequate to prevent or detect service interruption, system failure, data access, data loss or other types of security breach. Third parties may also exploit vulnerabilities in, or obtain unauthorized access to, platforms, systems, networks and/or physical facilities used by our vendors. In addition, our work from home policy implemented in response to the COVID-19 pandemic could increase our cyber security risk, create data accessibility concerns, and make us more susceptible to communication disruptions. U.S. and international authorities have been warning businesses of increased cybersecurity threats from actors seeking to exploit the COVID-19 pandemic. Any such security breaches could disrupt our operations, harm our reputation or otherwise have a material adverse effect on our business, financial condition and results of operations.

The risk of a security breach or disruption, particularly through cyber-attacks or cyber intrusion, including by computer hackers, foreign governments and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. In addition, our HintMD platform operates in an industry that is prone to cyber-attacks and the prevalent use of mobile devices that access confidential information increases the risk of security breaches, which could lead to the loss of our or our customers' data, confidential information or other intellectual property. The costs to us to mitigate network security problems, bugs, viruses, worms, malicious software programs and security vulnerabilities could be significant, and while we have implemented security measures to protect our data security and information technology systems, our efforts to address these problems may not be successful, and these problems could result in unexpected interruptions, delays, cessation of service and other harm to our business and our competitive position. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our product development programs. For example, the loss or compromise to the integrity of clinical study data from completed or ongoing or planned clinical studies 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, HintMD might be responsible for payment of network fines levied pursuant to payment network rules and regulations.

Moreover, if a security breach affects our systems, corrupts our data or results in the unauthorized disclosure or release of personal information, our reputation could be materially damaged. In addition, federal, state and local governments and agencies in the United States and many countries around the world, including the member states of the EEA, have adopted laws and regulations concerning the collection, use, adaptation, alteration, combination, maintenance, recording, organization, structuring, storage, retrieval, consultation, disclosure, protection, restriction, erasure, destruction and the performance of other operations (collectively the "processing") of personal information of individuals (including patients, consumers, employees, and professionals) who reside in the United States and these other countries (generally, "privacy laws"). Additionally, United States and foreign laws and regulations, including laws in every U.S. state, and laws in the member states of the EEA, may require notification to governmental agencies, supervisory authorities, credit reporting agencies, the media, or individual data subjects, in the event the company suffers a security breach that exposes personal information processed by or on behalf of the company ("breach notification laws"). For example, privacy laws such as the Health Insurance Portability and Accountability Act of 1996, as amended by HIPAA, U.S. state breach notification laws, and the EU General Data Protection Regulation (EU) 2016/679 together with implementing or supplementary legislation of member states of the EEA (collectively, the "GDPR") all have significant obligations with respect to processing personal information, as well as obligations related to notifications in the event of certain unauthorized disclosures, access, loss, alteration or destruction of personal information.

In the event of a security breach affecting personal information we could also be exposed, pursuant to these privacy laws and breach notification laws, to a risk of financial loss, regulatory enforcement measures, penalties, and fines, as well as third-party indemnification claims or litigation, and potential civil or criminal liability, which could materially adversely affect our business, results of operations and financial condition. Further, unauthorized access to the HintMD platform, systems, networks, or physical facilities, could result in litigation with HintMD customers, HintMD customers' end-users, or other relevant stakeholders. Any of these proceedings could force us to spend money in defense or settlement, divert management's time and attention, increase our costs of doing business, or adversely affect our reputation and the reputation of the HintMD platform. We could be required to fundamentally change the business activities and practices of the HintMD platform or modify its products and/or platform capabilities in response to such litigation, which could have an adverse effect on our business. If a security breach were to occur, and the confidentiality, integrity or availability of our data or the data of our or HintMD's customers or its customers' end-users was disrupted, we could incur significant liability, or the HintMD platform, systems or networks may be perceived as less desirable, which could negatively affect our business and damage our reputation. Any of the foregoing circumstances may have a material adverse effect on our business and its results of operations as a result.

In addition to the obligations arising from the breach notification laws, we also have contractual and legal obligations to notify relevant stakeholders, including certain customers and partners, of security breaches. Such mandatory disclosures are costly, could lead to negative publicity, may cause our customers to lose confidence in the effectiveness of our security measures and require us to expend significant capital and other resources to respond to and/or alleviate problems caused by the actual or perceived security breach. A security breach may result in a breach of HintMD customer contracts or agreements with third party service providers. Our agreements with certain customers or third party service providers may require us to use industry-standard, reasonable measures, or measures otherwise mandated by law to safeguard personal information or confidential information. A security breach could lead to claims by our customers, their end-users, or other relevant stakeholders that we have failed to comply with such legal or contractual obligations. As a result, we could be subject to legal action or our customers or third party service providers could end their relationships with the HintMD platform. There can be no assurance that the limitations of liability in our contracts would be enforceable or adequate or would otherwise protect us from liabilities or damages.

**Changes in and failures to comply with U.S. and foreign privacy laws and standards may adversely affect our business, operations and financial performance.***

As stated above, we are subject to or affected by numerous federal, state and foreign privacy laws, as well as regulatory guidance, governing the processing of personal information, such as information that we collect about patients and healthcare providers in connection with clinical trials in the U.S. and abroad. This global privacy law and regulatory guidance landscape is rapidly evolving, and implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future. This evolution may create uncertainty in our business, affect our or our vendors' ability to operate in certain jurisdictions or to collect, store, transfer, use, share and otherwise process personal information, necessitate the

acceptance of more onerous obligations in our contracts, result in liability, or impose additional costs on us. The cost of compliance with these laws, regulations and standards is high and is likely to increase in the future. Any failure or perceived failure by us to comply with federal, state or foreign privacy laws, our internal policies and procedures, or our contracts governing our processing of personal information could result in negative publicity, diversion of management time and effort, and proceedings against us by governmental entities or others. In many jurisdictions, enforcement actions and consequences for noncompliance are rising.

In the U.S., HIPAA 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 their 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. Certain states have also adopted comparable privacy and security laws and regulations, some of which may be more stringent than HIPAA. We may become subject to new privacy laws or cybersecurity regulations. Such laws and regulations could affect our ability to process personal information (in particular, our ability to use certain data for purposes such as risk or fraud avoidance, marketing or advertising), our ability to control our costs by using certain vendors or service providers, or impact our ability to offer certain services in certain jurisdictions. For example, the California Consumer Privacy Act became effective on January 1, 2020 and its applicable regulations are being implemented in waves by the California Attorney General, including additional regulations that were finalized in March of 2021 (“CCPA”). Further, in November 2020, California voters passed a ballot initiative called the California Privacy Rights Act (“CPRA”) that further amends and expands the CCPA and which will have additional regulations all of which become effective January 2023 (the CCPA collectively the Act and its regulations and CPRA and their applicable regulations are referred to hereafter as, “CCPA”). The CCPA establishes a privacy framework for covered businesses, including an expansive definition of personal information and data privacy rights for California residents. The CCPA includes a framework with potentially severe statutory damages and private rights of action and requires installation of the first U.S. authority solely dedicated to privacy enforcement, the California Privacy Protection Agency. The CCPA requires covered companies to provide new disclosures to California consumers (as that word is broadly defined in the CCPA), provide such consumers new ways to opt-out of certain sales of personal information, and allow for a new cause of action for data breaches. As we expand our operations, the CCPA will likely impact our business activities and may increase our compliance costs and potential liability. If we fail to comply with the CCPA, including all of the various and recent waves of its implementing regulations and amendments, we may face significant fines and penalties that could adversely affect our business, financial condition and results of operations. Other states are beginning to pass similar laws., and some observers have noted that the CCPA could mark the beginning of a trend toward more stringent privacy legislation in the U.S., which could increase our potential liability and adversely affect our business. Such laws and regulations will be subject to interpretation by various courts and other governmental authorities, thus creating potentially complex compliance issues for us and our future customers and strategic partners.

Because data security is a critical competitive factor in the payments processing industry, there are statements in the HintMD platform privacy policies and terms of service, its certifications to privacy standards, and its marketing materials, describing the security of the HintMD platform, including descriptions of certain security measures it employs. Should any of these statements be untrue, become untrue, or be perceived to be untrue, even if through circumstances beyond our reasonable control, we may face claims, including claims of unfair or deceptive trade practices, brought by the U.S. Federal Trade Commission, state, local regulators or private litigants. In the event that we are subject to HIPAA, the CCPA, or other U.S. privacy laws, any liability from failure to comply with the requirements of these laws could adversely affect our financial condition.

Our operations abroad may also be subject to increased scrutiny or attention from data protection authorities. Many countries in these regions have established or are in the process of establishing privacy laws with which we, our customers, and our vendors must comply. For example, member states of the EEA have adopted the GDPR, which went into effect in May 2018 and introduces strict requirements for processing the personal information of data subjects in the EEA, including clinical trial data. The GDPR has increased compliance burdens on us, including by requiring the following: establishing a legal basis for processing personal information; creating obligations for controllers and processors to appoint data protection officers in certain circumstances; increasing transparency obligations to data subjects for controllers (including presentation of certain information in a concise, intelligible and easily accessible form about how their personal information is used and their rights vis-à-vis that data and its use); introducing the obligation to carry out so-called data protection impact assessments in certain circumstances; establishing limitations on collection and retention of personal information through ‘purpose,’ ‘data

minimization' and 'storage limitation' principles; establishing obligations to implement 'privacy by design'; introducing obligations to honor increased rights for data subjects (such as rights for individuals to be 'forgotten,' rights to data portability, rights to object etc. in certain circumstances); formalizing a heightened and codified standard of data subject consent; establishing obligations to implement certain technical and organizational safeguards to protect the security and confidentiality of personal information; introducing obligations to agree to certain specific contractual terms and to take certain measures when engaging third party processors and joint controllers; introducing the obligation to provide notice of certain significant security breaches to the relevant supervisory authority(ies) and affected individuals; and mandating the appointment representatives in the European Union in certain circumstances.

The processing of 'special categories of personal data', such as data concerning health, biometric data used for unique identification purposes and genetic information imposes heightened compliance burdens under the GDPR and is a topic of active interest among foreign regulators. The GDPR increases our obligations with respect to clinical trials conducted in Europe by expressly expanding the definition of personal information to include 'pseudonymized' or key-coded data and requiring changes to informed consent practices and more detailed notices for clinical trial subjects and investigators. The GDPR also provides that EEA member states should make their own further laws and regulations to introduce specific requirements related to the processing of 'special categories of personal data,' as well as personal information related to criminal offences or convictions. This fact may lead to greater divergence on the law that applies to the processing of such data types across the EEA, compliance with which, as and where applicable, may increase our costs and could increase our overall compliance risk.

In addition, the GDPR provides for robust regulatory enforcement and greater penalties for noncompliance than previous data protection laws, including fines of up to €20 million or 4 percent of the annual global revenue of the noncompliant company for the preceding financial year, whichever is greater. In addition to administrative fines, a wide variety of other potential enforcement powers are available to competent supervisory authorities in respect of potential and suspected violations of the GDPR, including extensive audit and inspection rights, and powers to order temporary or permanent bans on all or some processing of personal information carried out by non-compliant actors. The GDPR also confers a private right of action on data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies, and obtain compensation for damages resulting from violations of the GDPR.

European data protection laws, including the GDPR, generally restrict the transfer of personal information from Europe, including the EEA, United Kingdom and Switzerland, to the United States and most other countries unless the parties to the transfer have implemented specific safeguards to protect the transferred personal information. One of the primary safeguards allowing U.S. companies to import personal information from Europe had been certification to the EU-U.S. Privacy Shield and Swiss-U.S. Privacy Shield frameworks administered by the U.S. Department of Commerce. However, the EU-U.S. Privacy Shield was invalidated in July 2020 by the Court of Justice of the European Union ("CJEU") in a case known colloquially as "Schrems II." Following this decision, the Swiss Federal Data Protection and Information Commissioner (the "FDPIC"), announced that the Swiss-U.S. Privacy Shield does not provide adequate safeguards for the purposes of personal information transfers from Switzerland to the United States. While the FDPIC does not have authority to invalidate the Swiss-U.S. Privacy Shield regime, the FDPIC's announcement casts doubt on the viability of the Swiss-U.S. Privacy Shield as a future compliance mechanism for Swiss-U.S. data transfers.

The CJEU's decision in Schrems II also raised questions about whether one of the primary alternatives to the EU-U.S. Privacy Shield, namely, the European Commission's Standard Contractual Clauses, can lawfully be used for personal information transfers from Europe to the United States or other third countries that are not the subject of an adequacy decision of the European Commission. While the CJEU upheld the adequacy of the Standard Contractual Clauses in principle in Schrems II, it made clear that reliance on those Clauses alone may not necessarily be sufficient in all circumstances. Use of the Standard Contractual Clauses must now be assessed on a case-by-case basis taking into account the legal regime applicable in the destination country, in particular regarding applicable surveillance laws and relevant rights of individuals with respect to the transferred data. In the context of any given transfer, where the legal regime applicable in the destination country may or does conflict with the intended operation of the Standard Contractual Clauses and/or applicable European law, the decision in Schrems II and subsequent draft guidance from the European Data Protection Board, or EDPB, would require the parties to that transfer to implement certain supplementary technical, organizational and/or contractual measures to rely on the Standard Contractual Clauses as a compliant 'transfer mechanism.' However, the aforementioned draft guidance from the EDPB on such supplementary technical, organizational and/or contractual measures appears to conclude

that no combination of such measures could be sufficient to allow effective reliance on the Standard Contractual Clauses in the context of transfers of personal information 'in the clear' to recipients in countries where the power granted to public authorities to access the transferred data goes beyond that which is 'necessary and proportionate in a democratic society' – which may, following the CJEU's conclusions in Schrems II on relevant powers of United States public authorities and commentary in that draft EDPB guidance, include the United States in certain circumstances (e.g., where Section 702 of the US Foreign Intelligence Surveillance Act applies). At present, there are few, if any, viable alternatives to the EU-U.S. Privacy Shield and the Standard Contractual Clauses.

As such, if we are unable to implement a valid solution for personal information transfers from Europe, including, for example, obtaining individuals' explicit consent to transfer their personal information from Europe to the United States or other countries, we will face increased exposure to regulatory actions, substantial fines and injunctions against processing personal information from Europe. Inability to import personal information from the EEA, United Kingdom or Switzerland may also restrict our clinical trials activities in Europe; limit our ability to collaborate with contract research organizations as well as other service providers, contractors and other companies subject to European data protection laws; and require us to increase our data processing capabilities in Europe at significant expense. Additionally, other countries outside of Europe have enacted or are considering enacting similar cross-border data transfer restrictions and laws requiring local data residency, which could increase the cost and complexity of delivering our services and operating our business. The type of challenges we face in Europe will likely also arise in other jurisdictions that adopt laws similar in construction to the GDPR or regulatory frameworks of equivalent complexity.

As we continue to expand into other foreign countries and jurisdictions, we may be subject to additional laws and regulations that may affect how we conduct business. It is possible that the GDPR, CCPA or other laws and regulations relating to privacy and data protection may be interpreted and applied in a manner that is inconsistent from jurisdiction to jurisdiction or inconsistent with our current policies and practices and compliance with such laws and regulations could require us to change our business practices and compliance procedures in a manner adverse to our business. We cannot guarantee that we are in compliance with all such applicable data protection laws and regulations as they are enforced now or as they evolve.

**The relocation of our headquarters may not be executed as we envision.**

We moved our global headquarters from Newark, California, to Nashville, Tennessee, effective January 1, 2021. In connection with this relocation, we could experience unexpected costs or business disruption and diversion of management attention, which could negatively impact our business operations and result in additional costs. The relocation may have a significant adverse effect on our ability to motivate and retain current employees. Further significant managerial and operational challenges could arise, such as ineffective transfer of institutional knowledge from current employees to newly-hired employees and we could encounter more difficulty than expected in hiring qualified employees to help staff our Nashville headquarters.

## Risks Related to the HintMD Platform

**The HintMD platform has been installed in limited accounts. If HintMD is not able to increase adoption and use of the HintMD platform and maintain and enhance the HintMD brand, then HintMD's business, operating results and financial condition may be negatively impacted, and we may not realize the anticipated benefits of the HintMD Acquisition.**

Customers of the HintMD platform consist of plastic surgeons, dermatologists and medical spas, which we refer to as "practices." In order to increase revenue from the HintMD platform and market our aesthetic product portfolio through the HintMD platform, we need to expand the HintMD customer base significantly, and practices and their patients must continue to utilize the HintMD platform. If the HintMD platform is not widely adopted then our expectations for revenue growth and additional marketing opportunities from the HintMD platform will not be achieved. There is no assurance that we will be successful in increasing the use of the HintMD platform.

We believe that maintaining and enhancing the HintMD reputation as a differentiated payments processing platform serving the medical aesthetic industry is critical to HintMD's relationship with existing customers and its ability to attract new

customers and may also result in the generation of new aesthetic product customers for Revance. The successful promotion of HintMD's brand attributes will depend on a number of factors, including our ability to: target and have the HintMD platform adopted by premier accounts; increase loyalty between practices and patients; continue to develop high-quality software; successfully differentiate the HintMD platform from competitive products and services; and achieve success in sales and marketing efforts. In July 2020, Allergan terminated its alliance with HintMD through Allergan's Brilliant Distinctions® program, which may adversely impact the adoption of the HintMD platform by new practices. However, we believe that the open nature of the HintMD platform and ability to work with practices to develop their own subscription or loyalty programs that are not focused on specific manufacturers will enable HintMD to attract new customers.

The promotion of the HintMD platform will require us to make substantial expenditures, and we anticipate that the expenditures will increase as we seek to expand the HintMD platform. To the extent that these activities generate increased revenue, this revenue may not offset the increased expenses we incur. If HintMD does not successfully maintain and enhance the HintMD platform offerings, it could lose customers or fail to attract potential new customers, which would negatively affect HintMD's business, operating results and financial condition. As a result, Revance may not generate revenue from the HintMD platform, which could adversely affect our business, results of operations and financial condition, or Revance may not realize the anticipated benefits from the HintMD Acquisition.

**The HintMD Acquisition may result in significant charges or other liabilities that could adversely affect our financial results.**

Our financial results may be adversely affected by cash expenses and non-cash accounting charges incurred in connection with our integration of the business and operations of HintMD. The amount and timing of these possible charges are not yet known. Further, our failure to identify or accurately assess the magnitude of certain liabilities or necessary technology investments we are assuming as a result of the HintMD Acquisition could result in unexpected litigation or regulatory exposure, unfavorable accounting charges, unexpected increases in taxes due, 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 HintMD platform technology, infrastructure or service offerings may adversely affect our business and operating results.***

The continued growth of the HintMD platform depends in part on the ability of users to access the platform at any time and within an acceptable amount of time. The HintMD platform is proprietary, and it relies on the expertise of members of engineering, operations and software development teams for its continued performance. In addition, we depend on external data centers, such as Amazon's AWS, to host the HintMD platform applications and have integrated third-party services that we rely upon as critical components of the HintMD application. We do not control the operation of these facilities. The HintMD 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 HintMD platform), capacity constraints due to an overwhelming number of users accessing the HintMD platform simultaneously, denial-of-service or other cyber-attacks or other security-related incidents. In some instances, HintMD 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 HintMD platform, especially during peak usage times and as the HintMD platform becomes more complex and its user traffic increases. As a result, the HintMD platform may become unavailable or users may be unable to access the HintMD platform within a reasonable amount of time. In the event of any of the factors described above, or certain other failures of our infrastructure, user data may be permanently lost. If the HintMD platform experiences significant periods of service downtime in the future, HintMD and Revance may be subject to claims by users of the HintMD platform. To the extent that HintMD and Revance 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 HintMD platform, existing relationships with practices would be adversely affected and the HintMD brand could be harmed. In addition to technological and infrastructure problems, if customers of the HintMD platform experience other issues or are unsatisfied with the service offerings or operations of the HintMD platform, this could result in poor relationships with practices and reputational harm to HintMD. Poor customer relations and reputational harm to HintMD as a wholly-owned subsidiary of Revance and one of

Revance's aesthetic product offerings, could negatively impact Revance’s brand and its relationships with aesthetic product customers.

**The business and growth of the HintMD platform depend in part on the success of its strategic relationships with third parties, including payments partners, platform partners, technology partners and potentially aesthetics manufacturers.**

HintMD depends on, and anticipates that it will continue to depend on, various third-party relationships in order to sustain and grow the HintMD platform. It is highly dependent upon partners for certain critical features and functionality of the HintMD platform, including secure data centers, a sponsor bank, third-party payment processors and has historically been dependent on third-party aesthetics manufacturers which have used the HintMD platform for brand loyalty programs. The inability of the HintMD platform to provide brand loyalty programs as it has in the past may adversely impact the adoption of the HintMD platform by new practices or may result in a loss of current customers. In July 2020, Allergan terminated its alliance with HintMD through Allergan’s Brilliant Distinctions® program, which may have a negative impact on customer retention and adoption.

HintMD depends on hardware providers and third-party processing partners to perform payment processing services to make the HintMD platform work. For example, it relies on Fiserv to provide the payment gateway services that enables the HintMD platform to process payments, and if Fiserv is unable to continue to supply processing for the HintMD platform, the performance of the HintMD platform system could be adversely affected and its growth would be limited. Its 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 HintMD 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 HintMD reputation and adversely impact customer relationships and its ability to generate revenue.

If HintMD were no longer able to use its current third-party processing partners, it 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 HintMD platform, nor is there any assurance that HintMD will be able to reach an agreement with such processing partners. Contracts with such processing partners may be less economically beneficial to HintMD 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 HintMD customer base and decrease the profitability of the HintMD platform.

In addition to a third-party payment processor, another payment partner required for HintMD 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 HintMD processing services unprofitable, the acquiring bank may itself encounter difficulties unrelated to HintMD or payment network rules may be amended rendering the acquiring bank incapable of processing for HintMD customers. Any of these occurrences could interfere with the ability of the HintMD platform to secure effective and profitable payment processing services for its customers, which would disrupt the HintMD business, increase its expenses and impact the services it could provide to its customers.

In addition, failure of these or any of its technology providers to maintain, support or secure their technology platforms in general, and HintMD integrations in particular, or errors or defects in their technology, could materially and adversely impact HintMD’s relationship with its customers, damage its reputation and brand, and harm its business. In addition, any failure by the software provided by HintMD’s third party vendors may cause HintMD to fail to comply with applicable laws and regulations and could expose HintMD and Revance to regulatory, financial, or reputational risk. HintMD 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 HintMD to maintain compatibility, decrease sales or require HintMD to source new partners.

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. HintMD's agreements with these partners are typically limited in duration, non-exclusive and do not prohibit them from working with HintMD's competitors or from offering competing services. HintMD's competitors may be effective in providing incentives to third parties to favor their products or services or to prevent or reduce use of the HintMD platform. In addition, HintMD partners could develop competing products or services.

If HintMD is unsuccessful in establishing or maintaining relationships with these strategic third parties, its ability to compete in the payments marketplace could be impaired, and as a result HintMD's business, operating results and financial condition 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 HintMD business. Further, HintMD is dependent on payment card networks and third-party payment processors, and any changes to their fee structures could harm HintMD's business.**

HintMD operates in a highly competitive marketplace, which impacts the pricing HintMD may charge its customers for the processing of credit cards. There can be significant downward pricing pressure in order to remain competitive in the marketplace. HintMD's competitors may be able to offer similar or lower rates to its customers alongside a more comprehensive set of financial services products that allows them to offset a reduction in processing margins.

Additionally, HintMD's costs associated with the processing of credit cards are not directly under its control. HintMD's 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 HintMD's margins and we may not realize the benefits of the HintMD Acquisition.

**If the HintMD platform or its vendors' networks or computer systems are breached or if the security of the personal information that HintMD collects, stores or processes through the HintMD platform (or that its vendors collect, store or process) is compromised or otherwise experiences unauthorized access, or HintMD fails to comply with commitments and assurances regarding the privacy and security of personal information on the HintMD platform, the HintMD platform may be perceived as insecure, and HintMD may lose existing users or fail to attract new users to the HintMD platform, and the Revance brand and reputation may be negatively impacted, and HintMD and Revance may incur significant liabilities.**

Use of the HintMD platform involves the storage, transmission and processing of customers' proprietary data, including personal or identifying information regarding their patients such as name, address and the types of treatments they are receiving. As a result, unauthorized access to, security breaches of, malicious code (such as viruses and worms), employee theft or misuse, or denial-of-service or other cyber-attacks against the HintMD platform could result in the unauthorized access to or use of, disclosure of, and/or loss of, such data, as well as loss of intellectual property or trade secrets.

If any unauthorized access to the HintMD platform systems or data or a security breach occurs or is believed to have occurred, HintMD's reputation and brand could be damaged, which could also reflect negatively on Revance's reputation and brand. HintMD could be required to expend significant capital and other resources to alleviate problems caused by such actual or perceived breaches or attacks and remediate its systems, and HintMD could be exposed to a risk of loss, litigation or regulatory action and possible liability, and our ability to operate the HintMD platform business may be impaired. HintMD may in the future experience denial-of-service or other cyber-attacks against the HintMD platform. If potential new users or existing users believe that the HintMD platform does not provide adequate security for the storage of personal information or confidential information or its transmission over the Internet, they may not adopt the HintMD platform or may choose not to renew their subscriptions to the HintMD platform, which could harm its business. Additionally, actual, potential or anticipated attacks may cause HintMD and Revance to incur increasing costs, including costs to deploy additional personnel and protection technologies, train employees, and engage third-party experts and consultants. Although we maintain cyber liability insurance, we cannot be certain that such insurance will continue to be available to us on commercially reasonable terms, or at all, and our liability may be in excess of the limits of our insurance coverage.

HintMD has contractual and legal obligations to notify relevant stakeholders of security breaches. The HintMD platform operates in an industry that is prone to cyber-attacks. Failure to prevent or mitigate cyber-attacks could result in the unauthorized access to our data or the data of its customers. Most jurisdictions have enacted laws requiring companies to notify individuals, regulatory authorities and others of security breaches involving certain types of data. In addition, HintMD's agreements with certain customers and partners may require HintMD to notify them in the event of a security breach. Such mandatory disclosures are costly, could lead to negative publicity, may cause HintMD customers to lose confidence in the effectiveness of HintMD's security measures and require HintMD to expend significant capital and other resources to respond to and/or alleviate problems caused by the actual or perceived security breach. A security breach may cause HintMD to breach HintMD customer contracts. HintMD's agreements with certain customers may require it to use industry-standard, reasonable measures or measures otherwise mandated by law to safeguard personal information or confidential information. A security breach could lead to claims by HintMD customers, their end-users, or other relevant stakeholders that HintMD has failed to comply with such legal or contractual obligations. HintMD also agreed contractually to comply with payment network regulations concerning security that, when violated, can result in fines payable by HintMD to payment networks. As a result, HintMD could be subject to legal action, fines, or its customers could end their relationships with the HintMD platform. There can be no assurance that the limitations of liability in HintMD's contracts would be enforceable or adequate or would otherwise protect HintMD from liabilities or damages.

Because data security is a critical competitive factor in the payments processing industry, there are statements in the HintMD platform privacy policies and terms of service, its certifications to privacy standards, and its marketing materials, describing the security of the HintMD platform, including descriptions of certain security measures it employs. Should any of these statements be untrue, become untrue, or be perceived to be untrue, even if through circumstances beyond HintMD's reasonable control, HintMD may face claims, including claims of unfair or deceptive trade practices brought by the U.S. Federal Trade Commission, state, local regulators or private litigants.

Because the techniques used to obtain unauthorized access or to sabotage systems change frequently and often are not identified until they are launched against a target, HintMD may be unable to anticipate these techniques or to implement adequate preventative measures. HintMD may also experience security breaches that may remain undetected for extended periods of time. The recovery systems, security protocols, network protection mechanisms and other security measures that HintMD has integrated into the HintMD platform, systems, networks, and physical facilities, which are designed to protect against, detect and minimize security breaches, may not be adequate to prevent or detect service interruption, system failure, data access, data loss or other types of security breach. Third parties may also exploit vulnerabilities in, or obtain unauthorized access to, platforms, systems, networks and/or physical facilities used by HintMD vendors.

Litigation resulting from security breaches on the HintMD platform may adversely affect HintMD's business. Unauthorized access to the HintMD platform, systems, networks, or physical facilities could result in litigation with HintMD customers, HintMD customers’ end-users, or other relevant stakeholders. These proceedings could force HintMD to spend money in defense or settlement, divert management’s time and attention, increase HintMD's costs of doing business, or adversely affect the reputation of the HintMD platform. HintMD could be required to fundamentally change the business activities and practices of the HintMD platform or modify its products and/or platform capabilities in response to such litigation, which could have an adverse effect on HintMD's business. If a security breach were to occur, and the confidentiality, integrity or availability of HintMD data or the data of HintMD customers or its customers’ end-users was disrupted, HintMD could incur significant liability, or the HintMD platform, systems or networks may be perceived as less desirable, which could negatively affect HintMD's business and damage its reputation.

HintMD is a wholly-owned subsidiary of Revance, and all of the HintMD operations are conducted by Revance employees. As a result, any of the foregoing circumstances may expose Revance to legal liability, regulatory action, fines, damages and lawsuits, increased expenses, damage to its brand and reputation and may have a material adverse effect on Revance's business, financial results and results of operations.

**Risks Related to Our Human Capital Resources**

**As we evolve from a company primarily involved in research and development and commercialization of aesthetic products in the U.S. to a company involved in the commercialization of aesthetic and therapeutic products both domestically and internationally, we will need to increase the size of our organization. If we are unable to maintain**

**and expand sales, marketing, managerial and/or operational capabilities on our own or through third parties, we may be unable to successfully commercialize our product candidates for therapeutic indications and expand into international markets.***

In order to successfully commercialize our products for both aesthetic and therapeutic indications and expand internationally, we will need to expand our organization, including adding marketing, managerial, operational and sales capabilities, or contracting with third parties to provide these capabilities for us in the U.S. and foreign jurisdictions. In August 2020, we established an approximately 100-person field sales team that has marketing and sales capabilities targeted toward commercialization of aesthetic products in the U.S. To commercialize our product candidates for therapeutic indications and to expand internationally, we must manage and further expand our marketing, sales, distribution, managerial, operational and other non-technical capabilities or make arrangements with third parties to perform these services, and we may not be successful in doing so. Effectively executing our growth strategy requires that we:

- identify recruit, train, integrate, incentivize and retain adequate numbers of effective sales and marketing personnel;
- generate sufficient sales leads, provide adequate training to sales and marketing personnel and effectively manage a geographically dispersed sales and marketing team;
- achieve, maintain and grow market, physician, patient and healthcare payor acceptance of, and demand for our products;
- manage our clinical trials and manufacturing operations effectively;
- manage our internal development efforts effectively while carrying out our contractual obligations to Teoxane under the Teoxane Agreement and to other third parties;
- successfully integrate HintMD and realize the benefits expected from the HintMD Acquisition; and
- continue to improve our operational, financial and management controls, reporting systems and procedures.

We expect to market DaxibotulinumtoxinA for Injection, if approved, and the RHA® Collection of dermal fillers through our current sales force in North America, and in other countries through either our own sales force or a combination of our internal sales force and distributors or partners. We may also need to increase our sales force or contract with distributors and partners if we obtain regulatory approval for DaxibotulinumtoxinA for Injection for any therapeutic indications we are pursuing. Establishing these channels may be expensive and time consuming. While we believe we are creating an efficient commercial organization, we may not be able to correctly judge the size and experience of the sales and marketing force and the scale of distribution necessary to be successful. We may choose to collaborate with third parties that have direct sales forces and established distribution systems, either to augment our own sales force and distribution systems or in lieu of our own sales force and distribution systems. If we are unable to enter into such arrangements on acceptable terms or at all, we may not be able to successfully commercialize the RHA® Collection of dermal fillers and, if approved, DaxibotulinumtoxinA for Injection or any future product candidates. Establishing and maintaining sales, marketing, and distribution capabilities are expensive and time-consuming. Such expenses may be disproportionate compared to the revenues we may be able to generate on sales of DaxibotulinumtoxinA for Injection, if approved, and the RHA® Collection of dermal fillers, which could cause our commercialization efforts to be unprofitable or less profitable than expected.

We have limited prior experience in the marketing, sale and distribution of aesthetic pharmaceutical products and no experience with the marketing, sale and distribution of therapeutic pharmaceutical products or any pharmaceutical products internationally. There are significant risks involved in building and managing a sales organization, including our ability to hire, retain and incentivize qualified individuals, generate sufficient sales leads, provide adequate training to sales and marketing personnel and effectively manage a geographically dispersed sales and marketing team. For example, we have and may continue to experience challenges associated with recruiting field representatives virtually through remote, group interviewing platforms and with onboarding new field representatives during such times as the COVID-19 pandemic, which necessitates our work from home policy. Any failure to maintain adequate internal sales, marketing and distribution

capabilities would adversely impact the commercialization of our products 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 the RHA® Collection of dermal fillers and, if it receives regulatory approval, DaxibotulinumtoxinA for Injection. We may not be able to attract and retain quality personnel on acceptable terms, or at all. In addition, to the extent we hire personnel from competitors, we may be subject to allegations that they have been improperly solicited or that they have divulged proprietary or other confidential information, or that their former employers own their previous research output.

As our operations expand, we expect that we will also need to manage additional relationships with various collaborative partners, suppliers and other third parties. Future growth will impose significant added responsibilities on our organization, in particular on management. Our future financial performance and our ability to commercialize the RHA® Collection of dermal fillers and, if approved, DaxibotulinumtoxinA for Injection and to compete effectively will depend, in part, on our ability to manage any future growth effectively. Due to our limited financial resources and our limited experience in managing a company with such anticipated growth, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. The physical expansion of our operations may lead to significant costs and may divert our management and business development resources. Any inability to manage growth could delay the execution of our development and strategic objectives, or disrupt our operations.

**If we fail to attract and keep senior management, we may be unable to successfully develop DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar or any future product candidates, conduct our clinical trials and commercialize the RHA® Pipeline Products, DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar or any future products we develop, or grow revenue from the HintMD platform.**

Our success depends in part on our continued ability to attract, retain and motivate highly qualified management, clinical, scientific, technical and sales personnel. We believe that our future success is highly dependent upon the contributions of our senior management, particularly Mark J. Foley, our President and Chief Executive Officer, Abhay Joshi, Ph.D., our Chief Operating Officer, President of R&D and Product Operations, Tobin C. Schilke, our Chief Financial Officer, Dustin Sjuts, our Chief Commercial Officer, Aesthetics & Therapeutics, and Aubrey Rankin, our President of Innovation and Technology, as well as our senior scientists and other members of our senior management team. The loss of services of any of these individuals could delay or prevent the successful development of our product pipeline, the completion of our planned clinical trials, the commercialization of the RHA® Pipeline Products, DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar or any future products we develop, or our ability to increase adoption of the HintMD platform.

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 in other key officers and employees and may cause declines in the productivity of existing employees. The search for a replacement officer may take many months or more, 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 Our Intellectual Property

**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 our efforts to protect our intellectual property related to DaxibotulinumtoxinA for Injection, the RHA® Collection of dermal fillers or any future product candidates, including an onabotulinumtoxinA biosimilar, 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 DaxibotulinumtoxinA for Injection, 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 action to change statutory patent law or court action that may reinterpret existing law in ways affecting the scope or validity of issued patents. 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 may 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, patents granted by the European Patent Office may be opposed by any person within nine months from the publication of their grant. Our European Patent EP 2 661 276 for “Topical composition comprising botulinum toxin and a dye” was opposed in the European Patent Office by Allergan plc on May 2, 2018, and although this patent is not material to our business, we continue to take appropriate measures to defend the patent, including an appeal of a decision to revoke the patent, which decision is suspended in view of the appeal. 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. We are vigorously defending this patent in the European Patent Office. We were informed in May 2019 that our patent application NC2018/0005351 pending in Colombia for “Injectable Botulinum Toxin Formulations And Methods of Use Thereof Having Long Duration of Therapeutic Effect” was opposed. We have responded to this pre-grant opposition. 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 necessary to invalidate a patent claim in USPTO proceedings as compared to the evidentiary standard relied on in U.S. federal court, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action. Accordingly, a third party 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 DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar or any future product candidates is challenged, then it could threaten our ability to commercialize DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar or any future product candidates, 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 DaxibotulinumtoxinA for Injection, 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. As of March 16, 2013, the U.S. transitioned to a "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 had made the invention before it was made by the third party. The change to "first-to-file" from "first-to-invent" is one of the changes to the patent laws of the United States resulting from the Leahy-Smith America Invents Act signed into law on September 16, 2011. Among some of the other changes to the patent laws are changes that limit where a patentee may file a patent infringement suit and providing opportunities for third parties to challenge any issued patent in the USPTO.

Even where laws provide protection, costly and time-consuming litigation could be necessary to enforce 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, and some of our competitors have substantially greater intellectual property portfolios and financial resources than we have.

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 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 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 the 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. 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. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could impair our ability to compete in the marketplace. 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 to protect or enforce our patents or other intellectual property or the patents of our licensors, 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 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. Litigation or USPTO proceedings brought by us may fail or may be invoked against us by third parties. Even if we are successful, domestic or foreign litigation or USPTO or foreign patent office proceedings may result in substantial costs and distraction to our management. We may not be able, either alone or with our licensors or collaborators, to prevent misappropriation of our proprietary rights, particularly in countries where the laws may not protect such rights as fully as in the U.S.

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.

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 HintMD platform could adversely affect HintMD's ability to provide the HintMD platform and subject HintMD and Revance to possible claims.**

The HintMD platform incorporates open source software and we expect to continue to use open source software in the future. HintMD and Revance 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 HintMD's 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 HintMD platform, any of which would have a negative effect on HintMD's and Revance's business and operating results. In addition, if the license terms for the open source software HintMD utilizes change, HintMD and Revance may be forced to reengineer the HintMD platform or incur additional costs. Although we have implemented policies to regulate the use and incorporation of open source software into the HintMD platform, we cannot be certain that we have not incorporated open source software in the HintMD platform in a manner that is inconsistent with such policies.

**Any failure to protect intellectual property rights associated with the HintMD platform could impair our ability to protect HintMD's proprietary technology and the HintMD brand.**

HintMD currently has four issued patents and two pending patent applications. 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. HintMD also has one registered trademark in the United States and one pending trademark in Canada.

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 HintMD's intellectual property rights. However, the steps we take to protect HintMD intellectual property rights may be inadequate to prevent others from competing with the HintMD platform.

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

## 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.

**Even if we receive regulatory approval for DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar or any future product candidates, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense, may limit or delay regulatory approval and may subject us to penalties if we fail to comply with applicable regulatory requirements.**

Once regulatory approval has been granted, DaxibotulinumtoxinA for Injection or any approved product will be subject to continual regulatory review by the FDA and/or non-U.S. regulatory authorities. Additionally, any product candidates, if approved, will be subject to extensive and ongoing regulatory requirements, including labeling and other restrictions and market withdrawal and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our products.

Any regulatory approvals that we or our collaborators receive for DaxibotulinumtoxinA for Injection, RHA® 1 or any future product candidates 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, if the applicable regulatory agency approves DaxibotulinumtoxinA for Injection, RHA® 1 or any future product candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion and recordkeeping for the product 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. The RHA® Collection of dermal fillers are currently subject to such extensive and ongoing regulatory requirements, reports, registration and continued compliance. Later discovery of previously unknown problems with DaxibotulinumtoxinA for Injection, the RHA® Collection of dermal fillers or any future

product candidates, 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.

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.

**If we fail to obtain regulatory approvals in foreign jurisdictions for DaxibotulinumtoxinA for Injection, 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 future 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 DaxibotulinumtoxinA for Injection, an onabotulinumtoxinA biosimilar, RHA® 1 or any future hyaluronic acid filler products developed pursuant to the Teoxane Agreement or any future product candidates.

**The RHA® Collection of dermal fillers, and, if approved, DaxibotulinumtoxinA for Injection, 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 commercialize the RHA® Collection of dermal fillers, and if we are successful in commercializing DaxibotulinumtoxinA for Injection or any other 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.

**The HintMD platform is subject to stringent and changing privacy laws, regulations, standards and contractual obligations related to data privacy and security. Because the HintMD platform can be used to collect and store personal information, domestic privacy and data security concerns could result in HintMD and Revance incurring additional costs and liabilities or inhibit sales of the HintMD platform.**

Practices use the HintMD platform to process personal information, including personal information that could be considered “sensitive”, regarding patients, which processing is subject to U.S. federal and state privacy laws and breach notification laws. The costs of compliance with these privacy laws and breach notification laws, as well as the associated burdens imposed by such laws, may limit the use or adoption of the HintMD platform, lead to significant fines, penalties or liabilities related to noncompliance, or slow the pace at which we close sales of the HintMD platform, any of which could harm HintMD's and Revance's business. See "If the HintMD platform or its vendors’ networks or computer systems are breached or if the security of the personal information that HintMD collects, stores or processes through the HintMD platform (or that its vendors collect, store or process) is compromised or otherwise experiences unauthorized access, or HintMD fails to comply with commitments and assurances regarding the privacy and security of personal information on the HintMD platform, the HintMD platform may be perceived as insecure, and HintMD may lose existing users or fail to attract new users to the HintMD platform, and the Revance brand and reputation may be negatively impacted, and HintMD and Revance may incur significant liabilities."

Any failure by HintMD vendors to comply with the terms of HintMD's contractual provisions or the applicable privacy or breach notification laws or where applicable the PCI DSS could result in proceedings against HintMD and Revance by governmental entities or others.

We also expect that there will continue to be new federal and state privacy laws passed that directly impact the HintMD platform, and we may not be able to predict the full impact that such future laws may have on our business. For instance, if our privacy and data policies and practices with respect to the HintMD platform, are, or are perceived to be, insufficient to demonstrate compliance with existing or new privacy laws, our risk and cost of operation could increase and user demand for the HintMD platform could decline, and our business could be harmed.

The HintMD platform may in certain circumstances, process information that could be defined by HIPAA as “protected health information” (“PHI”) and thus such processing may be subject to HIPAA. Additionally, certain states have adopted health information privacy laws and regulations related to the processing of PHI and comparable to HIPAA, some of which may be more stringent than HIPAA. Generally, HIPAA and state health information privacy laws require entities directly regulated by the law and regulations (HIPAA calls these entities “covered entities”, and their service providers and subcontractors “business associates”) to develop and maintain certain administrative, physical, and technical safeguards to protect PHI and ensure the confidentiality, integrity and availability of electronic PHI. In the event of an unauthorized use or disclosure of PHI, the reporting requirements could include notification to affected individuals, state and federal governmental agencies, and in certain instances the media. Depending on the facts and circumstances we could be subject to significant civil and administrative penalties, and in rare circumstances, criminal penalties, if we obtain, use, or disclose PHI through the HintMD platform in a manner that is not authorized or permitted by HIPAA or state health information privacy laws. Further, if we are not able to meet our obligations under HIPAA and/or applicable state health information privacy laws relating to the HintMD platform, HintMD could be found to have breached its contractual obligations with its customers. Maintaining compliance with applicable privacy laws and our contractual obligations is a complex undertaking, and we cannot be certain how these health information privacy laws will be interpreted, enforced or applied to our operations.

Additionally, the HintMD platform processes a significant portion of its payments through credit or debit cards and enables users of its payments platform to engage in payments through its service. HintMD, and as a result, Revance operations related to the HintMD 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”). We also may be bound by additional, more stringent contractual obligations relating to our collection, use and disclosure of personal, financial and other data. 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 the reputation, business, financial condition and operating results of HintMD and Revance. In addition, failure to comply with the PCI DSS obligations or HintMD's contractual obligations, including timely and sufficient mitigation of any findings from a PCI Audit, could also result in the termination of HintMD's status as a registered PayFac, thereby dramatically impairing HintMD's ability to continue doing business in the payments industry, or HintMD could be liable to the payment card issuing banks for their costs of issuing new cards and related expenses.

We may find it necessary to change our business practices or expend significant resources to modify the HintMD software or platform to adapt to audit findings, new laws, regulations and industry standards concerning these matters. We may be unable to make such changes and modifications in a commercially reasonable manner or at all. Any failure to comply with federal, state or local laws and regulations, industry standards or other legal obligations, or any actual or suspected security incident, may result in governmental enforcement actions and prosecutions, private litigation, fines, penalties or adverse publicity for HintMD and Revance and could cause users of the HintMD platform, patients undergoing Revance's clinical trials or customers of Revance to lose trust in HintMD and Revance, which could have an adverse effect on the reputation and business of HintMD and Revance.

**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 DaxibotulinumtoxinA for Injection, if approved for the treatment of glabellar lines, 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 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) and teaching hospitals, as well as ownership and investment interests held by the physicians described above and their immediate family members. Beginning in 2022, covered manufacturers will also be required to report annually regarding payments and other transfers of value provided in the previous year to certain other healthcare professionals, including physician assistants, nurse practitioners, clinical nurse specialists, anesthesiologist assistants, certified nurse anesthetists, and certified nurse-midwives.

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, 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 HintMD 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 obtain regulatory clearance or approval of DaxibotulinumtoxinA for Injection, 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 December 14, 2018, a Texas U.S. District Court Judge ruled that the ACA is unconstitutional in its entirety because the "individual mandate" was repealed by Congress as part of the Tax Cuts and Jobs Act of 2017. Additionally, on December 18, 2019, the U.S. Court of Appeals for the 5th Circuit upheld the District Court ruling that the individual mandate was unconstitutional and remanded the case back to the District Court to determine whether the remaining provisions of the ACA are invalid as well. The U.S. Supreme Court granted certiorari on March 2, 2020, and heard oral arguments on the case on November 10, 2020, and the case is expected to be decided sometime in 2021. On February 10, 2021, the Biden administration withdrew the federal government's support for overturning the ACA. Further, although the U.S. Supreme Court has not yet ruled on the constitutionality of the ACA, on January 28, 2021, President Biden issued an executive order to initiate a special enrollment period from February 15, 2021 through May 15, 2021 for purposes of obtaining health insurance coverage through the ACA marketplace. The executive order also instructs 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. Pending review, the ACA remains in effect, but it is unclear how the U.S Supreme Court decision, future decisions, subsequent appeals, 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 Trump 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. For example, in November 2020, CMS issued an interim final rule implementing the Most Favored Nation Model under which Medicare Part B reimbursement rates will be calculated for certain drugs and biologicals based on the lowest price drug manufacturers receive in the Organization for Economic Cooperation and Development countries with a similar gross domestic product per capita. The MFN Model regulations mandate participation by identified Part B providers and will apply in all U.S. states and territories for a seven-year period beginning January 1, 2021 and ending December 31, 2027. On December 28, 2020, the United States District Court in Northern California issued a nationwide preliminary injunction against implementation of the interim final rule. Further, on November 20, 2020, the U.S. Department of Health and Human Services finalized a regulation removing safe harbor protection for price reductions from pharmaceutical manufacturers to plan sponsors under Part D, either directly or through pharmacy benefit managers, unless the price reduction is required by law. The implementation of the rule has been delayed by the Biden administration from January 1, 2022 to January 1, 2023 in response to ongoing litigation. The rule also creates a new safe harbor for price reductions reflected at the point-of-sale, as well as a safe harbor for certain fixed fee arrangements between pharmacy benefit managers and manufacturers, the implementation of which have also been delayed until January 1, 2023. The likelihood of implementation of any of the other former U.S. presidential administration's reform initiatives is uncertain, particularly in light of the new Biden administration. 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, DaxibotulinumtoxinA for Injection, 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. 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 will be 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 obtain 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, it will take time and expense to build the necessary compliance infrastructure 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 HintMD 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 the business of HintMD and Revance.**

The financial services offered by HintMD as a PayFac are subject to legal, regulatory, and card brand requirements, including those regarding anti-money laundering, sanctions, fraud, and consumer financial protection. All HintMD operations are conducted by certain Revance employees, and, as a result, those employees and the operations of Revance as it relates to the HintMD 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 HintMD's key supplier agreements, such as its Payment Facilitator Agreement; assessment of significant fines or monetary penalties; damage to HintMD's and Revance's brand and reputation; loss of HintMD customers, and poor financial performance for Revance. 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 HintMD's ability to offer certain products or services, or impact the competitiveness of products or services it offers. If HintMD is no longer able to offer the full suite of its services or expand its services to appeal to a larger consumer base, the HintMD brand and reputation may be harmed, customer retention and procurement may be negatively impacted, Revance may have to alter its commercialization strategy and Revance may not achieve the anticipated benefits of the HintMD Acquisition.

## Risks Related to Our 2027 Notes

**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 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 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. 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:

- regulatory or legal actions, developments and guidance in the U.S. and foreign countries;
- our success or lack of success in commercializing the RHA® Collection of dermal fillers;
- results from or delays in clinical trials of our product candidates;
- announcements of regulatory approval or disapproval of DaxibotulinumtoxinA for Injection, the RHA® Collection of dermal fillers or any future 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;
- 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. 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. 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 may offer and sell, from time to time, through Cowen, shares of our common stock, par value $0.001 per share, having an aggregate offering price of up to $125.0 million. As of March 31, 2021, we sold 3.3 million shares of common stock under the 2020 ATM Agreement resulting in net proceeds of $90.1 million after sales agent commissions, with $32.6 million remaining available under the 2020 ATM Agreement.

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 our 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 issues 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 certificate of incorporation also provides that the Court of Chancery of the State of Delaware will be the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law:

- any derivative action or proceeding brought on our behalf;
- any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to the Company or the Company’s stockholders;
- any action asserting a claim against us arising pursuant to any provision of the DGCL, our amended and restated certificate of incorporation or our amended and restated bylaws; or
- any action asserting a claim against us governed by the internal affairs doctrine.

This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act. Furthermore, Section 22 of the Securities Act, creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. The exclusive forum provision contained in our amended and restated certificate of incorporation 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 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 any existing or future debt agreements may preclude us from paying dividends. 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 | | | | Filed Herewith |
|---|---|---|---|---|---|---|
| | | Form | File No. | Exhibit | Filling Date | |
| 3.1 | Amended and Restated Certificate of Incorporation | 8-K | 001-36297 | 3.1 | February 11, 2014 | — |
| 3.2 | Amended and Restated Bylaws | S-1 | 333-193154 | 3.4 | December 31, 2013 | — |
| 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* | Revance Therapeutics, Inc. Amended and Restated Non-Employee Director Compensation Policy | — | — | — | — | X |
| 10.2+ | Second Addendum to License and Service Agreement, dated March 2, 2021 between Revance Therapeutics, Inc. and List Biological Laboratories, Inc. | — | — | — | — | 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 to18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | — | — | — | — | X |
| 32.2† | Certification of the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | — | — | — | — | X |
| 101.INS | 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 |

* Indicates a management contract or compensatory plan or arrangement.

\+ 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 would likely cause competitive harm to the registrant if publicly disclosed.

† 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.

**SIGNATURES**

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

**REVANCE THERAPEUTICS, INC.**

Date: May 10, 2021

By: /s/ Mark J. Foley

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

By: /s/ Tobin C. Schilke

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

**Exhibit 10.1**

**Revance Therapeutics, Inc.**

**Amended and Restated**

**Non-Employee Director Compensation Policy**

Each member of the Board of Directors (the "***Board***") who is not also serving as an employee of Revance Therapeutics, Inc. (the "***Company***") or any of its subsidiaries (each such member, an "***Eligible Director***") will receive the compensation described in this Amended and Restated Non-Employee Director Compensation Policy for his or her Board service. This policy is effective as of January 1, 2021 (the "***Effective Date***") and may be amended at any time in the sole discretion of the Board.

**Annual Cash Compensation**

The annual cash compensation amount set forth below is payable in equal quarterly installments, payable in arrears on the last day of each fiscal quarter in which the service occurred. If an Eligible Director joins the Board or a committee of the Board at a time other than effective as of the first day of a fiscal quarter, each annual retainer set forth below will be pro-rated based on days served in the applicable fiscal year, with the pro-rated amount paid for the first fiscal quarter in which the Eligible Director provides the service, and regular full quarterly payments thereafter. All annual cash fees are vested upon payment.

1. Annual Board Service Retainer:
    a. All Eligible Directors: $50,000
    b. Chairman of the Board Service Retainer (including Eligible Director Service Retainer): $86,000
2. Annual Committee Member Service Retainer:
    a. Member of the Audit Committee: $10,000
    b. Member of the Compensation Committee: $7,500
    c. Member of the Nominating & Governance Committee: $7,500
    d. Member of the Science & Technology Committee: $7,500
    e. Member of the Brand Strategy Committee: $7,500
3. Annual Committee Chair Service Retainer (including Committee Member Service Retainer):
    a. Chairman of the Audit Committee: $20,000
    b. Chairman of the Compensation Committee: $15,000
    c. Chairman of the Nominating & Governance Committee: $15,000
    d. Chairman of the Science & Technology Committee: $15,000
    e. Chairman of the Brand Strategy Committee: $15,000

**Equity Compensation**

The equity compensation set forth below will be granted under the Revance Therapeutics, Inc. 2014 Equity Incentive Plan, as amended from time to time and including any successor plan thereto (the "***Plan***"), and will be documented on the applicable forms of equity award agreements most recently approved for use by the Board (or a duly authorized committee thereof) for Eligible Directors. All stock options granted under this policy will be nonstatutory stock options, with an exercise price per share equal to 100% of the Fair Market Value (as defined in the Plan) of the underlying Common Stock on the date of grant, and a term of ten years from the date of grant (subject to earlier termination in connection with a termination of service as provided in the Plan).

The number of shares underlying each of the restricted stock awards granted under this Policy will be determined by dividing the applicable grant value for such restricted stock award by the Thirty-Day Trailing Average and rounding up to the nearest whole share. The number of shares underlying each of the stock options granted under this Policy will be such number that results in an aggregate Black-Scholes option value equal to the applicable grant value, using the Thirty-Day Trailing Average for purposes of applying such Black-Scholes valuation methodology. The "***Thirty-Day Trailing Average***" means the thirty-calendar day trailing average closing stock price of the Company's common stock on Nasdaq ending on and including the grant date of the applicable stock option or restricted stock award.

1. Initial Grants: On the date of the Eligible Director's initial election to the Board, for each Eligible Director who is first elected to the Board following the Effective Date (or, if such date is not a market trading day, the first market trading day thereafter), the Eligible Director will be automatically, and without further action by the Board or Compensation Committee of the Board, granted (a) a stock option with a grant value equal to $175,000 (an "***Initial Option Grant***") and (b) a restricted stock award with a grant value equal to $175,000 (an "***Initial RSA***").

   The shares subject to each Initial Option Grant and the Initial RSA will vest on the one-year anniversary of the date of grant, subject to the Eligible Director's Continuous Service (as defined in the Plan) through each such vesting date.

2. Annual Grants: On the date of each Company annual stockholder meeting held after the Effective Date, each Eligible Director who continues to serve as a non-employee member of the Board and who is not initially elected to the Board at such annual stockholder meeting will be automatically, and without further action by the Board or Compensation Committee of the Board, granted (a) a stock option with a grant value equal to $112,500 (an "***Annual Option Grant***") and (b) a restricted stock award with a grant value equal to $112,500 (an "***Annual RSA***"). For the first annual stockholder meeting that occurs after an Eligible Director is initially elected to the Board (and provided such Eligible Director continues to serve as a non-employee member of the Board after the annual stockholder meeting), such Eligible Director's Annual Option Grant and Annual RSA shall be pro-rated for the number of months (out of twelve) that such Eligible Director served on the Board prior to such annual stockholder meeting. For example, if an Eligible Director served on the Board for two months prior to such annual stockholder meeting, such Eligible Director's Annual Option Grant and Annual RSA shall each have grant value equal to $18,750 (16.667% of $112,500).

   The shares subject to the Annual Option Grant and Annual RSA will vest on the earlier of (a) the one year anniversary of the date of grant and (b) the day immediately prior to the date of the Company's next annual stockholder meeting, subject to the Eligible Director's Continuous Service (as defined in the Plan) through such vesting date.

**Exhibit 10.2**

**SECOND ADDENDUM TO LICENSE AND SERVICE AGREEMENT**

This Second Addendum to License and Service Agreement (this "**Second Addendum**") is executed as of March 2, 2021 (the "**Second Addendum Date**") by and between Revance Therapeutics, Inc. ("**Revance**") and List Biological Laboratories, Inc. ("**List**" and together with Revance, the "**Parties**").

WHEREAS, the Parties entered into that certain License and Service Agreement, effective as of February 8, 2007, as subsequently amended by that certain First Addendum to License and Service Agreement, effective as of April 21, 2009 (the "**Agreement**"); and

WHEREAS, the Parties now desire to modify certain terms and conditions of the Agreement as more fully set forth below.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Effective as of the Second Addendum Date, Section 7.6 is hereby amended, restated and replaced in its entirety to read as follows:

"**7.6 Option to Purchase**. If at any time during the term of this Agreement, the current owners of List elect to sell their business, or the portion of their business which manufactures botulinum toxin, Revance shall have an option for an exclusive period of [*] ([*]) [*] following such election in which the parties will negotiate, in good faith, the purchase of such business by Revance.

2. Effective as of the Second Addendum Date, Section 10.4 is hereby amended, restated and replaced in its entirety to read as follows:

" **10.4 Assignability.** Neither List nor its Affiliates may assign its rights and/or delegate its obligations under this Agreement to any third party without Revance's prior written consent, which shall not be unreasonably withheld (and shall be provided or rejected for good reason within [*] ([*]) days of List's request); except that List may assign its rights and/or delegate its obligations under this Agreement, without Revance's prior written consent, to an Affiliate solely in connection with the sale, merger, or transfer of substantially all of the interests in or assets of List, provided that List shall give Revance prior written notice of such assignment and such assignee or delegate agrees to be bound by the terms of this Agreement, and provided that such action would not in any way impair or jeopardize any pending or actual regulatory approval for a Product. Revance may assign its rights hereunder in whole or part, or delegate any of its obligations hereunder to any Third Party, provided such Third Party agrees to be bound by the terms of this Agreement.

3. Effective as of the Second Addendum Date, Attachment C of the Agreement is hereby amended, restated and replaced in its entirety to read as set forth on Exhibit A to this Second Addendum.

4. Except as modified herein, the Agreement shall remain in full force and effect.

**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) WOULD LIKELY CAUSE COMPETITIVE HARM TO REVANCE THERAPEUTICS, INC., IF PUBLICLY DISCLOSED.**

5. This Second Addendum may be executed in one or more counterparts, each of which shall be deemed an original of this Second Addendum and all of which, when taken together, shall be deemed to constitute one and the same valid and binding Second Addendum.

[*Signature Page Follows*]

**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) WOULD LIKELY CAUSE COMPETITIVE HARM TO REVANCE THERAPEUTICS, INC., IF PUBLICLY DISCLOSED.**

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Second Addendum as of the Second Addendum Date.

**Revance Therapeutics, Inc.**

| | |
|---|---|
| By: | /s/ Mark Foley |
| Name: | Mark Foley |
| Title: | President & CEO |

**List Biological Laboratories, Inc.**

| | |
|---|---|
| By: | /s/ Karen Crawford |
| Name: | Karen Crawford |
| Title: | Board Chair |

**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) WOULD LIKELY CAUSE COMPETITIVE HARM TO REVANCE THERAPEUTICS, INC., IF PUBLICLY DISCLOSED.**

**EXHIBIT A**
Attachment C
Royalty Payments

Revance shall pay List royalties ("Royalties") on Qualifying Revenue (as defined below). The Royalty rate on Qualifying Revenue shall be:

a) [*]% from the first commercial sale of Qualifying Products (defined below) ("First Sale") until December 31st of the third full calendar year after First Sale;
b) [*]% for the next three calendar years (the 4th, 5th and 6th full years after First Sale); and
c) [*]% thereafter. Also see "Modified Royalty Rate," below.

"**Qualifying Revenue**" shall mean the sum of Adjusted Net Sales (as defined below), Sublicense Commercial Revenue (as defined below), and Sublicense Operating Revenue (as defined below).

"**Adjusted Net Sales**" shall be determined by the formula A*([*]- B), where:

"A" equals Revance's worldwide net product revenue from all Products incorporating Botulinum Type A Neurotoxin either native or modified made from the List Cell Line or made using List Intellectual Property ("**Qualifying Products**"), recognized in accordance with accounting principles generally accepted in the United States ("US GAAP") and which are not included in the definition of either Sublicense Commercial Revenue or Sublicense Operating Revenue (the "**Net Sales**"); and

"B" equals (i) [*] for any calendar year in which the "A" is less than $[*], (ii) [*] for any calendar year in which the "A" equals or exceeds $[*] but is less than $[*], (iii) [*] for any calendar year in which the "A" equals or exceeds $[*] but is less than $[*] or (iv) [*] for any calendar year in which the "A" equals or exceeds $[*] (the "**COGS Factor**").

Notwithstanding the foregoing, with respect to sales of a product which combines (i) one or more Qualifying Products, with (ii) a product or service which is not a Qualifying Product (a "Other Product") (collective, a "Combined Sale"), the Net Sales shall be calculated consistent with US GAAP's transaction price allocation guidance and definitions in Accounting Standards Codification 606, Revenue from Contracts with Customers, whereby the net product revenue would be allocated between Qualifying Products and Other Products based on their respective standalone selling prices in calculating Net Sales.

"**Sublicense Commercial Revenue**" shall be determined by the formula C*[*], where:

"C" equals any payment which is both (i) received by Revance pursuant to an agreement by which Revance sublicenses certain of the List Intellectual Property (a "Sublicense") to a third party (the "Sublicensee"), and (ii) paid in respect of the Sublicensee's sales of Qualifying Products.

For the avoidance of doubt, Sublicense Commercial Revenue does not include and List shall not be owed any royalty or other payment with respect to any upfront payments, milestone payments, lump sum payments, equity issuances, license maintenance fees, or other similar payments paid by the Sublicensee to Revance; provided however that if any such payment is attributable solely to a milestone of Sublicensee achieving a certain threshold of sales of Qualifying Products, then such payment shall be deemed Sublicense Commercial Revenue.
"**Sublicense Operating Revenue**" shall be determined by the formula D*([*]), where:

"D" equals any payment which is both (i) received by Revance pursuant to a Sublicense from a Sublicensee following [March 2, 2021, 2021], and (ii) not included within the definition of Sublicense Commercial Revenue, including without limitation any upfront payment, milestone payment, lump sum payment, equity issuance or license maintenance fee, support fee, service fee or other fee.

**Audit Rights**

During the term of this Agreement and for [*] ([*]) years thereafter, on an annual basis and upon not less than [*] ([*]) business days' notice, List has the right to audit, at List's sole cost and expense, all books and records reasonably related to the calculation of the Qualifying Revenue and Royalties to substantiate up to [*] ([*]) prior years' Qualifying Revenue and any Royalties payable to List hereunder. If an audit reveals that Revance underpaid any Royalties, Revance shall pay List the underpayment. If the underpayment is more than [*] percent ([*]%), then Revance also shall pay for, and reimburse List, all costs and expenses incurred in the audit. Any such underpayment and costs and expenses incurred in the audit shall be due and payable within [*] ([*]) days of the audit report date. These audit rights shall survive for [*] ([*]) years after termination of the Agreement in addition to the Sections of the Agreement specified in Section 9.3(b) of the Agreement.

Modified Royalty Rate

Beginning on January 1 of the [*] full calendar year after First Sale, and for each year thereafter, if the total Qualifying Revenue for that year is less than the highest previous annual Qualifying Revenue total (the "**Reference Total**"), then the royalty owed for such year (the "**Modified Royalty Rate**") shall be equal to: [*]% multiplied by the quotient of that year's total Qualifying Revenue divided by the Reference Total (to the nearest half percent). For clarification, in no year shall the royalty be greater than [*]% or less than [*]% of Qualifying Revenue.

Payments

Royalty payments shall be made by Revance on a quarterly basis, due [*] days after the end of each quarter. Revance shall provide List a Royalty report detailing the calculations of the Royalties referencing numbers traceable from Revance's respective 10k and/or 10Q, within [*] ([*]) days after the end of each quarter. The Modified Royalty Rate shall only be calculated upon the final quarter of each applicable year, effective retroactively for that year, such that the royalty rate for the first three quarters of that year shall be an estimated royalty rate equal to the Modified Royalty Rate of the previous year. Additionally, the COGS Factor shall only be calculated upon the final quarter of each applicable year, effective retroactively for that year, such that the COGS Factor for the first three quarters of that year shall be an estimated COGS Factor equal to the lesser of (x) the COGS Factor for the previous year, or (y) the calculation of the COGS Factor for such calendar year as of such quarter. The royalty payment for the final quarter of such year shall be adjusted such that the total royalty payments for that year will equal that year's royalty rate of Qualifying Revenue or the Modified Royalty Rate, as applicable.

**Exhibit 31.1**

**CERTIFICATIONS**

I, Mark J. Foley, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: May 10, 2021

/s/ Mark J. Foley

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

**Exhibit 31.2**

**CERTIFICATIONS**

I, Tobin C. Schilke, certify that:

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

Date: May 10, 2021

/s/ Tobin C. Schilke

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

**Exhibit 32.1**

**CERTIFICATION**

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Mark J. Foley, President and 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 March 31, 2021 (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: May 10, 2021

**In Witness Whereof**, the undersigned has set his hands hereto as of the 10th day of May, 2021.

/s/ Mark J. Foley

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

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

**Exhibit 32.2**

**CERTIFICATION**

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

1. The Company's Quarterly Report on Form 10-Q for the period ended March 31, 2021 (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: May 10, 2021

**In Witness Whereof**, the undersigned has set his hands hereto as of the 10th day of May, 2021.

/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.