

**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, 2017

or

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

For the transition period from _____ to _____

Commission File No. 001-36297

Revance Therapeutics, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

77-0551645

(I.R.S. Employer
Identification Number)

7555 Gateway Boulevard
Newark, California 94560
(510) 742-3400

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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

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

Number of shares outstanding of the registrant's common stock, par value \$0.001 per share, as of April 27, 2017: 30,273,478

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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 are the property of Revance Therapeutics, Inc. This Form 10-Q contains additional trade names, trademarks and service marks of others, which are the property of their respective owners. We do not intend our use or display of other companies’ trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, these other companies.

PART I. FINANCIAL INFORMATION

ITEM 1. Condensed Consolidated Financial Statements

Condensed Consolidated Balance Sheets
(In thousands, except share and per share amounts)
(Unaudited)

	March 31, 2017	December 31, 2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 38,235	\$ 63,502
Short-term investments	150,404	122,026
Restricted cash, current portion	502	—
Prepaid expenses and other current assets	8,312	7,167
Total current assets	197,453	192,695
Property and equipment, net	11,205	10,585
Restricted cash, net of current portion	580	580
Other non-current assets	216	500
TOTAL ASSETS	\$ 209,454	\$ 204,360
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 5,573	\$ 3,754
Accruals and other current liabilities	14,967	12,418
Financing obligations, current portion	3,502	3,475
Total current liabilities	24,042	19,647
Financing obligations, net of current portion	983	1,872
Derivative liability associated with Medicis settlement	2,082	2,022
Deferred rent	3,576	3,648
Other non-current liabilities	100	100
TOTAL LIABILITIES	30,783	27,289
Commitments and Contingencies (Note 9)		
STOCKHOLDERS' EQUITY		
Common stock, par value \$0.001 per share — 95,000,000 shares authorized both as of March 31, 2017 and December 31, 2016; 30,129,240 and 28,648,954 shares issued and outstanding as of March 31, 2017 and December 31, 2016, respectively	30	29
Additional paid-in capital	627,475	598,630
Accumulated other comprehensive loss	(98)	(45)
Accumulated deficit	(448,736)	(421,543)
TOTAL STOCKHOLDERS' EQUITY	178,671	177,071
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 209,454	\$ 204,360

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,	
	2017	2016
Revenue	\$ 75	\$ 75
Operating expenses:		
Research and development	19,409	12,364
General and administrative	7,754	7,455
Total operating expenses	<u>27,163</u>	<u>19,819</u>
Loss from operations	(27,088)	(19,744)
Interest income	311	310
Interest expense	(193)	(315)
Change in fair value of derivative liability associated with Medicis settlement	(60)	(14)
Other expense, net	(126)	(125)
Net loss	<u>(27,156)</u>	<u>(19,888)</u>
Unrealized gain (loss) on available for sale securities	(52)	226
Comprehensive loss	<u>\$ (27,208)</u>	<u>\$ (19,662)</u>
Net loss attributable to common stockholders (Note 13):		
Basic and Diluted	<u>\$ (27,156)</u>	<u>\$ (19,888)</u>
Net loss per share attributable to common stockholders:		
Basic and Diluted	<u>\$ (0.94)</u>	<u>\$ (0.71)</u>
Weighted-average number of shares used in computing net loss per share attributable to common stockholders:		
Basic and Diluted	<u>28,808,195</u>	<u>28,005,611</u>

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,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (27,156)	\$ (19,888)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	357	344
Amortization of premium on investment	194	456
Change in fair value of derivative liability associated with Medicis settlement	60	14
Stock-based compensation expense	3,155	2,977
Effective interest on financing obligations	83	112
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(1,144)	(301)
Other non-current assets	69	—
Accounts payable	1,135	552
Accruals and other liabilities	2,055	54
Net cash used in operating activities	(21,192)	(15,680)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(296)	(690)
Proceeds from maturities of investments	7,750	15,050
Proceeds from sales of investments	—	1,000
Purchases of investments	(36,028)	(159,754)
Net cash used in investing activities	(28,574)	(144,394)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common stock, net of at-the-market offering commissions	26,217	—
Principal payments made on financing obligations	(944)	(851)
Net settlement of restricted stock awards to settle employee taxes	(277)	(224)
Proceeds from the exercise of stock options and employee stock purchase plan	210	509
Payment of registration statement costs	(205)	(37)
Net cash provided by (used in) financing activities	25,001	(603)
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(24,765)	(160,677)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH — Beginning of period	64,082	202,050
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH — End of period	39,317	41,373
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid for interest	110	203
SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING AND FINANCING INFORMATION:		
Property and equipment purchases included in accounts payable and accruals and other current liabilities	882	147
Deferred at-the-market offering costs	78	179

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 Basis of Presentation**

Revance Therapeutics, Inc., or the Company, was incorporated in Delaware on August 10, 1999 under the name Essentia Biosystems, Inc. The Company commenced operations in June 2002 and on April 19, 2005, changed its name to Revance Therapeutics, Inc. The Company is a clinical-stage biotechnology company focused on the development, manufacturing and commercialization of novel botulinum toxin products for multiple aesthetic and therapeutic indications. The Company is leveraging its proprietary portfolio of botulinum toxin type A compounds, formulated with its patented and proprietary peptide technology, to address unmet needs in large and growing neurotoxin markets. The Company's proprietary peptide technology enables delivery of botulinum toxin type A through two investigational drug product candidates, DaxibotulinumtoxinA for Injection (RT002), or RT002 injectable, and DaxibotulinumtoxinA Topical Gel, or RT001 topical. The Company is pursuing clinical development for RT002 injectable in a broad spectrum of aesthetic and therapeutic indications and is planning to conduct additional preclinical development for RT001 topical. The Company holds worldwide rights to RT002 injectable, RT001 topical and the pharmaceutical uses of its proprietary peptide technology.

Since commencing operations in 2002, the Company has devoted substantially all of its efforts to identifying and developing product candidates for the aesthetics and therapeutic pharmaceutical markets, recruiting personnel and raising capital, and preclinical and clinical development of, and manufacturing development for, RT002 injectable and RT001 topical. The Company has never been profitable and has not yet commenced commercial operations.

Since the Company's inception, the Company has incurred losses and negative cash flows from operations. The Company has not generated significant revenue from product sales to date and will continue to incur significant research and development and other expenses related to its ongoing operations. For the three months ended March 31, 2017, the Company had a net loss of \$27.2 million and used \$21.2 million of cash for operating activities during the three months ended March 31, 2017. As of March 31, 2017, the Company had a working capital surplus of \$173.4 million and an accumulated deficit of \$448.7 million. The Company has funded its operations since inception primarily through the issuance and sale of common stock, convertible preferred stock, notes payable, and convertible notes. As of March 31, 2017, the Company had capital resources consisting of cash, cash equivalents, and investments of \$188.6 million. The Company believes that its existing cash, cash equivalents and investments will allow the Company to fund its operations through at least the next 12 months following the filing of this Form 10-Q.

Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements, in the opinion of management, include all adjustments which the Company considers necessary for the fair statement of the Condensed Consolidated Statements of Operations and Comprehensive Loss and Condensed Consolidated Statements of Cash Flows for the interim periods covered and the Condensed Consolidated Balance Sheets of the Company at the date of the balance sheets. The Condensed Consolidated Balance Sheet for the year ended December 31, 2016 was derived from audited financial statements, but does not include all disclosures required by generally accepted accounting principles in the United States of America, or US 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, 2017, or any other future period.

The Condensed Consolidated Financial Statements should be read in conjunction with the Company's audited Consolidated Financial Statements contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2016, which was filed with the Securities and Exchange Commission, or SEC, on February 28, 2017.

The Condensed Consolidated Financial Statements of the Company include the Company's accounts and those of the Company's wholly-owned subsidiary and have been prepared in conformity with US GAAP. The Company operates in one segment and there were no intercompany transactions to be eliminated during consolidation.

REVANCE THERAPEUTICS, INC.

Notes to Condensed Consolidated Financial Statements — (Continued)

(Unaudited)

At-The-Market Offering

In March 2016, the Company entered into an At-The-Market Issuance Sales Agreement, or the 2016 ATM agreement, with Cowen and Company, LLC, or Cowen, under which the Company may offer and sell common stock having aggregate proceeds of up to \$75.0 million from time to time through Cowen, the Company's sales agent. Sales of common stock through Cowen under the 2016 ATM agreement will be made by means of ordinary brokers' transactions on the NASDAQ Global Market or otherwise at market prices prevailing at the time of sale, in block transactions, or as otherwise agreed upon by the Company and Cowen. Cowen will sell the common stock from time to time, based upon instructions from the Company. The Company agreed to pay Cowen a commission of up to 3.0% of the gross sales proceeds of any common stock sold through Cowen under the ATM agreement. In 2017, the Company sold and completed a placement of 1,413,051 shares of its common stock under the 2016 ATM Agreement at a weighted average price of \$21.23 per share resulting in net proceeds of \$28.6 million, after commissions and other offering expenses. The placement was substantially completed during the three months ended March 31, 2017, in which the Company sold 1,272,437 shares of its common stock under the 2016 ATM Agreement at a weighted average price of \$21.24 per share resulting in net proceeds of \$25.7 million, which was comprised of gross proceeds after commissions of \$26.2 million net of offering expenses of \$0.5 million of which \$0.2 million was paid in 2016 and \$0.1 million remained unpaid as of March 31, 2017.

2. Summary of Significant Accounting Policies

Significant accounting policies are described in Note 2 to the Consolidated Financial Statements in Item 15 of the Company's Annual Report on Form 10-K for the year ended December 31, 2016. There have been no changes to the Company's significant accounting policies during the three months ended March 31, 2017, except as described below.

Use of Estimates

The preparation of Condensed Consolidated Financial Statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the Condensed Consolidated Financial Statements and accompanying notes. Such management estimates include accruals, stock-based compensation, the fair value of derivative liability, impairment of long-lived assets, and the valuation of deferred tax assets. The Company bases its estimates on historical experience and on assumptions that it believes are reasonable, however, actual results could significantly differ from those estimates.

Recently Adopted Accounting Pronouncements

On March 30, 2016, the FASB issued ASU 2016-09, *Improvements to Employee Share-Based Payment Accounting (Topic 718)*. The amendments in ASU 2016-09 affect all entities that issue share-based payment awards to their employees and involve multiple aspects of the accounting for share-based payment transactions, including income tax consequences, classification of awards as either equity or liabilities, and classification on the statements of cash flows. The ASU is effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. Early adoption is permitted for any entity in any interim or annual period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. An entity that elects early adoption must adopt all of the amendments in the same period. As of January 1, 2017, the Company adopted ASU 2016-09 on a modified retrospective basis for the income statement impact of forfeitures and income taxes. Accordingly, the Company recognized a cumulative charge of less than \$0.1 million to the Company's Accumulated Deficit balance as of January 1, 2017 from a change in the forfeiture rate methodology to account for forfeitures as they occur. The Company also adopted the accounting methodology related to stock-based compensation for deferred tax assets and liabilities balances; however, given the Company has a full valuation allowance, it did not have a material impact on the Company's Consolidated Financial Statements. The new guidance had no impact to classification on the Condensed Consolidated Statements of Cash Flows.

On November 18, 2016, the FASB issued Accounting Standards Update (ASU) 2016-18, *Statements of Cash Flows (Topic 230)*, which requires restricted cash to be included in the beginning-of-period and end-of-period totals with cash and cash equivalents. The Company early adopted this amendment as of December 31, 2016. The adoption of this standard required the

Notes to Condensed Consolidated Financial Statements — (Continued)

(Unaudited)

Company to reclassify its restricted cash balances from investing activities to the cash and cash equivalents section of the Condensed Consolidated Statements of Cash Flows for all periods presented.

Recent Accounting Pronouncements

On February 25, 2016, the FASB issued Accounting Standards Update (ASU) 2016-02 *Leases (Topic 842)*, which requires an entity to recognize assets and liabilities arising from a lease for both financing and operating leases. The ASU also requires new qualitative and quantitative disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. ASU 2016-02 is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. The Company is currently evaluating the effect this standard will have on its Consolidated Financial Statements.

On January 5, 2016, the FASB issued Accounting Standards Update (ASU) 2016-01, *Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, which addresses certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. The updated standard is effective for fiscal years, and interim periods, beginning after December 15, 2017 and early adoption is not permitted. The Company is currently evaluating the impact that the standard will have on its Consolidated Financial Statements.

3. In-Process Research and Development

On June 2, 2016, the Company entered into an asset purchase agreement with Botulinum Toxin Research Associates, Inc., or BTRX (the "BTRX Purchase Agreement"). Under the BTRX Purchase Agreement, the Company acquired all rights, title and interest in a portfolio of botulinum toxin-related patents and patent applications from BTRX and was granted the right of first negotiation and first refusal with respect to other botulinum toxin-related patents owned or controlled by BTRX. In exchange, the Company agreed to an upfront expenditure of \$2.0 million of which \$1.8 million was paid immediately with the remaining \$0.2 million due and payable over the next two years. The Company also agreed to pay up to an additional \$16.0 million in aggregate upon satisfaction of specified milestones relating to the Company's product revenue, intellectual property, and clinical and regulatory events (the "BTRX milestone payments"). As of March 31, 2017, the Company did not record a liability in connection with the BTRX milestone payments. The Company accrues for milestones when it is probable that a contractual milestone will be met.

The Company concluded that the BTRX Purchase Agreement did not meet the criteria of a business combination pursuant to the guidance prescribed in Accounting Standards Codification Topic 805, *Business Combinations*. The Company accounted for the initial \$2.0 million expenditure as research and development expense, as future alternative use of the acquired assets was deemed contingent upon the successful outcome of existing research and development activities as of the transaction date.

4. Medicis Settlement

In July 2009, the Company and Medicis Pharmaceutical Corporation, or Medicis, entered into a license agreement granting Medicis worldwide aesthetic and dermatological rights to the Company's investigational botulinum toxin type A product candidates. In October 2012, the Company entered into a settlement and termination agreement with Medicis. The terms of the settlement provided for the reacquisition of the rights related to all territories of RT002 injectable and RT001 topical from Medicis and for consideration payable by the Company to Medicis of up to \$25.0 million, comprised of (i) an upfront payment of \$7.0 million, which was paid in 2012, (ii) a proceeds sharing arrangement payment of \$14.0 million due upon specified capital raising achievements by the Company, of which \$6.9 million was paid in 2013 and \$7.1 million in 2014, and (iii) \$4.0 million to be paid upon the achievement of regulatory approval for RT002 injectable or RT001 topical by the Company, or Product Approval Payment. Medicis was subsequently acquired by Valeant Pharmaceuticals International, Inc. in December 2012.

REVANCE THERAPEUTICS, INC.

Notes to Condensed Consolidated Financial Statements — (Continued)

(Unaudited)

The Company determined that the settlement provisions related to the proceeds sharing arrangement payment in (ii) above and Product Approval Payment in (iii) above were derivative instruments that require fair value accounting as a liability and periodic fair value remeasurements until settled.

As of March 31, 2017, the Company determined the fair value of its liability for the Product Approval Payment was \$2.1 million, which was measured by assuming a term of 3.25 years, a risk-free rate of 1.55% and a credit risk adjustment of 8.00%. The Company's assumption for the expected term is based on an expected Biologics License Application, or BLA, approval in 2020. The Company did not make any payments under the Product Approval Payment during three months ended March 31, 2017.

5. Cash Equivalents and Investments

The Company's cash equivalents and investments consist of money market funds, U.S. treasury securities, and U.S. government agency obligations, which are classified as available-for-sale securities.

The following table is a summary of amortized cost, unrealized gain and loss, and fair value (in thousands):

	March 31, 2017				December 31, 2016			
	Cost	Gross Unrealized		Fair Value	Cost	Gross Unrealized		Fair Value
		Gains	Losses			Gains	Losses	
Money market funds	\$ 31,503	\$ —	\$ —	\$ 31,503	\$ 60,639	\$ —	\$ —	\$ 60,639
U.S. treasury securities	117,253	2	(65)	117,190	81,103	4	(28)	81,079
U.S. government agency obligations	33,248	—	(34)	33,214	40,968	1	(22)	40,947
Total cash equivalents and available-for-sale securities	<u>\$ 182,004</u>	<u>\$ 2</u>	<u>\$ (99)</u>	<u>\$ 181,907</u>	<u>\$ 182,710</u>	<u>\$ 5</u>	<u>\$ (50)</u>	<u>\$ 182,665</u>
Classified as:								
Cash equivalents				\$ 31,503				\$ 60,639
Short-term investments				150,404				122,026
Long-term investments				—				—
Total cash equivalents and available-for-sale securities				<u>\$ 181,907</u>				<u>\$ 182,665</u>

There have been no significant realized gains or losses on available-for-sale securities for the periods presented. No significant available-for-sale securities held as of March 31, 2017 have been in a continuous unrealized loss position for more than 12 months, and unrealized gains and losses are included in "accumulated other comprehensive loss" within shareholders' equity on the Condensed Consolidated Balance Sheets. As of March 31, 2017, unrealized losses on available-for-sale investments are not attributed to credit risk and are considered temporary. The Company believes that it is more-likely-than-not that investments in an unrealized loss position will be held until maturity or the cost basis of the investment will be recovered. The Company believes it has no other-than-temporary impairments on its securities as it does not intend to sell these securities and does not believe it is more likely than not that it will be required to sell these securities before the recovery of their amortized cost basis. To date, the Company has not recorded any impairment charges on marketable securities related to other-than-temporary declines in fair value.

The following table classifies our marketable securities by contractual maturities (in thousands):

REVANCE THERAPEUTICS, INC.

Notes to Condensed Consolidated Financial Statements — (Continued)

(Unaudited)

	March 31, 2017	December 31, 2016
Due within one year	\$ 150,404	\$ 122,026
Due between one and two years	—	—
Total	\$ 150,404	\$ 122,026

Related Party Transactions

Of the Company's total cash, cash equivalents, and short-term investments of \$188.6 million and \$185.5 million as of March 31, 2017 and December 31, 2016, respectively, the Company held cash equivalents and short-term investments with a total fair value of \$85.1 million and \$86.0 million, respectively, in an investment account with a related party, J.P. Morgan Securities LLC. As of March 31, 2017, JPMorgan Chase & Co. and its wholly owned subsidiaries JPMorgan Chase Bank, National Association (NA), J.P. Morgan Investment Management Inc., and JPMorgan Asset Management (UK) Limited held approximately 3.5 million shares of the Company's common stock, which represents approximately 11.7% of the Company's outstanding common stock. J.P. Morgan Securities LLC, who acts as a custodian and trustee for certain Company investments, is an affiliate of JPMorgan Chase Bank, NA.

6. Fair Value Measurements

The Company determines the fair value of certain financial assets and liabilities using three levels of inputs as follows:

- Level 1 — Observable inputs, such as quoted prices in active markets for identical assets or liabilities;
- Level 2 — Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and
- Level 3 — Valuations based on unobservable inputs to the valuation methodology and including data about assumptions market participants would use in pricing the asset or liability based on the best information available under the circumstances.

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

The Company measures and reports certain financial instruments as assets and liabilities at fair value on a recurring basis. The fair value of these instruments was as follows (in thousands):

	As of March 31, 2017			
	Fair Value	Level 1	Level 2	Level 3
Assets				
Money market funds	\$ 31,503	\$ 31,503	\$ —	\$ —
U.S. treasury securities	117,190	117,190	—	—
U.S. government agency obligations	33,214	—	33,214	—
Total assets measured at fair value	<u>\$ 181,907</u>	<u>\$ 148,693</u>	<u>\$ 33,214</u>	<u>\$ —</u>
Liabilities				
Derivative liability associated with the Medicis settlement	\$ 2,082	\$ —	\$ —	\$ 2,082
Total liabilities measured at fair value	<u>\$ 2,082</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,082</u>
	As of December 31, 2016			
	Fair Value	Level 1	Level 2	Level 3
Assets				
Money market funds	\$ 60,639	\$ 60,639	\$ —	\$ —
U.S. treasury securities	81,079	81,079	—	—
U.S. government agency obligations	40,947	—	40,947	—
Total assets measured at fair value	<u>\$ 182,665</u>	<u>\$ 141,718</u>	<u>\$ 40,947</u>	<u>\$ —</u>
Liabilities				
Derivative liabilities associated with the Medicis settlement	\$ 2,022	\$ —	\$ —	\$ 2,022
Total liabilities measured at fair value	<u>\$ 2,022</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,022</u>

The fair value of the U.S. government agency obligations is estimated by taking into consideration valuations obtained from third-party pricing services. The pricing services utilize industry standard valuation models, including both income- and market-based approaches, for which all significant inputs are observable, either directly or indirectly, to estimate fair value. These inputs include reported trades of and broker/dealer quotes on the same or similar securities, issuer credit spreads, benchmark securities, prepayment/default projections based on historical data, and other observable inputs. Changes in the ability to observe valuation inputs may result in a reclassification of levels of certain securities within the fair value hierarchy. The Company did not transfer any assets or liabilities measured at fair value on a recurring basis between Level 1 and Level 2 during the three months ended March 31, 2017 and the year ended December 31, 2016.

The following table sets forth a summary of the changes in the fair value of the Company's Level 3 financial instruments as follows (in thousands):

	Derivative Liability Associated with the Medicis Settlement
Fair value as of December 31, 2016	\$ 2,022
Change in fair value	60
Fair value as of March 31, 2017	<u>\$ 2,082</u>

REVANCE THERAPEUTICS, INC.

Notes to Condensed Consolidated Financial Statements — (Continued)

(Unaudited)

The fair value of the derivative liability resulting from the Medicis litigation settlement 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 4). 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.

7. Notes Payable and Financing Obligations*Essex Capital Notes*

On December 20, 2013, the Company signed a Loan and Lease Agreement to borrow up to \$10.8 million in the form of Secured Promissory Notes from Essex Capital, or the Essex Notes, to finance the completion and installation of the Company's RT001 topical commercial fill/finish line, or the Fill/Finish Line. In May 2014, pursuant to the terms of this agreement, the Company sold equipment to Essex Capital, resulting in partial settlement of the outstanding loan balance of \$1.1 million, and sold and leased the equipment back from Essex Capital for fixed monthly payments to be paid over 3 years. The lease provides for the option to purchase the leased equipment for 10% of the original purchase amount. This transaction did not qualify for sale-leaseback accounting due to the Company's continuing involvement in the equipment. Therefore, the Company accounted for this transaction as a financing obligation using the effective interest rate method.

On December 17, 2014, the Company entered into the First Amendment to the Loan and Lease Agreement with Essex Capital. Under the terms of this Amendment, the Company agreed to repay the outstanding debt balance of \$3.9 million and issued a warrant to purchase 44,753 shares of common stock. In February 2015, the Company executed the Second Amendment to the Loan and Lease Agreement, under which the term of the facility was extended to April 15, 2015 and the purchase price for the remainder of the equipment was increased by \$0.1 million to approximately \$9.8 million. Concurrently with this sale, the Company will lease the equipment from Essex Capital for a fixed monthly payment to be paid monthly over 3 years. The lease provides for the option to purchase the leased equipment for 10% of the original purchase amount. This transaction also did not qualify for sale-leaseback accounting due to the Company's continuing involvement in the equipment. Therefore, the Company accounted for this transaction as a financing obligation using the effective interest rate method.

In June 2015, the Company exercised its option to purchase all equipment sold and leased back from Essex Capital for 10% of the original purchase amount, or approximately \$1.1 million, at the conclusion of the lease terms, of which \$0.1 million will be paid in 2017 and the remainder will be paid in 2018.

As of March 31, 2017, the aggregate total future minimum lease payments under the financing obligations were as follows (in thousands):

<u>Year Ending December 31,</u>		
2017	\$	2,881
2018		949
Total payments	\$	<u>3,830</u>

8. Interest Expense

Interest expense, includes cash and non-cash components with the non-cash components consisting of effective interest recognized on the financing obligations.

REVANCE THERAPEUTICS, INC.

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

The interest expense by cash and non-cash components is as follows (in thousands):

	Three Months Ended March 31,	
	2017	2016
Interest expense		
Cash related interest expense (1)	\$ 110	\$ 203
Non-cash effective interest expense	83	112
Total interest expense	\$ 193	\$ 315

(1) Cash related interest expense includes interest payments on the Essex Notes.

9. Commitments and Contingencies

Facility Lease

In January 2010, the Company entered into a non-cancelable facility lease that requires monthly payments through January 2022. This facility is used for research, manufacturing, and administrative functions.

In February 2014, the Company extended the term of the Lease by thirty-six (36) months to January 2025. Under the terms of the lease agreement, the payments escalate over the term of the lease with the exception of a decrease in payments at the beginning of 2022. However, the Company recognizes the expense on a straight-line basis over the life of the lease.

Rent expense was \$1.3 million for each of the three months ended March 31, 2017 and 2016, respectively. As of March 31, 2017, the aggregate total future minimum lease payments under non-cancelable operating leases were as follows (in thousands):

Year Ending December 31,	
2017	\$ 4,051
2018	5,578
2019	5,763
2020	5,947
2021 and thereafter	20,644
Total payments	\$ 41,983

Other Milestone-Based Commitments

The Company has one remaining obligation to make a future milestone payment to List Laboratories that becomes due and payable on the achievement of a certain regulatory milestone. The Company is obligated to pay royalties to List Laboratories on future sales of botulinum toxin products. The Company also has one remaining future milestone payment of \$4.0 million due and payable to Valeant Pharmaceuticals International, Inc., which acquired Medicis in December 2012, upon the achievement of regulatory approval for RT002 injectable or RT001 topical (Note 4).

The Company has obligations to pay Botulinum Toxin Research Associates, Inc. (BTRX) up to \$16.0 million upon the satisfaction of specified milestones relating to the Company's product revenue, intellectual property, and clinical and regulatory events (Note 3).

On April 11, 2016, the Company entered into an agreement with BioSentinel, Inc. to in-license their technology and expertise for research and development and manufacturing purposes. In addition to minimum quarterly use fees, the Company is obligated to make a one-time future milestone payment of \$0.3 million payable to BioSentinel, Inc. upon the achievement of

REVANCE THERAPEUTICS, INC.

Notes to Condensed Consolidated Financial Statements — (Continued)

(Unaudited)

regulatory approval. The Company accrues for contingencies when it is probable that a loss has been incurred and the amount of loss can be reasonably estimated. The Company expects that contingencies related to regulatory approval milestones will only become probable once such regulatory outcome is achieved.

Purchase Commitments

On March 14, 2017, the Company entered into a Technology Transfer, Validation and Commercial Fill/Finish Services Agreement (the "Services Agreement") and Statement of Work ("SoW") with Ajinomoto Althea, Inc., a contract development and manufacturing organization ("Althea"). Under the Services Agreement, Althea has agreed, among other things, to provide the Company with a future source of commercial fill/finish services for the Company's neuromodulator products. The Services Agreement has an initial term that will expire in seven years, unless terminated sooner by either party. In accordance with the Services Agreement, the Company is obligated to make minimum purchases based on its production forecasts. Subsequent to March 31, 2017, the Company is obligated under the terms of this arrangement to make an advance payment of \$0.9 million. The remaining costs are cancellable at any time, with the Company required to pay costs incurred through the cancellation date.

Contingencies

From time to time, the Company may have certain contingent liabilities that arise in the ordinary course of business. As of May 2015, the Company became subject to a securities class action complaint, captioned City of Warren Police and Fire Retirement System v. Revance Therapeutics Inc., et al, CIV 533635, which was filed on behalf of City of Warren Police and Fire Retirement System in the Superior Court for San Mateo County, California against the Company and certain of its directors and executive officers at the time of the June 2014 follow-on public offering, and the investment banking firms that acted as the underwriters in the follow-on public offering. In general, the complaint alleges that the defendants misrepresented the then-present status of the RT001 topical clinical program and made false and misleading statements regarding the formulation, manufacturing and efficacy of its drug candidate, RT001 topical, for the treatment of crow's feet at the time of the follow-on public offering. The complaint has been brought as a purported class action on behalf of those who purchased common stock in the follow-on public offering and seeks unspecified monetary damages and other relief. On October 31, 2016, the parties executed a stipulation of settlement ("the Stipulation"). Under the Stipulation, in exchange for a release of all claims by the plaintiff class, the Company has agreed to settle the litigation. The Stipulation maintains that the defendants, including the Company, deny all wrongdoing and liability related to the litigation. Plaintiff's counsel filed a motion for preliminary approval of the settlement on November 11, 2016 and hearing regarding preliminary approval was set for January 6, 2017. On January 6, 2017, the Superior Court for the County of Santa Clara (the "Court") issued an order (the "Order") preliminarily approving the settlement proposed in the Stipulation by and among the plaintiff class and all named defendants in the Action, including the Company ("the Settlement"), and directing that notice of the proposed settlement be given to all members of the plaintiff class. The Court scheduled a hearing ("Settlement Fairness Hearing") on May 19, 2017 to, among other things, make a final determination whether the Settlement is fair, reasonable and adequate and should be approved by the Court. The Stipulation and the Settlement remain subject to approval by the Court and certain other conditions.

The Company accrues a liability for such matters when it is probable that future expenditures will be made and such expenditures can be reasonably estimated. As a result of the Settlement, proposed in the Stipulation, the Company has accrued for a loss contingency and recorded an undiscounted liability of \$6.4 million, which is included in Accruals and other current liabilities on the Consolidated Balance Sheet. The Company also recorded an undiscounted insurance recovery asset of \$5.9 million within Prepaid expenses and other current assets on its Consolidated Balance Sheet. In January 2017, the Company paid \$0.5 million, which was recorded in restricted cash on the Condensed Consolidated Balance Sheet, and its insurance company paid \$5.9 million, both of which will be held in an escrow account until finalization of the settlement.

This litigation, including the proposed settlement, remains subject to uncertainty, and the actual defense and disposition costs may depend upon many unknown factors. Therefore, there can be no assurance that this litigation will not have a material adverse effect on our business, results of operations, financial position or cash flows.

REVANCE THERAPEUTICS, INC.

Notes to Condensed Consolidated Financial Statements — (Continued)

(Unaudited)

Indemnification

The Company enters into standard indemnification agreements in the ordinary course of business. Pursuant to these arrangements, the Company indemnifies, holds harmless, and agrees 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 its technology. The term of these indemnification agreements is generally perpetual after the execution of the agreement. The maximum potential amount of future payments the Company could be required to make under these agreements is not determinable because it involves claims that may be made against the Company in the future, but have not yet been made. The Company has not incurred costs to defend lawsuits or settle claims related to these indemnification agreements.

The Company has entered into indemnification agreements with its directors and officers that may require the Company 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.

No amounts associated with such indemnifications have been recorded to date, except as noted above.

10. Convertible Preferred Stock

As of March 31, 2017 and December 31, 2016, the Company had 5,000,000 shares of convertible preferred stock with a par value of \$0.001 per share authorized and no preferred stock issued and outstanding.

11. Warrants

As of March 31, 2017 and December 31, 2016, the Company had outstanding warrants to purchase 61,595 shares of common stock.

12. Stock Option Plan**2014 Equity Incentive Plan and 2014 Inducement Plan**

On January 1, 2017, the number of shares of common stock reserved for issuance under the Company's 2014 Equity Incentive Plan, or 2014 EIP, automatically increased by 4% of the total number of shares of the Company's common stock outstanding on December 31, 2016, or 1,145,958 shares. During the three months ended March 31, 2017, the Company granted stock options for 581,125 shares of common stock and 220,425 restricted stock awards under the 2014 EIP. As of March 31, 2017, there were 1,123,720 shares available for issuance under the 2014 EIP.

During the three months ended March 31, 2017, there were no stock options or restricted stock awards granted under the 2014 Inducement Plan (the "2014 IN"). As of March 31, 2017, there were 417,087 shares available for issuance under the 2014 IN. The grant-date fair value of the employee stock options under the 2014 EIP and 2014 IN was estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	Three Months Ended March 31,	
	2017	2016
Expected term (in years)	6.0	6.0
Expected volatility	68.4%	61.1%
Risk-free interest rate	2.1%	1.4%
Expected dividend rate	—%	—%

Fair Value of Common Stock. The fair value of the shares of common stock is based on the Company's stock price as quoted by the NASDAQ.

Expected Term. The expected term for employees and non-employee directors is based on the simplified method, as the Company's stock options have the following characteristics: (i) granted at-the-money; (ii) exercisability is conditioned upon

REVANCE THERAPEUTICS, INC.

Notes to Condensed Consolidated Financial Statements — (Continued)

(Unaudited)

service through the vesting date; (iii) termination of service prior to vesting results in forfeiture; (iv) limited exercise period following termination of service; and (v) options are non-transferable and non-hedgeable, or “plain vanilla” options, and the Company has a limited history of exercise data. The expected term for non-employee consultants is based on the remaining contractual term.

Expected Volatility. As of January 1, 2017, the expected volatility is based on the historical volatility of a group of similar entities combined with the historical volatility of the Company, whereas prior to 2017, the expected volatility was based solely on the historical volatility of a group of similar entities. In evaluating similarity, the Company considered factors such as industry, stage of life cycle, capital structure, and size.

Risk-Free Interest Rate. The risk-free interest rate is based on U.S. Treasury constant maturity rates with remaining terms similar to the expected term of the options.

Expected Dividend Rate. The Company has never paid dividends and does not plan to pay dividends in the foreseeable future, and therefore used an expected dividend rate of zero percent in the valuation model.

Forfeitures. As of January 1, 2017, the Company adopted the forfeiture rate methodology change in accordance with ASC 2016-09 to account for forfeitures as they occur (Note 2). Prior to the adoption of ASC 2016-09, the Company was required to estimate forfeitures at the time of grant and revised those estimates in subsequent periods if actual forfeitures differed from those estimates. The Company used historical data to estimate pre-vesting option forfeitures and record stock-based compensation expense only for those awards that were expected to vest. To the extent actual forfeitures differed from the estimates, the difference was recorded as a cumulative adjustment in the period that the estimates were revised.

There were no stock options outstanding or granted to non-employee consultants as of and during the three months ended March 31, 2017. The fair value of the stock options granted to non-employee consultants is calculated at each reporting date using the Black-Scholes option pricing model with the following weighted-average assumptions:

	Three Months Ended March 31, 2016
Expected term (in years)	7.7
Expected volatility	73.4%
Risk-free interest rate	1.6%
Expected dividend rate	—%

2014 Employee Stock Purchase Plan

On January 1, 2017, the number of shares of common stock reserved for issuance under the Company’s 2014 Employee Stock Purchase Plan, or 2014 ESPP, automatically increased by 1% of the total number of shares of the Company’s common stock outstanding on December 31, 2016, or 286,489 shares. As of March 31, 2017, there were 944,969 shares available for issuance under the 2014 ESPP.

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

The fair value of the option component of the shares purchased under the 2014 ESPP was estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	Three Months Ended March 31,	
	2017	2016
Expected term (in years)	0.5	0.5
Expected volatility	72.4%	50.9%
Risk-free interest rate	0.7%	0.5%
Expected dividend rate	—%	—%

Fair Value of Common Stock. The fair value of the shares of common stock is based on the Company's stock price.

Expected Term. The expected term is based on the term of the purchase period under the 2014 ESPP.

Expected Volatility. As of January 1, 2017 the expected volatility is based on the historical volatility of the Company's common stock. Prior to January 1, 2017, the expected volatility was based on volatility of a group of similar entities. In evaluating similarity, the Company considered factors such as industry, stage of life cycle, capital structure, and size.

Risk-Free Interest Rate. The risk-free interest rate is based on U.S. Treasury constant maturity rates with remaining terms similar to the expected term.

Expected Dividend Rate. The Company has never paid dividends and does not plan to pay dividends in the foreseeable future, and therefore used an expected dividend rate of zero percent in the valuation model.

Total Stock-Based Compensation

Total stock-based compensation expense related to options, restricted stock awards, and ESPP for employees, non-employee directors, and non-employee consultants was allocated as follows (in thousands):

	Three Months Ended March 31,	
	2017	2016
Research and development	\$ 1,304	\$ 1,404
General and administrative	1,851	1,573
Total stock based compensation expense	\$ 3,155	\$ 2,977

13. Net Loss per Share Attributable to Common Stockholders

The following table sets forth the computation of the Company's basic and diluted net loss per share attributable to common stockholders for the three months ended March 31, 2017 and 2016 (in thousands, except for share and per share amounts):

	Three Months Ended March 31,	
	2017	2016
Net loss attributable to common stockholders, basic and diluted	\$ (27,156)	\$ (19,888)
Net loss per share attributable to common stockholders, basic and diluted	\$ (0.94)	\$ (0.71)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	28,808,195	28,005,611

REVANCE THERAPEUTICS, INC.

Notes to Condensed Consolidated Financial Statements — (Continued)

(Unaudited)

The following common stock equivalents were excluded from the computation of diluted net loss per share for the periods presented as their inclusion would have been antidilutive:

	As of March 31,	
	2017	2016
Outstanding common stock options	3,294,040	2,900,675
Outstanding common stock warrants	61,595	61,595
Unvested restricted stock awards	555,723	426,117
Shares expected to be purchased on June 30 under the 2014 ESPP	15,159	9,034

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 Quarterly Report on this Form 10-Q and in our other Securities and Exchange Commission, or SEC, filings, including our Annual Report on Form 10-K for the year ended December 31, 2016, filed with the SEC on February 28, 2017. The words "believe," "will," "may," "would," "estimate," "anticipate," "intend," "should," "plan," "expect," "predict," "could," "potentially," and similar expressions that convey uncertainty of future events or outcomes are intended to identify forward-looking statements. The following discussion and analysis contains forward-looking statements within meaning of the Private Securities Litigation Reform Act of 1995.

These forward-looking statements include, but are not limited to, statements concerning the following:

- our expectations regarding the results, timing and completion of our clinical trials and regulatory submissions needed for the approval of RT002 injectable for the treatment of glabellar (frown) lines, muscle movement disorders, including cervical dystonia, and plantar fasciitis, in the United States, Europe and other countries;
- our expectations regarding our future development of RT002 injectable and RT001 topical for other indications;
- our expectations regarding the development of future product candidates;
- the potential for commercialization by us of RT002 injectable, if approved;
- our expectations regarding the potential market size, opportunity and growth potential for RT002 injectable and RT001 topical, if approved for commercial use;
- our belief that RT002 injectable and RT001 topical can expand the overall botulinum toxin market;
- our ability to build our own sales and marketing capabilities, or seek collaborative partners including distributors, to commercialize our product candidates, if approved;
- our ability to manufacture in our facility and to scale up our manufacturing capabilities and those of our current and future third-party manufacturers if our product candidates are approved;
- estimates of our expenses, future revenue, capital requirements and our needs for additional financing;
- the timing or likelihood of regulatory filings and approvals;
- our ability to advance product candidates into, and successfully complete, clinical trials;
- the implementation of our business model, and strategic plans for our business, product candidates and technology;
- the initiation, timing, progress and results of future preclinical studies and clinical trials and our research and development programs;
- the scope of protection we are able to establish and maintain for intellectual property rights covering our product candidates and technology;
- our ability to establish collaborations or obtain additional funding;
- our expectations regarding the time during which we will be an emerging growth company under the Jumpstart Our Business Startups Act of 2012, or the JOBS Act;
- our financial performance; and
- developments and projections relating to our competitors and our industry.

These forward-looking statements are subject to a number of risks, uncertainties, and assumptions, including those described in "Risk Factors" included in Part II, Item 1A and elsewhere in this report. Moreover, we operate in a very competitive and rapidly changing environment, and new risks emerge from time to time. It is neither possible for management to predict all risks nor assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties, and assumptions, the forward-looking events and circumstances discussed in this report may not occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

Overview

Reveance Therapeutics, Inc. is a clinical-stage biotechnology company focused on the development, manufacturing, and commercialization of novel botulinum toxin products for multiple aesthetic and therapeutic indications. We are leveraging our proprietary portfolio of botulinum toxin type A compounds, formulated with our patented and proprietary peptide technology, to address unmet needs in large and growing neurotoxin markets. Our proprietary peptide technology enables delivery of botulinum toxin type A through two investigational drug product candidates, DaxibotulinumtoxinA for Injection (RT002), or RT002 injectable, and DaxibotulinumtoxinA Topical Gel (RT001), or RT001 topical. We are pursuing clinical development for RT002 injectable in a broad spectrum of aesthetic and therapeutic indications and are planning to conduct additional preclinical development for RT001 topical. Neither formulation of our product candidates contains albumin or any other animal or human-derived materials. We believe this reduces the risk of the transmission of certain viral diseases. We hold worldwide rights to RT002 injectable and RT001 topical, and the pharmaceutical uses of our proprietary peptide technology.

RT002 injectable is a novel, injectable formulation of botulinum toxin type A designed to be a targeted and long-lasting injectable botulinum toxin treatment. We are studying RT002 injectable for aesthetic indications, such as glabellar (frown) lines and therapeutic indications, such as cervical dystonia and plantar fasciitis. We believe RT002 injectable has the potential to expand into additional aesthetic and therapeutic indications in the future.

DaxibotulinumtoxinA for Injection (RT002, or RT002 Injectable)

We believe RT002 injectable may provide targeted delivery of botulinum toxin to intended treatment sites. We believe, and our preclinical and clinical studies indicate, that this targeted delivery, enabled by our proprietary peptide technology, may permit safe administration of higher doses of botulinum toxin and may result in high response rates and long duration of effect. We are initially focusing on developing RT002 for the treatment of glabellar lines, cervical dystonia, and plantar fasciitis.

Glabellar Lines

Glabellar or frown lines are the result of the gathering of the tissue between the eyebrows into a fold. They are caused by the repeated action of underlying muscles associated with facial expression. Years of squinting and frowning tend to leave deep wrinkles in the skin between the eyebrows and on the bridge of the nose, across the forehead and at the corners of the eyes. On many people, frown lines produce an angry or sad look that detracts from a pleasant facial appearance. Physical, emotional and social reasons for treating frown lines and forehead furrows include improved appearance and enhanced self-esteem.

We are in Phase 3 clinical development for RT002 injectable in North America for the treatment of glabellar lines. During the fourth quarter of 2016, we initiated subject dosing in our SAKURA Phase 3 program. In the first quarter of 2017, we completed patient enrollment in the two pivotal trials (SAKURA 1 and SAKURA 2). We expect to report topline results from those trials in the fourth quarter of 2017. Assuming successful completion of our SAKURA Phase 3 program, we plan to file marketing applications in the United States, European Union and Canada followed by submissions in certain Latin American and Asian countries. If approved, we believe RT002 injectable has the potential to address significant unmet needs in these markets.

In October 2015, we reported results from BELMONT, a Phase 2 active comparator, placebo-controlled clinical trial for the treatment of glabellar lines against the market leader BOTOX® Cosmetic. The 24-week results from the trial showed that RT002 injectable achieved its primary efficacy measurement at four weeks for all doses of RT002 injectable and that such efficacy was highly statistically significant as compared to placebo. In addition, the 40 Unit dose of RT002 injectable demonstrated a 23.6-week median duration versus BOTOX Cosmetic with an 18.8-week median duration. Across all cohorts, RT002 injectable appeared to be generally safe and well-tolerated.

Cervical Dystonia

We have also been developing RT002 for the treatment of cervical dystonia, a muscle movement disorder. Muscle movement disorders, such as cervical dystonia, are neurological conditions that affect a person's ability to control muscle activity in one or more areas of the body. In September 2015, we initiated a Phase 2 dose-escalating, open-label clinical study

of RT002 injectable for the treatment of cervical dystonia. The Phase 2 study is evaluating the safety, preliminary efficacy, and duration of effect of RT002 injectable in subjects with moderate to severe isolated cervical dystonia. The trial enrolled 37 subjects and is following three sequential treatment cohorts for up to a total of 24 weeks after treatment for each cohort. The trial's first cohort of 12 subjects received a single dose of up to 200 units of RT002 injectable, the second cohort of 12 subjects received between 200 and 300 units, and the third cohort of 13 subjects received from 300 to 450 units. In December 2016, we announced positive interim results from the Phase 2 trial. The interim data showed that RT002 injectable appeared to be generally safe and well-tolerated, demonstrated a median duration of greater than 24 weeks for the first cohort, and displayed clinically significant impact on cervical dystonia signs and symptoms. We plan to share 24-week results from all 3 cohorts in the second quarter of 2017.

Plantar Fasciitis

We are also developing RT002 for the treatment of plantar fasciitis. Plantar fasciitis is a painful affliction caused by inflammation of the ligament running along the bottom of the foot and is the most common cause of heel pain for patients who visit podiatrists and orthopedic foot and ankle surgeons. In 2016, we initiated a Phase 2 prospective, randomized, double-blinded, placebo-controlled trial of RT002 injectable in the therapeutic indication of plantar fasciitis. This study will evaluate the safety and efficacy of a single administration of RT002 injectable in reducing the signs and symptoms of plantar fasciitis. In April 2017, we expanded our plantar fasciitis Phase 2 program from a single-site to a multi-center study with protocol updates. This study is expected to enroll approximately 60 subjects in the United States, and the primary efficacy endpoint is the reduction in the visual analog scale (VAS) for pain in the foot. Subjects will be followed for 16 weeks following treatment. Topline results from this study are expected in the fourth quarter of 2017.

DaxibotulinumtoxinA Topical Gel (RT001 or RT001 Topical)

RT001 topical is a topical gel formulation of botulinum toxin type A in a proprietary single-use applicator. The botulinum toxin in RT001 topical blocks neuromuscular transmission by binding to receptor sites on motor or sympathetic nerve terminals, entering the nerve terminals and inhibiting the release of specific neurotransmitters. RT001 topical is designed to provide treatment with no needles, no downtime, no bruising and no pain.

We plan to study RT001 topical in a preclinical setting for therapeutic and aesthetic applications where topical administration of botulinum toxin provides a meaningful advantage over injection. In accordance with international guidelines and in consultation with the FDA, we previously conducted a nonclinical development program for RT001 topical. The program included preclinical efficacy, safety bioavailability and single and repeat dose toxicity studies of RT001 topical, including chronic studies of up to nine months' duration. Genotoxicity, local tolerance and formulation bridging studies were also conducted, along with reproductive toxicity testing. Together, these studies supported prior and possible future clinical development of RT001 topical.

Based on the results of additional preclinical studies, we will determine further development of indications for RT001 topical, such as hyperhidrosis, neuropsychiatric disorders, and chronic inflammatory diseases.

Results of Operations

Revenue

The following table presents our revenue for the periods indicated and related changes from the prior period.

	Three Months Ended March 31,		
	2017	2016	Change
	(In thousands, except percentages)		
Relastin Royalty	\$ 75	\$ 75	—%

Our total revenue for the three months ended March 31, 2017 remained unchanged, compared to the same period in 2016, due to minimum royalty payment obligations pursuant to the Relastin royalty agreement. In August 2011, we entered into an agreement to sell the business related to our Relastin product line, to Precision Dermatology, Inc., or PDI. In accordance with

the agreement, we expect to receive royalties equal to at least \$0.3 million per year per the minimum royalty requirements included within the agreement or an amount equal to the actual royalty based on sales of Relastin if greater than the minimum royalty requirements for a period up to fifteen years from the date of the agreement; however, the royalty agreement could be terminated with 90 days' notice with the rights to the Relastin line reverting back to us. PDI was subsequently acquired by Valeant Pharmaceuticals International, Inc., or Valeant, in July 2014. On April 23, 2015, we received notice from Valeant terminating the royalty agreement effective as of July 23, 2015; however, as of March 31, 2017, reversion of the Relastin intellectual property rights had not been completed and we are entitled to the minimum royalty payment until such rights are reverted back to us. We recognized the annual minimum royalty payment on a pro rata basis in the amount of \$75,000 for each of the three months ended March 31, 2017 and 2016 as set forth in the Relastin royalty agreement.

Operating Expenses

Research and Development Expenses

	Three Months Ended March 31,		
	2017	2016	Change
	(In thousands, except percentages)		
Research and development (inclusive of stock-based compensation noted below)	\$ 19,409	\$ 12,364	57%
Stock-based compensation	1,304	1,404	(7)%

Research and development expenses for the three months ended March 31, 2017 increased by 57%, compared to the same period in 2016, primarily due to our SAKURA 1 and 2 Phase 3 pivotal trials of RT002 injectable. We expect our R&D expenditures to continue to increase in the near term to initiate and complete clinical trials and other associated programs relating to RT002 injectable for the treatment of glabellar lines, cervical dystonia, plantar fasciitis and other indications.

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 expense. We expense both internal and external research and development expenses as they are incurred.

Stock-based compensation for research and development decreased for the periods presented primarily due to employee turnover.

General and Administrative Expenses

	Three Months Ended March 31,		
	2017	2016	Change
	(In thousands, except percentages)		
General and administrative expenses (inclusive of stock-based compensation noted below)	7,754	7,455	4%
Stock-based compensation	1,851	1,573	18%

General and administrative expenses for the three months ended March 31, 2017 increased by 4%, compared to the same period in 2016, primarily due to increased costs related to personnel, offset by a decrease in marketing expenses.

Stock-based compensation for general and administration increased for the periods presented primarily due to an increase in employee headcount, grants to existing employees, and higher stock valuations in 2017.

Total Operating Expenses

Total operating expenses for the three months ended March 31, 2017 and 2016, were \$27.2 million and \$19.8 million, respectively. Total operating expenses include non-cash stock-based compensation and depreciation expenses. Stock-based compensation was \$3.2 million and \$3.0 million for the three months ended March 31, 2017 and 2016, respectively. Depreciation expense was \$0.4 million and \$0.3 million for the three months ended March 31, 2017 and 2016, respectively.

Net Non-Operating Expenses

Interest Income

Interest income consists primarily 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 income for the three months ended March 31, 2017 is consistent in comparison to the same period last year.

Interest Expense

Interest expense, includes cash and non-cash components with the non-cash components consisting of effective interest recognized on the financing obligations.

The interest expense by cash and non-cash components is as follows:

	Three Months Ended March 31,		
	2017	2016	Change
	(In thousands, except percentages)		
Interest expense			
Cash related interest expense ⁽¹⁾	\$ 110	\$ 203	(46)%
Non-cash effective interest expense	\$ 83	\$ 112	(26)%
Total interest expense	\$ 193	\$ 315	(39)%

(1) Cash related interest expense included interest payments on the Essex Notes.

Interest expense for the three months ended March 31, 2017 decreased by 39%, compared to the same period in 2016, primarily due to the decreasing interest on the equipment lease with Essex Capital as the leases approach maturity.

Change in Fair Value of Derivative Liability Associated with the Medicis Settlement

The Product Approval Payment associated with the Medicis settlement is classified as a liability on our Condensed Consolidated Balance Sheet. This liability is remeasured to fair value at each balance sheet date with the corresponding gain or loss from the adjustment recorded in the Condensed Consolidated Statement of Operations and Comprehensive Loss. We will continue to record adjustments to the fair value of the Medicis settlement derivative liability until the Product Approval Payment has been paid. The loss recorded during the three months ended March 31, 2017 reflects an increase to the valuation of the derivative liability based on assumptions related to the development of RT002 injectable for glabellar lines.

Total Net Non-Operating Expenses

The total net non-operating expenses is as follows:

	Three Months Ended March 31,		
	2017	2016	Change
	(In thousands, except percentages)		
Interest income	\$ 311	\$ 310	—%
Interest expense	(193)	(315)	(39)%
Change in fair value of derivative liability associated with the Medicis settlement	(60)	(14)	329%
Other expense, net	(126)	(125)	1%
Total net non-operating expenses	\$ (68)	\$ (144)	(53)%

Our total net non-operating expense for the three months ended March 31, 2017 decreased by 53%, compared to the same period in 2016, primarily due to a decrease in interest expense, as described above, and the change in fair value of the derivative liability associated with the Medicis settlement.

Liquidity and Capital Resources

Through March 31, 2017, we have funded substantially all of our operations through the sale and issuance of our common stock, preferred stock, venture debt, and convertible debt. On March 7, 2016, we entered into an At-The-Market sales agreement, or the 2016 ATM Agreement, with Cowen and Company, LLC, or Cowen, under which we may offer and sell shares of our common stock having aggregate gross proceeds of up to \$75 million through Cowen as our sales agent. In 2017, we sold and completed a placement of 1,413,051 shares of our common stock under the 2016 ATM Agreement at a weighted average price of \$21.23 per share resulting in net proceeds of \$28.6 million, after commissions and other offering expenses.

We have never been profitable and, as of March 31, 2017, had an accumulated deficit of \$448.7 million. We incurred net losses of \$27.2 million and \$19.9 million in the three months ended March 31, 2017 and 2016, respectively. As of March 31, 2017, we had cash, cash equivalents, and investments of \$188.6 million. We expect to continue to incur net operating losses for at least the next several years as we advance RT002 injectable through clinical development, seek regulatory approval, prepare for and, if approved, proceed to commercialization.

Cash Flows

We derived the following summary of our Condensed Consolidated Cash Flows for the periods indicated from our unaudited Condensed Consolidated Financial Statements included elsewhere in this Form 10-Q (in thousands):

	Three Months Ended March 31,	
	2017	2016
Net cash used in operating activities	\$ (21,192)	\$ (15,680)
Net cash used in investing activities	(28,574)	(144,394)
Net cash provided by (used in) financing activities	25,001	(603)

Cash Flows from Operating Activities

Our cash used in operating activities is primarily driven by personnel, manufacturing, clinical development, and facility costs. 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 and research and development activities as our business grows.

Cash used in operating activities of \$21.2 million during the three months ended March 31, 2017 resulted primarily from our net loss of \$27.2 million offset by stock-based compensation expense of \$3.2 million, depreciation expense of \$0.4 million, amortization on investment premiums of \$0.2 million, and other adjustments of \$0.1 million. The increase in our net operating assets and liabilities by \$2.1 million was primarily due to an increase in accounts payable, accruals and other current liabilities, and non-current assets by \$3.3 million offset by decreases in prepaid and other current assets by \$1.2 million.

Cash used in operating activities of \$15.7 million during the three months ended March 31, 2016 resulted primarily from our net loss of \$19.9 million, offset by stock-based compensation expense of \$3.0 million, amortization on investment premiums of \$0.5 million, depreciation expense of \$0.3 million, and other adjustments of \$0.1 million. The increase in our net operating assets and liabilities by \$0.3 million was primarily due to an increase in accounts payable and accruals and other current liabilities by \$0.6 million offset by decreases in prepaid and other current assets by \$0.3 million.

Cash Flows from Investing Activities

Cash used in investing activities was \$28.6 million for the three months ended March 31, 2017 consisting of \$36.0 million for purchases of investments and purchases of property and equipment of \$0.3 million offset by maturities of short-term investments of \$7.8 million.

Cash used in investing activities was \$144.4 million for the three months ended March 31, 2016 consisting of \$159.8 million for purchases of investments and purchases of property and equipment of \$0.7 million offset by sales and maturities of short-term investments of \$16.1 million.

Cash Flows from Financing Activities

Cash provided by financing activities was \$25.0 million for the three months ended March 31, 2017 comprised of proceeds from issuance of common stock, net of commissions of \$26.2 million, proceeds from the exercise of stock options and ESPP purchases of \$0.2 million offset by principal payments on our financing obligations of \$0.9 million and other adjustments of \$0.5 million.

Cash used in financing activities was \$0.6 million for the three months ended March 31, 2016 comprised of proceeds from the exercise of stock options of \$0.5 million offset by principal payments on our financing obligations of \$0.9 million and net settlement of restricted stock awards to settle employee tax obligations of \$0.2 million.

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 our cash expenditures to increase in the near term to initiate and complete clinical trials and other associated programs relating to RT002 injectable for the treatment of glabellar lines, cervical dystonia, plantar fasciitis and other indications. We believe that our existing capital resources, the net proceeds from our IPO, net proceeds from our follow-on public offerings, and net proceeds from our at-the-market offerings will be sufficient to fund our operations for at least the next 12 months following the filing of this Form 10-Q. However, we anticipate that we will need to raise substantial additional financing in the future to fund our operations. In order to meet these additional cash requirements, we may seek to sell additional equity or convertible debt securities that may result in dilution to our stockholders. If we raise additional funds through the issuance of 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. 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 delay or terminate clinical trials or other development activities for RT002 injectable, RT001 topical, and any future product candidates, or delay our establishment of sales and marketing capabilities or other activities that may be necessary to commercialize our product candidates, if we obtain marketing approval. We may elect to raise additional funds even before we need them if the conditions for raising capital are favorable. Our future capital requirements depend on many factors, including:

- the results of our clinical and preclinical trials for RT002 injectable and RT001 topical;
- the timing of, and the costs involved in, obtaining regulatory approvals for RT002 injectable 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 RT002 injectable, RT001 topical, or any future product candidates, and conducting preclinical and clinical trials;
- the cost of commercialization activities if RT002 injectable, RT001 topical, or any future product candidates that are approved for sale, including marketing, sales and distribution costs;
- the cost of manufacturing RT002 injectable, RT001 topical, or any future product candidates or any products we successfully commercialize, and the cost of maintaining our related facilities;
- our ability to establish and maintain strategic collaborations, licensing or other arrangements and the terms of and timing for 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;
- 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.

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

We have not generated product revenue from RT002 injectable or RT001 topical and we do not know when, or if, we will generate such revenue. We do not expect to generate significant revenue unless or until we obtain marketing approval of, and commercialize RT002 injectable or RT001 topical. We expect our continuing operating losses to result in increases in cash used in operations over the next several years.

We have based our estimates of future capital requirements on a number of assumptions that may prove to be wrong, and changing circumstances beyond our control may cause us to consume capital more rapidly than we currently anticipate. For example, our ongoing clinical trials of RT002 injectable may encounter technical or other difficulties that could increase our development costs more than we currently expect or the FDA may require us to conduct additional clinical trials prior to approving RT002 injectable or future products we may develop. Because of the numerous risks and uncertainties associated with the development and commercialization of our product candidates, we are unable to estimate the amounts of increased capital outlays and operating expenditures associated with our current and anticipated clinical trials beyond 2017.

Critical Accounting Policies

There have been no material changes in our critical accounting policies during the three months ended March 31, 2017, as compared to those disclosed in Item 7 in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, filed with the SEC on February 28, 2017, except as described in Footnote 2 of the Notes to the Condensed Consolidated Financial Statements included elsewhere in this Form 10-Q.

Contractual Obligations

Our minimum contractual commitments were reported in our Annual Report on Form 10-K for the year ended December 31, 2016, as filed with the SEC. Our future minimum contractual commitments have not changed materially from the amounts previously reported, except as described below.

On March 14, 2017, the Company entered into a Technology Transfer, Validation and Commercial Fill/Finish Services Agreement (the "Services Agreement") and Statement of Work ("SoW") with Ajinomoto Althea, Inc., a contract development and manufacturing organization ("Althea"). Under the Services Agreement, Althea has agreed, among other things, to provide the Company with a future source of commercial fill/finish services for the Company's neuromodulator products. The Services Agreement has an initial term that will expire in seven years, unless terminated sooner by either party. In accordance with the Services Agreement, the Company is obligated to make minimum purchases based on its production forecasts. Subsequent to March 31, 2017, the Company is obligated under the terms of this arrangement to make an advance payment of \$0.9 million. The remaining costs are cancellable at any time, with the Company required to pay costs incurred through the cancellation date.

Recent Accounting Pronouncements

Refer to "Recent Accounting Pronouncements" in Note 2 to our Condensed Consolidated Financial Statements included elsewhere in this Form 10-Q.

Off-Balance Sheet Arrangements

As of March 31, 2017, 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

Overview

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.

Interest Rate Sensitivity

Our exposure to market risk for changes in interest rates relates primarily to our cash, cash equivalents, and investments. We had cash, cash equivalents, and investments of \$188.6 million and \$185.5 million as of March 31, 2017 and December 31, 2016, respectively. As of March 31, 2017, our cash, cash equivalents, and investments were held in deposit, money market fund accounts, and U.S. government agency and treasury obligations. Our primary exposure to market risk is interest income sensitivity, which is affected by changes in the general level of the interest rates in the United States. A hypothetical 10% movement in interest rates would not be expected to have a material impact on our Condensed Consolidated Financial Statements. We mitigate market risk for changes in interest rates by holding our investments in U.S. treasury and government agency obligations to maturity.

Foreign Exchange

Our operations are primarily conducted in the United States using the U.S. Dollar. However, we conduct limited operations in foreign countries, primarily for clinical and regulatory services, whereby settlement of our obligations are denominated in the local currency. Transactional exposure arises when transactions occur in currencies other than the U.S. Dollar. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction with the resulting liabilities being translated into the U.S. Dollar at exchange rates prevailing at the balance sheet date. The resulting gains and losses, which were insignificant for the three months ended March 31, 2017 and 2016, are included in other expense in the Condensed Consolidated Statements of Operations and Comprehensive Loss. We do not use currency forward exchange contracts to offset the related effect on the underlying transactions denominated in a foreign currency.

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 chief executive officer and our chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2017. 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 March 31, 2017, our chief executive officer and chief 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

There were no changes in our internal control over financial reporting during the three months ended March 31, 2017 that have 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, the Company may have certain contingent liabilities that arise in the ordinary course of business. As of May 2015, the Company became subject to a securities class action complaint, captioned City of Warren Police and Fire Retirement System v. Revance Therapeutics Inc., et al, CIV 533635, which was filed on behalf of City of Warren Police and Fire Retirement System in the Superior Court for San Mateo County, California against the Company and certain of its directors and executive officers at the time of the June 2014 follow-on public offering, and the investment banking firms that acted as the underwriters in the follow-on public offering. In general, the complaint alleges that the defendants misrepresented the then-present status of the RT001 topical clinical program and made false and misleading statements regarding the formulation, manufacturing and efficacy of its drug candidate, RT001 topical, for the treatment of crow's feet at the time of the follow-on public offering. The complaint has been brought as a purported class action on behalf of those who purchased common stock in the follow-on public offering and seeks unspecified monetary damages and other relief. On November 6, 2016, the action was transferred to the Superior Court for the County of Santa Clara (the "Court") and assigned the following case number, 15-CV-287794. On October 31, 2016, the parties executed a stipulation of settlement (the "Stipulation"), pursuant to which, in exchange for a release of all claims by the plaintiff class, the Company has agreed to settle the litigation for \$6.4 million in cash, of which the Company expects \$5.9 million to be covered by its insurance policies. The Stipulation maintains that the defendants, including the Company, deny all wrongdoing and liability related to the litigation.

On January 6, 2017, the Court issued an order (the "Order") preliminarily approving the settlement proposed in the Stipulation by and among the plaintiff class and all named defendants in the Action, including the Company (the "Settlement"), and directing that notice of the proposed settlement be given to all members of the plaintiff class (the "Class Members"). The Court scheduled a hearing ("Settlement Fairness Hearing") on May 19, 2017, at 9:00 a.m. Pacific Time at the Court, located at 191 North First Street, San Jose, CA 95113, to, among other things, make a final determination whether the Settlement is fair, reasonable and adequate and should be approved by the Court. The Order provides that Class Members may opt out of the Settlement and that they may object to the Settlement in advance of and/or at the Settlement Fairness Hearing.

The Stipulation and the Settlement remain subject to final approval by the Court and certain other conditions. It is anticipated that the Settlement, if approved, would not have a material impact on the Company's business.

This litigation, including the Settlement, remains subject to uncertainty, and the actual defense and disposition costs may depend upon many unknown factors. Therefore, there can be no assurance that this litigation will not have a material adverse effect on our business, results of operations, financial position or cash flows.

Except as provided above, we are not currently involved in any material legal proceedings.

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 Form 10-Q, 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, 2016.*

Risks Related to Our Business and Strategy

We are substantially dependent on the clinical and commercial success of our injectable product candidate RT002 injectable.*

To date, we have invested substantial efforts and financial resources in the research and development of botulinum toxin-based product candidates. Our success as a company is substantially dependent on the clinical and commercial success of RT002 injectable.

We completed RT001 topical Phase 3 clinical trials for the treatment of lateral canthal lines (crow's feet) and initial Phase 2 clinical trials for the treatment of primary axillary hyperhidrosis (excessive under arm sweating) and for the prevention of chronic migraine headache. However, we discontinued clinical development of RT001 topical for the treatment of crow's feet and for the treatment of axillary hyperhidrosis in June 2016, following results from our REALISE 1 Phase 3 clinical trial, which was designed to evaluate the safety and efficacy of RT001 topical compared to placebo in subjects with moderate to severe crow's feet.

We have invested substantial efforts and financial resources in the research and development of RT002 injectable. We are in Phase 3 clinical development for RT002 injectable in North America for the treatment of glabellar lines. During the fourth quarter of 2016, we initiated subject dosing in our SAKURA Phase 3 program. In the first quarter of 2017, we completed patient enrollment in the two pivotal trials of our SAKURA Phase 3 program. We expect to report topline results from those trials in the fourth quarter of 2017. In October 2015, we reported results from BELMONT, a Phase 2 active comparator clinical trial against the market leader BOTOX® Cosmetic. The 24-week data from the trial showed that RT002 injectable achieved its primary efficacy measurement at four weeks for all doses of RT002 injectable and that such efficacy was highly statistically significant as compared to placebo. In addition, the 40 Unit dose of RT002 injectable demonstrated a 23.6-week median duration versus BOTOX® Cosmetic with an 18.8-week median duration. Across all cohorts, RT002 injectable appeared to be generally safe and well-tolerated. These results may not be indicative of results from future trials.

In September 2015, we initiated a Phase 2 dose-escalating, open-label clinical study of RT002 injectable for the treatment of cervical dystonia. The Phase 2 study is evaluating the safety, preliminary efficacy, and duration of effect of RT002 injectable in subjects with moderate to severe isolated cervical dystonia. The trial enrolled 37 subjects and is following three sequential treatment cohorts for up to a total of 24 weeks after treatment for each cohort. The trial's first cohort of 12 subjects received a single dose of up to 200 units of RT002 injectable, the second cohort of 12 subjects received between 200 and 300 units, and the third cohort of 13 subjects received from 300 to 450 units. In December 2016, we announced positive interim results from the Phase 2 trial. The interim data showed that RT002 injectable appeared to be generally safe and well-tolerated, demonstrated median duration of greater than 24 weeks for the first cohort, and displayed clinically significant impact on cervical dystonia signs and symptoms. We plan to share 24-week results from all 3 cohorts in the second quarter of 2017.

In 2016, we also initiated a Phase 2 prospective, randomized, double-blinded, placebo-controlled trial of RT002 injectable in the therapeutic indication of plantar fasciitis. This study will evaluate the safety and efficacy of a single administration of RT002 injectable in reducing the signs and symptoms of plantar fasciitis. In April 2017, we expanded our plantar fasciitis Phase 2 program from a single-site to a multi-center study with protocol updates. This study is expected to enroll approximately 60 subjects in the United States, and the primary efficacy endpoint is the reduction in the visual analog scale (VAS) for pain in the foot. Subjects will be followed for 16 weeks following treatment. Topline results from this study are expected in the fourth quarter of 2017.

Our near-term prospects, including our ability to finance our company and generate revenue, will depend heavily on the successful development, regulatory approval and commercialization of RT002 injectable. Our longer-term prospects will depend on the successful development, regulatory approval and commercialization of RT002 injectable, as well as any future product candidates. The preclinical, clinical and commercial success of our product candidates will depend on a number of factors, including the following:

- timely completion of, or need to conduct additional, clinical trials, including our clinical trials for RT002 injectable, RT001 topical, 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;
- our ability to demonstrate the effectiveness and differentiation of our products on a consistent basis as compared to existing or future therapies;
- our ability to demonstrate to the satisfaction of the FDA, the safety and efficacy of RT002 injectable, RT001 topical, or any future product candidates through clinical trials;
- whether we are required by the FDA or other similar foreign regulatory agencies to conduct additional clinical trials to support the approval of RT002 injectable, RT001 topical, or any future product candidates;

- our success in educating physicians and patients about the benefits, administration and use of RT002 injectable, RT001 topical, or any future product candidates, if approved;
- the prevalence and severity of adverse events experienced with our product candidates or future approved products;
- the timely receipt of necessary marketing approvals from the FDA and similar foreign regulatory authorities;
- the ability to raise additional capital on acceptable terms and in the time frames necessary to achieve our goals;
- achieving and maintaining compliance with all regulatory requirements applicable to RT002 injectable, RT001 topical, or any future product candidates or approved products;
- the availability, perceived advantages, relative cost, relative safety and relative efficacy of alternative and competing treatments;
- the effectiveness of our own or our future potential strategic collaborators' marketing, sales and distribution strategy and operations;
- our ability to manufacture clinical trial supplies of RT002 injectable, RT001 topical, or any future product candidates and to develop, validate and maintain a commercially viable manufacturing process that is compliant with current good manufacturing practices, or cGMP;
- our ability to successfully commercialize RT002 injectable, RT001 topical, or any future product candidates, if approved for marketing and sale, whether alone or in collaboration with others;
- our ability to enforce our intellectual property rights in and to RT002 injectable, RT001 topical, or any future product candidates;
- our ability to avoid third-party patent interference or intellectual property infringement claims;
- acceptance of RT002 injectable, RT001 topical, or any future product candidates, if approved, as safe and effective by patients and the medical community; and
- the continued acceptable safety profile of RT002 injectable, RT001 topical, or any future product candidates following approval.

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 could experience 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 RT002 injectable, RT001 topical, or any future product candidate to continue our business.

We may be unable to obtain regulatory approval for RT002 injectable, RT001 topical, or future product candidates under applicable regulatory requirements. The denial or delay of any such approval 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 RT002 injectable or RT001 topical, we must provide the FDA and 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. The development of biologic 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.

Specifically, we completed RT001 topical clinical trials for the treatment of lateral canthal lines (crow's feet) and primary axillary hyperhidrosis. We discontinued clinical development of RT001 topical for the treatment of crow's feet and hyperhidrosis in 2016 following the results from our REALISE 1 Phase 3 clinical trial. The trial, designed to evaluate the safety and efficacy of RT001 topical compared to placebo in subjects with moderate to severe crow's feet, did not achieve its co-primary or other endpoints.

Our business currently depends substantially on the successful development, regulatory approval and commercialization of our product candidates. Based on discussion with the FDA at a Pre-Phase 3 meeting in the second quarter of 2016 and the minutes received following the meeting, we submitted an IND in the United States and initiated subject dosing in Phase 3

clinical studies of RT002 injectable for the treatment of glabellar lines in 2016. In the first quarter of 2017, we completed patient enrollment in the two pivotal trials of our SAKURA Phase 3 program. We also plan to move forward with studies required for submission of a BLA. Such studies may increase the time, expense and uncertainty of our RT002 injectable development program, including, for example, because results of such studies may indicate to us a further need to refine the RT002 injectable product candidate.

We currently have no drug or biologic products approved for sale, and we may never obtain regulatory approval to commercialize RT002 injectable or RT001 topical. The research, testing, manufacturing, labeling, approval, sale, marketing and distribution of drug and biologic products are subject to extensive regulation by the FDA and other regulatory authorities in the United States and other countries, and such regulations differ from country to country. We are not permitted to market RT002 injectable in the United States until we receive approval of a BLA from the FDA. We are also not permitted to market RT002 injectable 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, including RT002 injectable, for many reasons, including:

- our inability to demonstrate to the satisfaction of the FDA or an applicable foreign regulatory body that RT002 injectable, RT001 topical, or any future product candidates are safe and effective for the requested indication;
- our inability to demonstrate preclinical proof of concept of RT001 topical or other products in future, new indications;
- the FDA's or an 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 RT002 injectable, RT001 topical, or any future product candidates outweigh any safety or other perceived risks;
- the FDA's or an applicable foreign regulatory agency's requirement for additional preclinical or clinical studies;
- the FDA's or an applicable foreign regulatory agency's non-approval of the formulation, labeling or the specifications of RT002 injectable, RT001 topical, or any future product candidates;
- the FDA's or an 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 an applicable foreign regulatory agencies to significantly change in a manner rendering our clinical data insufficient for approval.

Of the large number of drugs, including biologics, in development, only a small percentage successfully complete the FDA or other regulatory approval processes and are commercialized.

Even if we eventually complete clinical testing and receive approval of any regulatory filing for RT002 injectable, RT001 topical, or any future product candidates, the FDA or the applicable foreign regulatory agency may grant approval contingent on the performance of costly additional post-approval clinical trials. The FDA or the applicable foreign regulatory agency also may approve RT002 injectable, RT001 topical, 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. Any delay in obtaining, or inability to obtain, applicable regulatory approval for any of our product candidates and RT002 injectable, in particular, would delay or prevent commercialization of RT002 injectable and would materially adversely impact our business, results of operations and prospects.

We will require substantial additional financing to achieve our goals, and a failure to obtain this 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 preclinical and clinical development of our botulinum toxin product candidates RT002 injectable and RT001 topical. In particular, our clinical programs for RT002 injectable and RT001 topical will require substantial additional funds to complete. We have recorded net losses of \$27.2 million and \$19.9 million for the three months ended March 31, 2017 and 2016, respectively, had an accumulated deficit through March 31, 2017 of \$448.7 million and had a working capital surplus of \$173.4 million as of March 31, 2017, primarily as a result of our IPO, June 2014 and November 2015 follow-on public offerings, and At-The-Market, or ATM, offerings in 2015 and 2017. We have funded our operations primarily through the sale and issuance of convertible preferred stock, common stock, notes payable and convertible notes. As of March 31, 2017, we had capital resources consisting of cash, cash equivalents, and investments of \$188.6 million. We raised aggregate net proceeds of \$98.6 million in our IPO in February 2014, aggregate net proceeds of \$131.3 million and \$126.2 million in our follow-on public offerings in June 2014 and November 2015, respectively. In addition, we raised net proceeds of approximately \$10.0 million by selling an aggregate of 352,544 shares of our common stock under the 2015 ATM agreement, which was effectively terminated on March 7, 2016. On March 7, 2016, we entered into the 2016 ATM Agreement with Cowen, under which we may offer and sell shares of our common stock having aggregate gross proceeds of up to \$75 million through Cowen as our sales agent. In 2017, we sold and completed a placement of 1,413,051 shares of our common stock under the 2016 ATM Agreement at a weighted average price of \$21.23 per share resulting in net proceeds of \$28.6 million, after commissions and other offering expenses. We believe that we will continue to expend substantial resources for the foreseeable future for the clinical development of RT002 injectable, RT001 topical, and development of any other indications and product candidates that we may choose to pursue. These expenditures will include costs associated with research and development, conducting preclinical studies and clinical trials, and manufacturing and supply as well as marketing and selling any products approved for sale. In addition, other unanticipated costs may arise. 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 RT002 injectable and any future product candidates.

We believe that our existing cash, cash equivalents, and investments including the net proceeds from our IPO, follow-on public offerings, and ATM offerings will allow us to fund our operations for at least 12 months following the filing of this Form 10-Q. 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. Such financings may result in dilution to stockholders, imposition of debt covenants and repayment obligations or other restrictions that may affect our business. 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:

- the results of our clinical trials for RT002 injectable and preclinical trials of RT001 topical or any future product candidates;
- the timing of, and the costs involved in, obtaining regulatory approvals for RT002 injectable, RT001 topical, 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 RT002 injectable, RT001 topical, or any future product candidates;
- the cost of commercialization activities if RT002 injectable, RT001 topical, or any future product candidates are approved for sale, including marketing, sales and distribution costs;
- the cost of manufacturing RT002 injectable, RT001 topical, 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 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;
- 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, we may be required to delay, limit, reduce or terminate preclinical studies, clinical trials, research, development, manufacturing, sales, marketing or other commercial activities for RT002 injectable, RT001 topical, or any future product candidate.

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.

Even if our product candidates receive regulatory approval, they may fail to achieve the broad degree of physician adoption and use necessary for commercial success.

The commercial success of RT002 injectable, RT001 topical, and any future product candidates, if approved, will depend significantly on the broad adoption and use of the resulting product by physicians for approved indications. The degree and rate of physician adoption of RT002 injectable, RT001 topical, and any future product candidates, if approved, will depend on a number of factors, including:

- the effectiveness and duration of effect of our product as compared to existing therapies;
- physician willingness to adopt a new therapy to treat glabellar lines, cervical dystonia, plantar fasciitis or other aesthetic or therapeutic indications;
- patient satisfaction with the results and administration of our product and overall treatment experience;
- patient demand for the treatment of glabellar lines, cervical dystonia, plantar fasciitis or other aesthetic or therapeutic indications;
- the willingness of third-party payors to reimburse physicians or patients for RT002 injectable, RT001 topical, and any future products we may commercialize for therapeutic indications; and
- the revenue and profitability that our product will offer a physician as compared to alternative therapies.

If RT002 injectable or any future product candidates are approved for use but fail to achieve the broad degree of physician adoption necessary for commercial success, our operating results and financial condition will be adversely affected.

Our product candidates, if approved, will face significant competition and our failure to effectively compete may prevent us from achieving significant market penetration and expansion.

We expect to enter highly competitive pharmaceutical and medical device markets. Successful competitors in the pharmaceutical and medical device markets have the ability to effectively discover therapies, obtain patents, develop, test and obtain regulatory approvals for products, and have the ability to 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 the developing, patenting, manufacturing and marketing healthcare products which compete with those that we are developing. Many of these potential competitors are large, experienced 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.

Upon marketing approval, the first expected use of our products will be in aesthetic medicine. The aesthetic product market, and the facial aesthetic market in particular, is highly competitive and dynamic, and is characterized by rapid and substantial technological development and product innovations. This market is also characterized by competitors obtaining patents to protect what they consider to be their intellectual property.

In aesthetic medicine, we plan to seek regulatory approval of RT002 injectable for the treatment of glabellar lines. We anticipate that RT002 injectable, if approved, will face significant competition from existing injectable botulinum toxins as well as unapproved and off-label treatments. Further, if approved, in the future we may face competition for RT002 injectable from biosimilar products and products based upon botulinum toxin. To compete successfully in the aesthetic market, we will have to demonstrate that the treatment of glabellar lines with RT002 injectable is a worthwhile aesthetic treatment and has advantages over existing therapies. Competing in the aesthetic market could result in price-cutting, reduced profit margins and limited market share, any of which would harm our business, financial condition and results of operations.

Due to less stringent regulatory requirements, there are many more aesthetic products and procedures available for use in a number of international markets than are approved for use in the United States. There are also fewer limitations on the claims that our competitors in certain international markets can make about the effectiveness of their products and the manner in which they can market them. As a result, we face more competition in these markets than in the United States.

We currently make our RT002 injectable 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 commercial production if our product candidates are approved. If these or any future facility or our equipment were damaged or destroyed, or if we experience a significant disruption in our 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 RT002 injectable in one internal manufacturing facility. In March 2017, we entered into a Technology Transfer, Validation and Commercial Fill/Finish Services Agreement, or the Services Agreement, with Ajinomoto Althea, Inc., or Althea, a contract development and manufacturing organization. Under the Services Agreement, Althea will provide us commercial fill/finish services and will serve as a second source of manufacturing for RT002 injectable. We plan to utilize our internal and external Althea facility to support commercial production of RT002 injectable, if approved. 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 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 our ability to manufacture our products as promptly as our customers expect or possibly at all. 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.

Currently, we maintain insurance coverage totaling \$31.3 million against damage to our property and equipment, \$2.0 million in general liability coverage, a \$9.0 million umbrella policy, and an additional \$45.0 million to cover business interruption and research and development restoration expenses, subject to deductibles and other limitations. If we have underestimated our insurance needs with respect to an interruption, or if an interruption is not subject to coverage under our insurance policies, we may not be able to cover our losses.

Impairment in the carrying value of long-lived assets could negatively affect our operating results.*

We constructed a large capacity fill/finish line dedicated to the manufacture of RT001 topical and to support our regulatory license applications. We discontinued clinical development of RT001 topical for the treatment of crow's feet and for the treatment of primary axillary hyperhidrosis in June 2016, following the results from our REALISE 1 Phase 3 clinical trial. During the year ended December 31, 2016 we recorded a loss on impairment of \$9.1 million related to certain components of the RT001 topical fill/finish line and other long-lived assets. There was no loss on impairment during the three months ended March 31, 2017. As of March 31, 2017, the fill/finish line had a net book value of \$5.1 million. Under generally accepted accounting principles in the United States, long-lived assets, such as our fill/finish line, are required to be reviewed for impairment whenever adverse events or changes in circumstances indicate a possible impairment. If business conditions or other factors indicate that the carrying value of the asset may not be recoverable, we may be required to record additional non-cash impairment charges. Additionally, if the carrying value of our capital equipment exceeds current fair value as determined based on the discounted future cash flows of the related product, the capital equipment would be considered impaired and would be reduced to fair value by a non-cash charge to earnings, which could negatively affect our operating results. Events and conditions that could result in impairment in the value of our long-lived assets include adverse clinical trial results, changes in operating plans, unfavorable changes in competitive landscape, adverse changes in the regulatory environment, or other factors leading to reduction in expected long-term sales or profitability. We will evaluate the recoverability and fair value of our long-lived assets, including those related to other components of the fill/finish line, each reporting period to determine the extent to which further non-cash charges to earnings are appropriate. Additional impairment in the value of our long-lived assets may materially and negatively impact our operating results.

We have a limited operating history and have incurred significant losses since our inception and we anticipate that we will continue to incur losses for the foreseeable future. Currently, we have only one product candidate in clinical trials and no commercial sales, which, together with our limited operating history, make it difficult to assess our future viability.*

We are a clinical-stage biotechnology company with a limited operating history. 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. We have only a limited operating history upon which you can evaluate our business and prospects. 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. To date, we have not obtained any regulatory approvals for any of our product candidates or generated any revenue from product sales relating to RT002 injectable or RT001 topical. We continue to incur significant research and development and other expenses related to our ongoing clinical trials and operations. We have recorded net losses of \$27.2 million and \$19.9 million for the three months ended March 31, 2017 and 2016, respectively, had an accumulated deficit through March 31, 2017 of \$448.7 million and had a working capital surplus of \$173.4 million as of March 31, 2017, primarily as a result of our February 2014 IPO, June 2014 and November 2015 follow-on public offerings, and 2015 ATM offering and 2016 ATM offering. The net proceeds from the sale of the shares in our IPO, June 2014 follow-on public offering, November 2015 follow-on public offering, and ATM offerings in 2015 and 2017, after deducting the underwriters' discount, commissions, and other offering expenses related to the IPO and follow-on offerings, were approximately \$98.6 million, \$131.3 million, \$126.2 million, \$10.0 million, and \$28.6 million, respectively. Our capital requirements to implement our business strategy are substantial, including our capital requirements to develop and commercialize RT002 injectable. We believe that our currently available capital is sufficient to fund our operations through at least the next 12 months following the filing of this Form 10-Q.

We expect to continue to incur losses for the foreseeable future, and we anticipate that these losses will increase as we continue our development of, seek regulatory approval for and begin to commercialize RT002 injectable. 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. 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.

Even if RT002 injectable, RT001 topical, 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, RT002 injectable, RT001 topical, or any future product candidates may not achieve market acceptance among physicians and patients, and may not be commercially successful.

The degree and rate of market acceptance of RT002 injectable, RT001 topical, or any future product candidates for which we receive approval depends on a number of factors, including:

- the safety and efficacy of the product as demonstrated in clinical trials;
- the clinical indications for which the product is approved;
- acceptance by physicians, major operators of clinics and patients of the product as a safe and effective treatment;
- the proper training and administration of our products by physicians and medical staff;
- the potential and perceived advantages of our products over alternative treatments;
- the cost of treatment in relation to alternative treatments and willingness to pay for our products, if approved, on the part of payors and patients;
- the willingness of patients to pay for RT002 injectable, RT001 topical, and other aesthetic treatments in general, relative to other discretionary items, especially during economically challenging times;
- the willingness of third-party payors to reimburse physicians or patients for RT002 injectable, RT001 topical, and any future products we may commercialize for therapeutic indications;
- the relative convenience and ease of administration;
- the prevalence and severity of adverse events; and
- the effectiveness of our sales and marketing efforts.

Any failure by our product candidates 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.

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 contract research organizations, or 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 RT002 injectable do not ensure that later clinical trials, including any RT002 injectable 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 RT001 topical and we cannot be certain that we will not face other similar setbacks in the future for RT002 injectable 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 have in the past and may in the future 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. Clinical trials can be delayed or aborted for a variety of reasons, including delay or failure to:

- obtain regulatory approval to commence a trial;
- reach agreement on acceptable terms with prospective CROs and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- obtain institutional review board, or 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 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 our 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 have no experience manufacturing our product candidates at full commercial scale. If our product candidates are approved, we will face certain risks associated with scaling up our manufacturing capabilities to support commercial production.*

We have developed an integrated manufacturing, research and development facility located at our corporate headquarters. We manufacture drug substance and finished dose forms of the drug product at this facility that we use for research and development purposes and clinical trials. We do not have experience in manufacturing our product candidates at commercial scale. If our product candidates are 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 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. If we are unable to expand our manufacturing facilities in compliance with regulatory requirements or to hire additional necessary manufacturing personnel, 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 RT002 injectable and expect to continue to do so to support further clinical trials and commercial scale production if RT002 injectable is approved. This increases the risk that we will not have sufficient quantities of RT002 injectable 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 such as bulk peptide and services such as fill/finish services, necessary to produce RT002 injectable for our clinical trials, and we expect to continue to rely on these or other manufacturers to support our commercial requirements if RT002 injectable is approved. In particular, in March 2017, we entered into the Services Agreement with Althea, a contract development and manufacturing organization to provide us commercial fill/finish services and a second source of manufacturing for RT002 injectable. We plan to utilize our internal and external Althea facility to support commercial production of RT002 injectable, if approved. Some of our contracts with our manufacturers contain minimum order and pricing provisions and provide for early termination based on regulatory approval milestones.

Reliance on third-party manufacturers entails 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 Quality System Regulation, or QSR, or similar regulatory requirements outside the United States. 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 RT002 injectable, or any other product candidates or products that we may develop. Any failure or refusal to supply the components or services for RT002 injectable or any other product candidates or products that we may develop could delay, prevent or impair our clinical development or commercialization efforts.

We depend on single-source suppliers for the raw materials necessary to produce our product candidates. The loss of these suppliers, or their failure to supply us with these raw materials, would materially and adversely affect our business.

We and our manufacturers purchase the materials necessary to produce RT002 injectable 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 American Peptide Company, Inc., or American Peptide, which was recently acquired by Bachem. 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, any significant delay in the supply of RT002 injectable 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 RT002 injectable 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 RT002 injectable 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, we will have no other means of producing RT002 injectable 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 headquarters 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 headquarters, 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 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 RT002 injectable 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 regulations and standards, commonly referred to as good clinical practices, or GCPs and good laboratory practices or GLPs, 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 GCP, 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 RT002 injectable is approved for marketing, and we are found to have improperly promoted off-label uses, 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 drug products, such as RT002 injectable, if approved. 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 and become subject to significant liability, which would 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. If we are deemed by the FDA to have engaged in the promotion of our products for off-label use, we could be subject to FDA prohibitions on the sale or marketing of our products or significant fines and penalties, and the imposition of these sanctions could also affect our reputation and position within the industry.

Physicians may also misuse our products or use improper techniques, potentially leading to adverse results, side effects or injury, which may lead to product liability claims. If our 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 our 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.

Even if RT002 injectable or any future product candidate is approved for commercialization, if there is not sufficient patient demand for such procedures, our financial results and future prospects will be harmed.

Treatment of glabellar lines with RT002 injectable is an elective procedure, the cost of which must be borne by the patient, and we do not expect it to be reimbursable through government or private health insurance. The decision by a patient to elect to undergo the treatment of glabellar lines with RT002 injectable or the treatment of other aesthetic indications we may pursue may be influenced by a number of factors, including:

- the success of any sales and marketing programs that we, or any third parties we engage, undertake, and as to which we have limited experience;
- the extent to which physicians recommend RT002 injectable to their patients;
- the extent to which RT002 injectable satisfies patient expectations;
- our ability to properly train physicians in the use of RT002 injectable or such that their patients do not experience excessive discomfort during treatment or adverse side effects;
- the cost, safety and effectiveness of RT002 injectable versus other aesthetic treatments;
- consumer sentiment about the benefits and risks of aesthetic procedures generally and RT002 injectable in particular;
- the success of any direct-to-consumer marketing efforts we may initiate; and
- general consumer confidence, which may be impacted by general economic and political conditions.

Our business, financial results and future prospects will be materially harmed if we cannot generate sufficient demand for RT002 injectable or for any other future product candidate, once approved.

We are subject to uncertainty relating to third-party reimbursement policies which, if not favorable for RT002 injectable or any future product candidates, could hinder or prevent their commercial success.

Our ability to commercialize RT002 injectable or any future product candidates for therapeutic indications such as cervical dystonia or plantar fasciitis 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 RT002 injectable or any future product candidates, or we may be required to sell them at a discount.

We expect that private insurers will consider the efficacy, cost effectiveness and safety of RT002 injectable in determining whether to approve reimbursement for RT002 injectable and at what level. Obtaining these approvals can be a time-consuming and expensive process. Our business would be materially adversely affected if we do not receive approval for reimbursement of RT002 injectable from private insurers on a timely or satisfactory basis. Our business could also be adversely affected if private insurers, including managed care organizations, the Medicare program or other reimbursing bodies or payors limit the indications for which RT002 injectable will be reimbursed to a smaller patient set than we believe they are effective in treating.

In some foreign countries, particularly Canada and European countries, the pricing of prescription pharmaceuticals is subject to strict governmental control. In these countries, pricing negotiations with governmental authorities can take six to 12 months or longer after the receipt of regulatory approval and product launch. To obtain favorable reimbursement for the indications sought or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of our products, including RT002 injectable, 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.

We currently have limited marketing capabilities and no sales organization. If we are unable to establish sales and marketing capabilities on our own or through third parties, we will be unable to successfully commercialize RT002 injectable or any other future product candidates, if approved, or generate product revenue.

We currently have limited marketing capabilities and no sales organization. To commercialize RT002 injectable or any other future product candidates, if approved, in the United States, Europe and other jurisdictions we seek to enter, we must build our marketing, sales, distribution, managerial and other non-technical capabilities or make arrangements with third parties to perform these services, and we may not be successful in doing so. If RT002 injectable receives regulatory approval, we expect to market RT002 injectable as applicable, through our own sales force in North America, and in Europe and other countries through either our own sales force or a combination of our internal sales force and distributors or partners, which may be expensive and time consuming. We have no prior experience in the marketing, sale and distribution of pharmaceutical products and 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. Any failure or delay in the development of our internal sales, marketing and distribution capabilities would adversely impact the commercialization of these products. 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 RT002 injectable or any future product candidates. If we are not successful in commercializing RT002 injectable or any future product candidates, either on our own or through collaborations with one or more third parties, our future product revenue will suffer and we would incur significant additional losses.

To establish our sales and marketing infrastructure and expand our manufacturing capabilities, we will need to increase the size of our organization and we may experience difficulties in managing this growth.*

As of March 31, 2017, we had 119 full-time employees. We will need to continue to expand our managerial, operational, and other resources to manage our operations and clinical trials, continue our development activities and commercialize RT002 injectable or any other product candidates, if approved. Our management, personnel, systems and facilities currently in place may not be adequate to support this future growth. Our need to effectively execute our growth strategy requires that we:

- manage our clinical trials and manufacturing operations effectively;
- identify, recruit, retain, incentivize and integrate additional employees;
- manage our internal development efforts effectively while carrying out our contractual obligations to third parties; and
- continue to improve our operational, financial and management controls, reporting systems and procedures.

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 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 the clinical testing of our product candidates and we will face an even greater risk if we commercialize any products. 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 RT002 injectable 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; and
- the inability to commercialize any 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 RT002 injectable or any future products we develop. We currently carry product liability insurance covering our clinical trials in the amount of \$10.0 million in the aggregate. 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 RT002 injectable we intend to expand our insurance coverage to include the sale of RT002 injectable 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 shareholder 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 shareholder derivative claims. On May 1, 2015, a securities class action complaint was filed on behalf of 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. While the parties to this litigation have executed a Stipulation of Settlement resolving the litigation, the proposed settlement is subject to final Court approval and certain other conditions. If the Court does not approve the proposed settlement or the settlement otherwise does not become effective and litigation resumes, it and any such other actions or claims could result in substantial damages and may divert management's time and attention from our business.

If we fail to attract and keep senior management and key scientific personnel, we may be unable to successfully develop RT002 injectable, RT001 topical, or any future product candidates, conduct our clinical trials and commercialize RT002 injectable, RT001 topical, or any future products we develop. *

Our success depends in part on our continued ability to attract, retain and motivate highly qualified management, clinical and scientific personnel. We believe that our future success is highly dependent upon the contributions of our senior management, particularly our President and Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer and Chief Business Officer, 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 or the commercialization of RT002 injectable, RT001 topical, or any future products we develop.

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.

Although we have not historically experienced unique difficulties attracting and retaining qualified employees, we could experience such problems in the future. For example, competition for qualified personnel in the biotechnology and pharmaceuticals field is intense and the turnover rate can be high due to the limited number of individuals who possess the skills and experience required by our industry. We will need to hire additional personnel as we expand our clinical development and commercial activities. 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.

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 would be impaired.

Although a substantial amount of our effort will focus on the continued clinical testing and potential approval of RT002 injectable, a key element of our strategy is to discover, develop and commercialize a portfolio of botulinum toxin products to serve both the aesthetic and therapeutic markets. We are seeking to do so through our internal research programs and may explore strategic collaborations for the development or acquisition of new products. While RT002 injectable is in the clinical development stage, RT001 topical 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 markets 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 developing and commercializing RT002 injectable.

The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified members of our board of directors.

We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the Dodd-Frank Act, the NASDAQ listing rules and other applicable securities rules and regulations. Compliance with these rules and regulations has increased and will continue to increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly, and increase demand on our systems and resources. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm our business and operating results. Although we have hired additional employees to comply with these requirements, we may need to hire more employees in the future, which will increase our costs and expenses.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time-consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to practice, regulatory authorities may initiate legal proceedings against us and our business may be harmed.

As a public company that is subject to these rules and regulations we may find it is more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors and qualified executive officers.

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 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 Centers for Disease Control and Prevention, or 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, or API, 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 products, and our ability to commercialize such products could be impaired or delayed if these collaborations are unsuccessful.

We may license or selectively pursue strategic collaborations for the development, validation and commercialization of RT002 injectable, RT001 topical, and any future product candidates. In any third-party collaboration, we would be 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.

Unfavorable global economic conditions could adversely affect our business, financial condition or results of operations.

Our results of operations could be adversely affected by general conditions in the global economy and in the global financial markets. Furthermore, the market for aesthetic medical procedures may be particularly vulnerable to unfavorable economic conditions. We do not expect sales of RT002 injectable for the treatment of glabellar lines to be reimbursed by any government or third-party payor and, as a result, demand for the first indications of each of our product candidates will be tied to discretionary spending levels of our targeted patient population. Future global financial crises may cause extreme volatility and disruptions in capital and credit markets. A severe or prolonged economic downturn could result in a variety of risks to our business, including weakened demand for RT002 injectable, RT001 topical, or any future product candidates, if approved, and our ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy could also strain our suppliers, possibly resulting in supply disruption, or cause our customers to delay making payments for our services. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the current or future economic climate and financial market conditions could adversely impact our business.

Risks Related to Our Intellectual Property

If our efforts to protect our intellectual property related to RT002 injectable, RT001 topical, or any future product candidates are not adequate, we may not be able to compete effectively in our market. *

We rely upon a combination of patents, trade secret protection and confidentiality agreements to protect the intellectual property related to RT002 injectable, RT001 topical, 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 in our market.

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 United States or foreign countries. Competitors in the field of cosmetics, pharmaceuticals, and botulinum toxin 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. Furthermore, even if they are unchallenged, our patents and patent applications may not adequately protect our intellectual property or prevent others from designing around our claims. In addition, recent changes to the patent laws of the United States provide additional 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 United States Patent and Trademark Office, or USPTO, on the basis of prior art. 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 RT002 injectable, RT001 topical, or any future product candidates is challenged, then it could threaten our ability to commercialize RT002 injectable, RT001 topical, 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 RT002 injectable, or any future product candidates under patent protection would be reduced. The results of our REALISE 1 Phase 3 clinical trial may be relevant to our patent strategy for our RT001 program.

Since patent applications in the United States 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 United States 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 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 advisors 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 advisors 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 botulinum toxin 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 botulinum toxin-based 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. Further, if a patent infringement suit were

brought against us, 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. 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 proceedings 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 United States.

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 proceedings. In addition, during the course of this kind of litigation or proceedings, 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 United States can be less extensive than those in the United States. 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 United States 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 United States, or from selling or importing products made using our inventions in and into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products 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 United States. 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.

Risks Related to Government 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 United States, principally by the FDA, the U.S. Drug Enforcement Administration, or DEA, the CDC, and foreign regulatory authorities. Failure to comply with all applicable regulatory requirements, including those promulgated under the Federal Food, Drug, and Cosmetic Act, or FFDC, the Public Health Service Act, or PHSA, 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 products receive regulatory approval or clearance, we, and our direct and indirect suppliers, 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 (REMS) 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.

The regulatory approval process is highly uncertain and we may not obtain regulatory approval for the commercialization of RT002 injectable 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 United States and other countries, which regulations differ from country to country. Neither we nor any collaboration partner are permitted to market RT002 injectable or any future product candidates in the United States until we receive approval of a BLA from the FDA. We have not submitted an application or obtained marketing approval for RT002 injectable anywhere in the world. Obtaining regulatory approval of a BLA can be a lengthy, expensive and uncertain process. 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; and
- refusal to approve pending BLAs or supplements to approved BLAs.

Prior to obtaining approval to commercialize a product candidate in the United States 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 and our collaborator 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 BLA 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 RT002 injectable 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.

Even if we receive regulatory approval for RT002 injectable 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, RT002 injectable 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 RT002 injectable 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 RT002 injectable 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 cGCP for any clinical trials that we conduct post-approval. Later discovery of previously unknown problems with RT002 injectable 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 United States 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 RT002 injectable, RT001 topical, or any future product candidates, we will be unable to market our products outside of the United States.

In addition to regulations in the United States, 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 markets outside of the United States.

If approved, RT002 injectable 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.

Some participants in our clinical trials have reported adverse events after being treated with RT002 injectable. If we are successful in commercializing RT002 injectable, RT001 topical, or any other products, the FDA and foreign regulatory agency regulations require that we report certain information about adverse medical events if those products may have caused or contributed to those adverse events. The timing of our obligation to report would be triggered by the date we become aware of the adverse event as well as the nature of the event. We may fail to report adverse events we become aware of within the prescribed timeframe. We may also fail to appreciate that we have become aware of a reportable adverse event, especially if it is not reported to us as an adverse event or if it is an adverse event that is unexpected or removed in time from the use of our products. If we fail to comply with our reporting obligations, the FDA or a foreign regulatory agency could take action including criminal prosecution, the imposition of civil monetary penalties, seizure of our products, or delay in approval or clearance of future products.

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

While we do not expect that RT002 injectable, if approved for the treatment of glabellar lines, will subject us to the various U.S. federal and state laws intended to prevent healthcare fraud and abuse, we may in the future become subject to such laws for treatment of other indications. 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. Many states have similar laws that apply to their state healthcare programs as well as private payors. Violations of the anti-kickback laws can result in exclusion from federal healthcare programs and the levying of substantial civil and criminal penalties.

The federal False Claims Act, or FCA, imposes 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. If our marketing or other arrangements were determined to violate anti-kickback or related laws, including the FCA, then our revenues could be adversely affected, which would likely harm our business, financial condition, and results of operations.

State and federal authorities have aggressively targeted medical technology companies for alleged violations of these anti-fraud statutes, based on improper research or consulting contracts with doctors, 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. If we become the target of such an investigation or prosecution based on our contractual relationships with providers or institutions, or our marketing and promotional practices, we could face similar sanctions, which would materially harm our business.

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 United States may make it more difficult and costly for us to obtain regulatory clearance or approval of RT002 injectable, RT001 topical, or any future product candidates and to produce, market, and distribute our products after 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, as discussed in more detail in the risk factors in Part II, Item 1A of our Annual Report on Form 10-K entitled "We may be unable to obtain regulatory approval for RT002 injectable, RT001 topical, or future product candidates under applicable regulatory requirements. The denial or delay of any such approval would delay commercialization and have a material adverse effect on our potential to generate revenue, our business and our results of operations." Any new regulations or revisions or reinterpretations of existing regulations may impose additional costs or lengthen review times of RT002 injectable, RT001 topical, or any future product candidates. 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.

Risks Related to the Ownership of Our Common Stock

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 developments in the United States and foreign countries;
- results from or delays in clinical trials of our product candidates, including our ongoing SAKURA Phase 3 clinical program in glabellar lines and our continuing Phase 2 studies in cervical dystonia and plantar fasciitis, all with RT002 injectable;
- announcements of regulatory approval or disapproval of RT002 injectable, RT001 topical, or any future product candidates;
- FDA or other U.S. or foreign regulatory actions or guidance affecting us or our industry;
- 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;
- 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; 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.

As a smaller company, it may be difficult for us to attract or retain the interest of equity research analysts. 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. On March 7, 2016, we entered into an ATM agreement, or the 2016 ATM Agreement, with Cowen, under which we may offer and sell shares of our common stock having aggregate gross proceeds of up to \$75.0 million through Cowen as our sales agent. In 2017, we sold and completed a placement of 1,413,051 shares of our common stock under the 2016 ATM Agreement at a weighted average price of \$21.23 per share resulting in net proceeds of \$28.6 million, after commissions and other offering expenses.

If our stockholders sell, or the market perceives that our stockholders intend to sell, substantial amounts of our common stock in the public market, the market price of our common stock could decline significantly.

On October 16, 2015, we filed a shelf registration statement on Form S-3, registering the resale of the 8,414,711 shares held by certain selling stockholders identified therein. The shares covered thereby may be offered from time to time by the selling stockholders. As of March 31, 2017, these selling stockholders and certain other holders are entitled to rights with respect to the registration of their shares under the Securities Act of 1933, as amended, or the Securities Act, pursuant to the Amended and Restated Investor Rights Agreement, effective as of February 5, 2014, among our company and certain stockholders. Any sales of securities by these 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 issue shares of preferred stock and determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval;
- the exclusive right of our board of directors to elect a director to fill a vacancy or newly created directorship;
- stockholders will not be permitted to take actions by written consent;

- stockholders cannot call a special meeting of stockholders;
- stockholders must give advance notice to nominate directors or submit proposals for consideration at stockholder meetings;
- the ability of our board of directors, by a majority vote, to amend the bylaws; and
- the requirement for the affirmative vote of at least 66 2/3% 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, 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 substantially all disputes between us and our stockholders.

Insiders have substantial control over us, which could limit your ability to influence the outcome of key transactions, including a change of control.*

As of March 31, 2017, our directors, executive officers and each of our stockholders who own greater than 5% of our outstanding common stock and their affiliates, in the aggregate, beneficially owned approximately 76.9% of our common stock. As a result, these stockholders, if acting together, would be able to influence or control matters requiring approval by our stockholders, including the election of directors and the approval of mergers, acquisitions or other extraordinary transactions. They may have interests that differ from yours and may vote in a way with which you disagree and that may be adverse to your interests. This concentration of ownership may have the effect of delaying, preventing or deterring a change of control of our company, could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company and might affect the market price of our common stock.

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 Delaware General Corporation Law, 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.

We are an “emerging growth company,” and if we decide to comply only with reduced disclosure requirements applicable to emerging growth companies, our common stock could be less attractive to investors.

We are an “emerging growth company,” as defined in the JOBS Act and, for as long as we continue to be an “emerging growth company,” we may choose to take advantage of exemptions from various reporting requirements applicable to other public companies but not to “emerging growth companies,” including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We will remain an “emerging growth company” until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the closing of our IPO, (b) in which we have total annual gross revenues of over \$1.0 billion or (c) in which we are deemed to be a large accelerated filer, which means the market value of our common stock held by non-affiliates exceeds \$700 million as of the prior June 30th, and (2) the date on which we have issued more than \$1.0 billion in non-convertible debt during the prior three-year period. We cannot predict if investors will find our common stock less attractive if we choose to rely on these exemptions. If some investors find our common stock less attractive as a result of any choices to reduce future disclosure, there may be a less active trading market for our common stock and our stock price may be more volatile.

Under the JOBS Act, emerging growth companies that become public can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

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

Recent Sales of Unregistered Securities

Issuer Purchases of Equity Securities

We have not and do not currently intend to retire or repurchase any of our shares other than providing our employees with the option to withhold shares to satisfy tax withholding amounts due from employees upon the vesting of restricted stock awards in connection with our 2014 Equity Incentive Plan.

Period	Total Number of Shares Purchased (i)	Weighted-Average Price Paid per Share (ii)	Total Number of Share Purchased as Part of Publicly Announced Plan or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan or Programs (in thousands)
January 1 through January 31, 2017	6,807	\$ 19.44	—	—
February 1 through February 28, 2017	109	21.15	—	—
March 1 through March 31, 2017	7,341	19.40	—	—
Total	14,257	\$ 19.43	—	—

(i) Consists solely of shares that were withheld to satisfy tax withholding amounts due from employees upon the vesting of previously issued restricted stock awards.

(ii) The weighted-average price paid per share is the weighted-average of the fair market prices at which we calculated the number of shares withheld to cover tax withholdings for the employees.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

The documents listed in the Exhibit Index of this Quarterly Report on Form 10-Q are herein incorporated 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 9, 2017

By: /s/ L. Daniel Browne

L. Daniel Browne
President and Chief Executive Officer
(Duly Authorized Principal Executive Officer)

Date: May 9, 2017

By: /s/ Lauren P. Silvernail

Lauren P. Silvernail
Chief Financial Officer and Chief Business Officer
(Duly Authorized Principal Financial Officer)

EXHIBIT INDEX

Exhibit Number	Exhibit Description	Incorporated by Reference to the Company's				Filed Herewith
		Form	File No.	Exhibit No.	Filed On	
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	Amended and Restated Investor Rights Agreement, effective as of February 5, 2014, among Revance Therapeutics, Inc. and certain of its stockholders	S-1/A	333-193154	4.3	January 27, 2014	
4.2	Form of Common Stock Certificate	S-1/A	333-193154	4.4	February 3, 2014	
10.1*	Revance Therapeutics, Inc. Second Amended and Restated Executive Severance Benefit Plan	10-K	001-36297	10.24	February 28, 2017	
10.2*	Revance Therapeutics, Inc. Amended and Restated Non-Employee Director Compensation Policy					X
10.3*	Revance Therapeutics, Inc. 2017 Management Bonus Plan	10-K	001-36297	10.26	February 28, 2017	
10.4+	Technology Transfer, Validation and Commercial Fill/Finish Services Agreement dated March 14, 2017 between Revance Therapeutics, Inc. and Ajinomoto Althea, 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 Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2†	Certification of the Chief 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					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

* Indicates a management contract or compensatory plan or arrangement.

+ Confidential treatment has been requested for portions of this exhibit. Omitted portions have been filed separately with the Securities and Exchange Commission.

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- † 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.
- ** Users of this data are advised that, pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934 and otherwise are not subject to liability under these sections.

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, 2017 (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: \$39,500
 - b. Chairman of the Board Service Retainer (including Eligible Director Service Retainer): \$74,000
2. Annual Committee Member Service Retainer:
 - a. Member of the Audit Committee: \$7,500
 - b. Member of the Compensation Committee: \$5,000
 - c. Member of the Nominating & Governance Committee: \$4,500
 - d. Member of the Science & Technology Committee: \$5,000
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: \$12,250
 - c. Chairman of the Nominating & Governance Committee: \$8,000
 - d. Chairman of the Science & Technology Committee: \$12,250

Equity Compensation

The equity compensation set forth below will be granted under the Revance Therapeutics, Inc. 2014 Equity Incentive Plan (the “**Plan**”), and will be documented on the applicable form of stock option agreement 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).

1. Initial Option Grant: 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 stock option for 18,000 shares (an “**Initial Option Grant**”). The shares subject to each Initial Option Grant 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 Option Grant: On the date of each Company’s annual stockholder meeting held after the Effective Date, each Eligible Director who continues to serve as a non-employee member of the Board will be automatically, and without further action by the Board or Compensation Committee of the Board, granted a stock option for 6,000 shares (an “**Annual Option Grant**”). The shares subject to the Annual Option Grant 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 such vesting date.

3. Annual Restricted Stock Award: On the date of each Company’s annual stockholder meeting held after the Effective Date, each Eligible Director who continues to serve as a non-employee member of the Board will be automatically, and without further action by the Board or Compensation Committee of the Board, granted a restricted stock award for 3,000 shares (an “**Annual RSA**”). The shares underlying the Annual 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 such vesting date.

Technology Transfer, Validation and Commercial Fill/Finish Services Agreement

This **Technology Transfer, Validation and Commercial Fill/Finish Services Agreement** (the “*Agreement*”) is entered into as of the 14th day of March, 2017 (“*Effective Date*”) by and between Revance Therapeutics, Inc., a Delaware corporation, having its principal place of business at 7555 Gateway Blvd., Newark, CA 94560 (“*Client*”), and **Ajinomoto Althea, Inc.**, a Delaware corporation, with a place of business located at 11040 Roselle Street, San Diego, CA 92121 (“*Althea*”);

WHEREAS Client has Bulk Compound (capitalized terms are defined below) for filling and/or finishing;

WHEREAS Althea has the expertise and the fill/finish facility suitable for the Production of Client Product; and

WHEREAS, Client wishes to have Althea perform such services, and Althea wishes to perform such services for Client.

NOW, THEREFORE, in consideration of the premises and the undertakings, terms, conditions and covenants set forth below, the parties hereto agree as follows:

1. DEFINITIONS.

1.1 “**Affiliate**” of a party hereto shall mean any entity that controls or is controlled by such party, or is under common control with such party. For purposes of this definition, an entity shall be deemed to control another entity if it owns or controls, directly or indirectly, at least 50% of the voting equity of another entity (or other comparable interest for an entity other than a corporation).

1.2 “**Althea SOPs**” shall mean Althea’s Standard Operating Procedures, which will be customized on a product specific basis, as necessary, for manufacture of Client Product. Client will review and approve each product specific SOP prior to production of Client Product and any subsequent revisions to these product-specific SOPs.

1.3 “**Batch**” shall mean a specific quantity of Client Product mutually agreed upon between Client and Althea, and that (a) is intended to have uniform character and quality within specified limits, and (b) is Produced according to a single manufacturing order during the same cycle of manufacture.

1.4 “**Bulk Compound**” shall mean the bulk drug or active pharmaceutical ingredient of Client Product, in bulk form.

1.5 “**cGMP**” shall mean the current Good Manufacturing Practices for drugs as defined in (i) the FDA rules and regulations, 21 CFR Parts 210-211, (ii) EU cGMP as defined in Eudralex, Volume 4, including all annexes applicable for aseptically filled Client Product that are applicable to Production; and (iii) Division 2, Part C of the Canadian Food and Drug Regulations, and associated Good Manufacturing Practices (GMP) Guidelines, and (iv) the corresponding requirements of each other applicable Regulatory Authority in the Territory, as may be amended by the parties.

1.6 “**Cancellation Fees**” shall mean the cancellation fees payable by Client as defined in Section 3.4.

1.7 “**Certificate of Analysis**” shall mean a certificate of analysis containing the results of relevant quality control tests and that certifies that a Batch meets the release Specifications.

1.8 “**Client Product**” means any therapeutic pharmaceutical product(s) to be Produced by Althea containing botulinum neurotoxin type A as an Active Pharmaceutical Ingredient (API), including different dosage formulations of such products and for use for multiple indications.

1.9 “**Components**” shall mean all components used by Althea in Production of Client Product under this Agreement. Components shall be listed in the SOW, and are identified as Components supplied by Client or its vendors, including any Bulk Compound and/or Peptide (“**Client-Supplied Components**”) and Components supplied by Althea or its vendors (“**Althea-Supplied Components**”).

1.10 “**Confidential Information**” shall have the meaning set forth in Section 9.1.

1.11 “**Dedicated Capacity**” shall mean [*] of the total available fill-plus-lyophilization dates (total available is estimated to be between [*] per year) on the Facility’s high-potent product line in any year during the Term of this Agreement.

1.12 “**Facility**” shall mean Althea’s facility located at [*].

1.13 “**FDA**” shall mean the United States Food and Drug Administration or any successor entity thereto.

1.14 “**Fill Date**” has the meaning set forth in Section 2.4(b).

1.15 “**Invention**” shall mean any creative work, invention, innovation, improvement, development, discovery, trade secret, method, know-how, process, technique or the like, whether or not written or otherwise fixed in any form or medium, regardless of the media on which contained, and whether or not patentable or copyrightable.

1.16 “**Intellectual Property**” shall mean all rights, privileges and priorities provided under applicable international, national, federal, state or local law, rule, regulation, statute, ordinance, order, judgment, decree, permit, franchise, license, or other government restriction or requirement of any kind relating to intellectual property, whether registered or unregistered, in any country, including without limitation: (a) all (i) patents and patent applications (including any patent that in the future may issue in connection therewith and all divisions, continuations, continuations-in-part, extensions, additions, registrations, confirmations, reexaminations, supplementary protection certificates, renewals or reissues thereto or thereof), (ii) copyrights and copyrightable works, including reports, software, databases and related items, and (iii) trademarks, service marks, trade names, brand names, product names, corporate names, logos and trade dress, the goodwill of any business symbolized thereby, and all common-law rights relating thereto; and (b) all registrations, applications, recordings, rights of enforcement, rights of recovery based on past infringement and any and all claims of action related thereto and licenses or other similar agreements related to the foregoing.

1.17 “**Labeling**” shall mean (a) all labels and other written, printed, or graphic matter upon Client Product or any container, carton, or wrapper utilized with Client Product or (b) any written material accompanying Client Product.

1.18 “**Master Batch Record**” or “**MBR**” shall mean the formal set of written instructions for Production of Client Product, approved by both parties, as may be amended from time to time. The MBR shall be developed and maintained in Althea’s standard format by Althea, using Client’s master formula and technical support.

1.19 “**Peptide**” means the synthetic amino acid sequence that is proprietary to Revance and is used as a novel excipient in the Client Product, as further described in an SOW.

1.20 “**Production**” or “**Produce**” shall mean all steps and activities to produce Client Product that are to be performed by Althea as set forth in the SOW, including, without limitation and as applicable, filling, packaging, inspection, Labeling, testing, quality control and release.

1.21 “**Purchase Price**” shall mean the amount(s) to be paid by Client as specified in the SOW, subject to adjustment from time to time in accordance with Section 2.12(d).

1.22 “**Quality Agreement**” shall mean a written, mutually executed agreement between Althea and Client that defines the quality roles and responsibilities of each party in connection with Production of Client Product.

1.23 “**Regulations**” has the meaning set forth in Section 4.4.

1.24 “**Regulatory Authority**” shall mean [*] and any analogous pharmaceutical regulatory authority(ies) within the Territory, and any successor entities thereto.

1.25 “**Released Executed Batch Record**” shall mean the completed batch record and associated deviation reports, investigation reports, and Certificates of Analysis created for each Batch of Client Product, in the form agreed upon by the parties, which shall be based on the standard form used by Althea.

1.26 “**Specifications**” shall mean the written specifications and quality standards for Client Product or Components, as applicable, including tests, analytical procedures and acceptance criteria that are established to confirm the characteristics and quality of a Client Product or Component, as agreed upon and set forth in the controlled documents and incorporated into the MBR, and as may be amended from time to time by written agreement of the parties.

1.27 “**Statement of Work**” or “**SOW**” shall mean a written proposal or similar document, when manually signed by both parties and made a part of this Agreement as Appendix A, which sets forth the particulars of Production and all other services to be provided under this Agreement, including without limitation, Components, the Purchase Price, any timelines, milestones, payment schedules, technology transfer plans, and validation protocols. Any change to an SOW shall require a written change order manually signed by both parties in accordance with Sections 8.1 and 15.2.

1.28 “**Term**” shall have the meaning provided in Section 3.1.

1.29 “**Territory**” shall mean [*]. The Territory may be amended by the parties from time to time in a signed writing to include additional countries and jurisdictions.

2. TECHNOLOGY TRANSFER, VALIDATION AND PRODUCTION.

2.1 Technology Transfer.

(a) The Parties will use commercially reasonable efforts to perform their respective activities under any technology transfer plan contained in the SOW in an efficient and timely manner and in accordance with the schedule set forth therein. The mutually approved plan will include, to the extent applicable, evaluation of manufacturing and technology transfer feasibility, equipment and/or equipment modification requirements, engineering runs, process definition and development and approval of the Master Batch Record. Client shall pay Althea for its technology transfer services as set forth in the SOW.

(b) Althea shall use commercially reasonable efforts to transfer knowledge from Althea to Client, or any third party designated by Client, with respect to the full and complete procedures and tangible and intangible information that are reasonably necessary to the process of manufacturing the Client Products, including, but not limited to, documents, process instructions, Master Batch Records, communications from Regulatory Authorities, know-how, licenses, stability samples, retention samples and materials (including Specifications for raw materials) that are reasonably necessary to Produce Client Product to meet all Specifications and to comply with all Regulations. All such technology transfer services shall be as further detailed in an SOW. Nothing in this section shall be construed to obligate Althea to license or transfer any background intellectual property or other proprietary know-how or intellectual property, except as set forth in Article 10. Any such license or transfer shall be subject to a separate written agreement (if any), including fees, between the parties.

2.2 **Validation.** Althea shall validate equipment (as applicable) and the Production process according to the validation protocol(s) approved by both parties in advance. Such validation protocol(s) and timeline shall be included in the SOW. Client shall pay Althea for validation services as set forth in the SOW.

2.3 **Documentation:** The Master Batch Record shall be reviewed and approved by Althea and by Client in writing prior to commencement of Production. Any material change to an approved Master Batch Record shall be reviewed and approved in a signed writing by Althea and by Client prior to said change being implemented. Each Batch of Client Product shall be Produced by using a copy of the Master Batch Record. Each copy of the Master Batch Record for such Batch of Client Product shall be assigned a unique Batch number. Deviation(s) from the Master Batch Record must be documented as required by cGMP in the Released Executed Batch Record for that Batch. Althea shall provide Client with the Released Executed Batch Record in a form reasonably suitable for Client's submission to the Regulatory Authorities. The parties shall execute the Quality Agreement simultaneously with the execution of this Agreement or at a later time if set forth in the SOW, provided that such Quality Agreement shall be executed prior to commencement of Production.

2.4 **Production, Forecasts & Orders:**

(a) On or before the first (1st) day of each calendar month following validation, and at least [*] days prior to the first Fill Date, Client shall furnish to Althea a [*] rolling forecast of the quantities of Client Product that Client intends to order from Althea in each month during such period ("**Rolling Forecast**"). The [*] of such Rolling Forecast shall constitute a firm and binding commitment to order the Batches of Client Product specified therein ("**Binding Forecast**") during such [*] period, and a binding commitment on Althea to supply such Batches, and the following [*] of the Rolling Forecast shall be non-binding, good faith estimates. Any Binding Forecast month that exceeds [*] of the last non-binding forecast for such month under the Rolling Forecast, or any non-binding part of the Rolling Forecast that exceeds Dedicated Capacity, may be rejected by Althea within [*] business days of receipt. If not rejected, such forecasts will become part of the Binding Forecast when they roll into the Binding Forecast.

(b) Client shall from time to time submit purchase orders against the Binding Forecast that specify, at a minimum, the actual number of Batches to be Produced, the process scale for each Batch and the requested Fill Date (defined below) for each Batch. Such purchase orders shall be submitted at least [*] days prior to the earliest date for completion of the fill step for any Batch in the order ("**Fill Date**"), and shall become binding upon acceptance by Althea. Except as otherwise provided herein, Althea may only reject purchase orders that are not in compliance with this Agreement, including the Binding Forecast. Althea shall notify Client of acceptance or rejection of a purchase order within [*] business days of receipt. Production for which any signed agreement(s), change order, Purchase Order or prepayment is not received with the above-prescribed lead time, if agreed to by Althea, shall incur a minimum expediting fee of [*]. Althea agrees to accept and fill Client's purchase orders to the extent they (i) do not exceed [*] of the last non-binding Rolling Forecast for the order(s) and date(s) in question, using Dedicated Capacity, or (ii)

otherwise fall within and conform to the Binding Forecast. Revance may place purchase orders in excess of this amount, and Althea shall use commercially reasonable efforts, but shall not be obligated, to accept and fill such orders.

(c) Althea shall maintain and make available the Dedicated Capacity to meet purchase orders placed by Client pursuant to the terms of this Agreement, and Althea will not utilize the Facility's high-potent product line for any other customer at such times and in such manner that would make such Dedicated Capacity unavailable to Client for Production to meet Fill Dates, including but not limited to rescheduling or delaying Client's orders submitted in accordance with this Agreement due to orders from other customers.

(d) Joint Steering Committee. Promptly following the Effective Date, the parties shall establish a joint steering committee (the "**JSC**") made up of three (3) members from each party to meet (in person and/or telephonically/electronically) not less than once per calendar quarter during the Term. The JSC shall be responsible for monitoring the manufacturing demand for the Client Products, for managing the progress of any technology transfer plans, validation, and all other activities of this Agreement, for ascertaining and discussing in good faith capacity constraints and options for meeting Client's long-term capacity demand needs, including increasing the Dedicated Capacity on the Facility's high-potent product line, or the construction of a new manufacturing line.

2.5 Delays & Yields: The parties acknowledge and agree that all Production timelines and target yields are approximate and subject to risks and uncertainties inherent, for example, in technology transfer and the biopharmaceutical industry generally and in the Production materials and technologies. Althea shall not be responsible for timeline delays or revisions or lower than expected yields unless (a) such delays or lower yields are caused by Althea's negligence or willful misconduct or failure to use commercially reasonable efforts and (b) the relevant binding timeline is set forth in the SOW, and the binding yield and applicable tolerance are set forth in the SOW, and in all cases subject to Article 12. Binding timelines and yields and related tolerances will be established by agreement of the parties after a reasonable number of Batches following the end of Process Validation, and transferred to the relevant Master Batch Record. Prior to agreeing any such binding timelines or yield, Althea shall use its commercially reasonable efforts to achieve any agreed non-binding targets set forth in an MBR, within reasonable tolerance ranges, subject to the risks and uncertainties described above. Specifically and without limitation, Althea is not responsible for delays due to lack of delivery or delays in reviews, approvals, information, documents, (pre)payments or other items to be supplied by Client or its selected vendors, nor for delays caused by delivery delays, variation from Specifications or variable performance of Bulk Compound or other Client-Supplied Components.

2.6 Vendor and Supplier Audit and Certification: Client shall certify and audit all vendors and suppliers of Client-Supplied Components, supply Althea with documentation of such audit results and certifications as Althea may reasonably request and, by signing the applicable SOW(s), shall be deemed to have approved Althea's selection of vendors and suppliers of Althea-Supplied Components that are listed in the applicable SOW(s). Any vendors not listed in an SOW must be separately approved in writing by Client.

2.7 Delivery Terms: Althea shall ship all Client Product to Client or to Client's designated consignee in accordance with Client instructions received under Section 2.12(b). All shipments shall be shipped FCA (INCOTERMS 2010) Althea's Facility (Althea is "Seller" and Client is "Buyer" for purposes of INCOTERMS for Client Product shipments), by a common carrier selected by Althea, at Client's expense. Client shall procure, at its cost, insurance covering damage or loss of Client Product during all times at which Client has risk of loss. All shipping instructions of Client shall be accompanied by the name and address of the recipient and the shipping date.

2.8 Exporter of Record: Client shall be the exporter of record for any Client Product shipped out of the United States, as Client remains the owner of the Client Product. Client warrants that all shipments of Client Product exported from the United States will be made in compliance with all applicable United States export laws and regulations and all applicable import laws and regulations into the country of deportation. Client shall be responsible for obtaining

and paying for any licenses, clearances or other governmental authorization(s) necessary for the exportation from the United States. Client shall select and pay the freight forwarder who shall solely be Client's agent. Client and its freight forwarder shall be solely responsible for preparing and filing the shipper's export declaration and any other documentation required for the export.

2.9 Althea-Supplied Components; Suppliers.

(a) Except as provided in Section 2.10, all raw materials and components necessary for the Production of Client Product as set forth in the SOW shall be sourced and procured by Althea. Althea shall ensure that all such Althea-Supplied Components provided under this Agreement meet applicable Specifications, have been manufactured in accordance with Regulations, and conform to all other applicable requirements of relevant Regulatory Authorities. Althea shall supply or cause its suppliers to provide, a Certificate of Analysis confirming that the standards set forth in the preceding sentence have been met.

(b) Althea is responsible for the initial qualification of third party suppliers of Althea-Supplied Components. Althea is responsible for ensuring that all Althea-Supplied Components are used correctly in the Production and are appropriately tested upon receipt in accordance with the requirements of the SOW or Quality Agreement as well as for holding the relevant Certificate of Analysis for the Components.

2.10 Supply of Bulk Compound and Peptide; Other Client-Supplied Components. Revance shall supply to Althea for use in Production, at Revance's sole cost, the Bulk Compound and Peptide in quantities sufficient to meet Revance's requirements for each Client Product as set forth in Section 2.4. As provided in Section 2.9, Althea shall be responsible for procuring the Althea-Supplied Components, although Client reserves the right to supply packaging materials from its own stocks to Althea. The Bulk Compound, Peptides and other Client-Supplied Components, if any, will be delivered to Althea DDP (INCOTERMS 2010) Althea's Facility (Revance is the "Seller" and Althea is the "Buyer" for purposes of INCOTERMS for these items). Client shall ensure that the Bulk Compound and Peptide and any other Client-Supplied Components provided under this Agreement meet applicable Specifications, have been manufactured in accordance with Regulations, and conform to all other applicable requirements of relevant Regulatory Authorities. Client shall supply a Certificate of Analysis confirming that the standards set forth in the preceding sentence have been met. Upon receipt of the Bulk Compound and Peptide, Althea shall conduct identification testing only. Althea shall use the Bulk Compound and Peptide and other Client-Supplied Components solely and exclusively for Production under this Agreement.

2.11 Material Safety Data Sheet (MSDS); Acceptable Materials: Client shall provide Althea a material safety data sheet for Bulk Compound or other Client-Supplied Components and Client Product and Althea shall materially conform to established safety practices and procedures set forth therein and shall store and handle Bulk Compound and Client Product as required by the MBR and all Regulations. Althea is under no obligation to produce, nor shall Client ship or cause to be shipped to Althea without specific prior written approval, any materials which: (a) contain a penicillin, cephalosporin, high-potent product other than the [*] botulinum neurotoxin type A Client Product, DEA controlled substance or radio label or (b) have an Occupational Exposure Limit of less than [*]. Althea understands and agrees that the Bulk Compound may have unpredictable and unknown biological and/or chemical properties and should be used with caution and are not to be used for testing in or treatment of humans. Althea shall immediately notify Client of any unusual health or environmental occurrence of which it has knowledge relating to Client Product, including, but not limited to any claim or complaint by any employee of Althea or any of its Affiliates or third party contractors. Althea agrees to advise Client immediately of any safety or toxicity problems of which it becomes aware regarding the Client Product. Client shall ensure such MSDSs are promptly updated as needed. Althea requires all projects to include a complete MSDS as well as a calculated OEL for the active pharmaceutical ingredients prior to manufacturing activities. Within 30 days of receipt of such information, Althea has the right to terminate the relevant Statement(s) of Work upon notice if Althea cannot handle the relevant Production based on a safety assessment by

Althea's health and safety group. *Provided however*, the previous sentence and the calculated OEL shall not apply to the [*] botulinum neurotoxin type A Client Product, provided that an MSDS for such Product has been provided to Althea prior to execution of this Agreement.

2.12 Deposits and Payment for Production; Rejected Material; Storage.

(a) Unless otherwise stated therein, within [*] business days of execution of any SOW and receipt of an invoice from Althea, Client shall pay to Althea (i) an initial non-refundable prepayment of \$906,754 set forth in the initial SOW and (ii) any other prepayment amount set forth in any SOW(s). The initial prepayment set forth in section 2.12(a)(i) shall be credited against amounts due for relevant items as set forth in the SOW, but notwithstanding any other provision of this Agreement or law, shall not be refundable. No Production, timeline, facility availability or milestone dates shall be firm or binding until such prepayment is received, and any delay in receipt of the prepayment may delay Production and timelines. Subsequent amounts due hereunder, other than Production of Batches, will be invoiced based on the payment schedule set forth in the SOW. Production of Batches shall be invoiced as set forth in the SOW. In the absence of a Batch Production invoicing schedule in the SOW, Batch Production shall be invoiced as follows: [*] prepaid, and [*] upon the earliest to occur of the events listed in clauses 2.12(b)(i)-(iii). Batch Production invoicing is regardless of whether such Batch(es) may be further processed. Components purchased by Althea may be invoiced separately at the time of purchase, supplemental to the Batch Production invoicing schedule. If Althea is unable or otherwise is not scheduled to provide an invoice for the previous month within [*] business days following the end of such month, or a milestone has not yet been reached, then Althea will provide an estimate, within [*] business days after month's end, of all services incurred and associated charges within the previous month. Client shall pay all invoices by wire in accordance with the instructions below within [*] days of the invoice date, except in cases where Client has properly rejected a Batch. No tax or other withholding shall be made from payments due hereunder. All prices are quoted and shall be paid in U.S. dollars. Any payment due under this Agreement not received within [*] of the due date shall bear interest at the lesser of (i) the maximum rate permitted by law, and (ii) [*] per month on the outstanding balance compounded monthly.

Althea's wire instructions are as follows:

Beneficiary: Ajinomoto Althea, Inc.
11040 Roselle Street
San Diego CA 92121

Bank Name: [*]
Address: [*]
Account #: [*]
SWIFT #: [*]
Routing #: [*]

Invoices should be sent as follows:

Via email to:
[*]

OR:
Revanche Therapeutics
Accounts Payable
7555 Gateway Blvd.
Newark, CA 94560

(b) Within [*] days of Client's receipt of Althea's Batch release documentation under Section 5.1, Client shall notify Althea as to whether to return, retain or dispose of remaining Client-Supplied Components, and shall provide shipping instructions for Client Product. Regardless of location or contemplated or actual further processing of Client Product Batch(es), title and risk of loss for Client Product shall pass to Client on the earliest of (i) expiration of such [*]-day period or resolution of a rejected Product dispute under Section 5.1(c), whichever is later; or (ii) release by Client; or (iii) shipment of such materials to Client or its designee. If case (i) or (ii) occurs before shipment Althea will begin assessing a storage fee for all such materials at the price set forth in the SOW, or, if none, at Althea's then-current rates. Storage fees may also be assessed, beginning [*] days after cessation or interruption of Production, for retained Client-Supplied Components and Client equipment. Storage may be at Althea's or its qualified subcontractors' storage facilities. If Althea is storing any of the foregoing items for Client, Althea may destroy such items at Client's expense, upon [*] days' notice of intent to destroy and opportunity to take delivery prior to the scheduled shipment for destruction.

(c) The parties agree that rejected Client Product or tailings ("**Rejects**") shall be destroyed at Client's expense, unless the rejection is due to a non-conformity giving rise to Client's remedies under Section 5.2., in which case such destruction shall be at Althea's expense. No storage of Rejects by Althea shall be required unless by mutual written agreement of the parties prior to the start of Production. Client shall notify Althea in writing in advance of Production of any disposition instructions for Rejects, including any labeling and special conditions, which shall be binding if agreed by Althea and incorporated into the Master Batch Record. Such instructions shall comply with cGMP and any other Regulations. Client warrants that Rejects that are not destroyed per its instructions shall only be used in accordance with Regulations. Absent timely disposition instructions as set forth above, Althea shall dispose of Rejects in accordance with Althea's SOPs and Regulations, at Client's expense, unless the rejection is due to a non-conformity giving rise to Client's remedies under Section 5.2., in which case such destruction shall be at Althea's expense.

(d) The Purchase Price shall remain fixed for [*] from the Effective Date of this Agreement; provided, however, that the Purchase Price may be increased [*] in an amount equal to [*]. In addition, prices and/or costs may be reasonably adjusted in the event of any change, delay or rescheduling of Production or other services by Client. Prices shall expire after such [*] period, and prices for subsequent services, may be changed by Althea upon [*] days prior notice, *provided that* Althea may only implement an increase in the Purchase Price once annually after the initial [*] period and any such price increases (excluding increases in the [*] at all times based on actual cost) shall be not more than the annual rate of increase in the Producer Price Index, Pharmaceutical Preparations, series code WPU0638, published by the U.S. Department of Labor, Bureau of Labor Statistics, over the most recent available finalized full calendar year (Jan-Dec), for each year since the last agreed prices.

2.13 Default in Payment Obligations: In addition to all other remedies available to Althea in the event of a Client default, if Client fails to timely make payments as required hereunder, any prepayments or other amounts owed to or held for Client under any contract(s) or work plan(s) shall be automatically applied to invoices more than [*] days past due and Althea may take other appropriate measures to assure prompt and full payment, including without limitation, refusing to Produce any Client Product until Client's account is paid in full and/or modifying the foregoing terms of payment. Althea shall not be required to return any Client equipment or other property until Client has paid all outstanding invoices.

2.14 Returns: This Agreement does not include any third-party returns processing by Althea. Client Product returned by third parties is the responsibility of Client.

2.15 Competing Products. During the Term, Althea agrees that it shall not manufacture a Competing Product for any party other than Client; [*]. As used herein, "Competing Products" means [*].

3. TERM AND TERMINATION.

3.1 Term: This Agreement shall commence on the Effective Date and will continue until the seventh anniversary of the Effective Date, unless sooner terminated pursuant to this Section 3.1 or Section 3.2 herein (the “*Initial Term*”). Beginning not later than the sixth year of this Agreement and thereafter, the parties shall negotiate in good faith regarding extending the Term of this Agreement for additional [*], provided, however, either party may elect not to renew or extend this Agreement by giving written notice thereof at least [*] prior to the end of the Initial Term. As used herein, “*Term*” shall mean the Initial Term and any applicable renewal term.

3.2 Termination: This Agreement may be terminated at any time upon the occurrence of any of the following events:

(a) **Termination for Breach:** Either party may terminate this Agreement upon the material breach (which shall include any breach of payment terms) of any provision of this Agreement by the other party if such breach is not cured by the breaching party within thirty (30) days after receipt by the breaching party of written notice of such breach, or such additional time reasonably necessary to cure such breach *provided* the breaching party has commenced a cure within the 30-day period and is diligently pursuing completion of such cure.

(b) **Termination for Financial Matters:** This Agreement may be terminated immediately by either party by giving the other party written notice thereof in the event such other party becomes insolvent, generally fails to pay its debts as they fall due, makes a general assignment for the benefit of its creditors, or proceedings are commenced in any court by or against such party seeking (i) such party’s reorganization, liquidation, dissolution, arrangement or winding up, or the composition or readjustment of its debts, (ii) the appointment of a receiver or trustee for or over such party’s property, or (iii) similar relief in respect of such party under any law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debt.

(c) **Termination for Convenience:** Client shall have the right to terminate this Agreement, without cause, with [*] written notice to Althea, subject to payment of amounts due under Sections 3.3 and 3.4 below. Althea shall have the right to terminate this Agreement, without cause, with [*] written notice to Client.

3.3 Payments on Cancellation; Expense Reimbursement:

In the event of a cancellation by Client of the Production activities set forth in the SOW or in the event of termination of this Agreement, except for termination in the event of a material breach by Althea pursuant to Section 3.2(a), Client shall reimburse Althea for:

(a) all reasonable wind-down costs, costs of materials and supplies with respect to the Production that were ordered prior to termination and are not cancelable or returnable, and any restocking and shipping costs for those materials or supplies that are returnable;

(b) all work-in-process with respect to the Client Product commenced by Althea; and

(c) all completed Client Product (at the Purchase Price).

3.4 Payments on Cancellation/Delay; Short-Notice Fees:

In the event of a cancellation as described in Section 3.3 or Production delay or rescheduling by Client with less than [*] days written notice to Althea prior to the Fill Date (collectively “**Cancelled**” or a “**Cancellation**”), Client

shall in addition to the reimbursements above pay Althea a **Cancellation Fee** based on the portion of the Production that was delayed or Cancelled as follows:

[*]

Provided that: (a) in the event [*] and Althea, using its commercially reasonable efforts, is able to [*], and [*] then [*] (b) any [*] shall be [*] and (c) amounts due under Sections 3.3 and 3.4 shall not collectively exceed [*].

3.5 Survival: Termination, expiration, cancellation or abandonment of this Agreement through any means or for any reason shall be, except as set forth in Article 7, without prejudice to any accrued obligation or the rights and remedies of either party with respect to any antecedent breach of any of the provisions of this Agreement. The provisions of Articles 3, 6, 9, 10, 11, 12, 13, 14, and 15 hereof shall survive expiration or termination of this Agreement. *[to be confirmed and finalized prior to signing]*

4. CERTIFICATES OF ANALYSIS AND MANUFACTURING COMPLIANCE.

4.1 Certificates of Analysis: At Client's cost and expense, Althea shall test, or cause to be tested by third parties, in accordance with the Specifications, each Batch of Client Product Produced pursuant to this Agreement before delivery to Client. The Certificate of Analysis for each Batch delivered shall be included with the Released Executed Batch Record and shall set forth the items tested, Specifications, and test results. Althea shall also indicate on the final page of the Released Executed Batch Record that all batch Production and control records have been reviewed and approved by the appropriate quality control unit. Althea shall send, or cause to be sent, such certificates to Client prior to the shipment of Client Product (unless Client Product is shipped under quarantine pursuant to a separate written agreement between the parties). Client assumes full responsibility for final release of each Batch of Client Product.

4.2 Manufacturing Compliance: Althea shall advise Client immediately if an authorized agent of any Regulatory Authority visits the Facility unannounced and makes an inquiry regarding Althea's Production of Client Product. Althea shall immediately (i.e., as soon as reasonably possible, but in no event later than two (2) Business Days after notice of same) provide Client with notice of any upcoming regulatory inspections of the Facility regarding the Client Product and shall provide Client with an opportunity to observe such inspections.

4.3 Audits: Client, at mutually agreed times during normal business hours, shall have the right to inspect, [*] per calendar year for not more than [*] days, Althea Batch records and the portions of the Facility used for Production, and/or testing of Client Product. Client representatives shall have the right to re-inspect such records and the Facility upon reasonable advance written notice to Althea, in the event of significant adverse findings during a Client or Regulatory Authority audit, or in the event of a Client Product Recall requiring resolution by the parties. If, in addition to the foregoing audits, the parties agree to audits more than [*] time in a calendar year, or for more than [*] days, Client agrees to reimburse Althea for Althea's reasonable cost of hosting the additional audit day(s). All audited data will be subject to Article 9. Client shall comply with all Althea SOPs while on Althea's premises.

4.4 Regulatory Compliance: Unless otherwise stated, Althea is responsible for compliance with all Federal, State, national and local laws and regulations ("**Regulations**") as they apply generally to the Facility or generally to its production of pharmaceutical products, and specifically to its Production of Client Products under this Agreement. Althea shall be solely responsible for all contact with Regulatory Authorities with respect thereto, provided that Althea shall give Client a right of prior review and approval prior to any submission by Althea of a report or document to a Regulatory Authority regarding Production, except where impractical, e.g. in cases in which a Regulatory Authority demands instant delivery of such report or document. Althea will provide Client with any reports, notices, documents, inspection requests or other correspondence received from a third party, including any Regulatory Authority, regarding

the Production or the Products. Althea will provide Client with any applicable Regulatory Authority deadline for the submission of a particular report as soon as Althea receives such deadline and will deliver a draft thereof for Client's review as quickly as possible. Nothing herein shall be construed to prevent Althea from complying with any law, regulation or Regulatory Authority or deadline imposed thereby. Client shall be responsible for compliance with all Regulations as they apply to all other aspects of the Production, including the Client-Supplied Components, specific approval to manufacture Client Product at the Facility and other compliance issues specific to the Production of Client Product, and the use, Labeling and sale of Client Product, which responsibility shall include, without limitation, all contact with Regulatory Authorities regarding the foregoing. Althea shall use its commercially reasonable efforts to assist Client in obtaining necessary regulatory approvals in accordance with the rates for Regulatory Support as set forth in the SOW.

5. ACCEPTANCE OF CLIENT PRODUCT.

5.1 Acceptance and Non-Conforming Client Product: Althea shall promptly ship any Client Product samples required in the SOW for each lot within [*] business days of the Fill Date. Within ten [*] from the date of Althea's testing and release of Batch(es) of Client Product, Althea shall promptly forward to Client, or Client's designee, copies of the Released Executed Batch Record. Within [*] days after receipt by Client of such documentation, Client shall determine whether Client Product conforms to the quantity ordered, the Specifications and has been manufactured in accordance with cGMP and, if so, notify Althea of its acceptance of such Client Product.

(a) If Client does not notify Althea that any Batch of Client Product does not conform to the Specifications and cGMP (a "**non-conformity**" or "**defect**") and reject such Batch within the above time period, then Client shall be deemed to have accepted the Client Product and waived its right to revoke acceptance. Notwithstanding the foregoing, Client shall have the right to revoke acceptance in the event of a Batch defect or non-conformity that (i) existed at the time of shipment by Althea under section 2.7 (ii) was not discoverable at the time of delivery by reasonable testing, inspection and review by Client, (iii) was caused by Althea's failure to adhere to cGMP or the MBR and (iv) Client gives notice thereof to Althea within [*] days of the earliest to occur of the events listed in clauses 2.12(b)(i)-(iii) and (v) the prepayment and purchase minimum terms in section 2.15 have been met to date (a "**Limited Latent Defect**").

(b) If Client believes any Batch of Client Product does not conform to the Specifications and cGMP, it shall notify Althea by telephone of its rejection of such Batch, including a detailed explanation of the non-conformity, and shall confirm such notice in writing via overnight delivery to Althea within the above-prescribed [*]-day acceptance period. Upon receipt of such notice, Althea will investigate such alleged non-conformity, and (i) if Althea agrees such Client Product is non-conforming, deliver to Client a corrective action plan within [*] days after receipt of Client's written notice of non-conformity, or such additional time as is reasonably required e.g. if such investigation or plan requires data from sources other than Client or Althea, or (ii) if Althea disagrees with Client's determination that the Batch of Client Product is non-conforming, Althea shall so notify Client by telephone within such [*]-day period and confirm such notice in writing by overnight delivery.

(c) If the parties dispute whether rejected Client Product is conforming or non-conforming, samples of the Batch of Client Product will be submitted to a mutually acceptable laboratory or consultant for resolution, whose determination of conformity or non-conformity, and the cause thereof if non-conforming, shall be binding upon the parties. Client and Althea shall share equally the costs of such laboratory or consultant, except as set forth in Section 5.2.

(d) Manufacturing deviations and investigations which occur during Production of Client Product and which do not cause the Production to be non-compliant with cGMP, shall not be deemed to cause Client Product

to be non-conforming. Althea shall not be liable for any non-conformity arising from Client's instructions or defective, contaminated or non-conforming Client-Supplied Components.

5.2 Exclusive Remedy for Non-Conforming Product: In the event Althea agrees, or the independent laboratory determines, that the Batch of Client Product is non-conforming solely as a result of the negligence of Althea including its failure to adhere to the terms of this Agreement (or cGMP) and Client timely rejects the Batch, then Althea, as Client's exclusive remedy, shall at its expense, and subject to Client, at [*] expense (subject to Section 5.3) supplying the replacement Bulk Compound and any other Client-Supplied Components, replace such non-conforming Client Product within [*] days from receipt of replacement Bulk Compound from Client. In such event Althea shall also reimburse Client for any independent laboratory fees paid by Client under Section 5.1(c). In the event such Client Product is determined by the independent laboratory to be conforming, or to be non-conforming due to the act or omission of Client, then Client shall reimburse Althea for Althea's portion of such laboratory's fees.

For clarity and by way of example, if Client Product is non-conforming due to non-conforming Bulk Compound or other Client-Supplied Components or other matters within the responsibilities of Client, then Client will not be entitled to the foregoing remedy.

5.3 Lost Bulk Compound and Peptide: In the case where Client Product is non-conforming such that Client is entitled to remedies under Section 5.2, or Bulk Compound or Peptide is lost or damaged or otherwise rendered unusable for Client Product due to the negligence or willful misconduct of Althea, then Althea, as Client's exclusive remedy, shall file a claim under its Professional Liability policy for the lost Bulk Compound and/or Peptide ("Lost Client Components"). Client shall be entitled to reimbursement by Althea [*]. For clarity, Client is responsible for losses of Bulk Compound or Peptide not caused by the negligence or willful misconduct of Althea or in excess of such proceeds and for maintaining its own insurance, including property insurance, in amounts adequate to cover such losses.

6. CLIENT PRODUCT RECALLS.

In the event Client shall be required to recall any Client Product by a Regulatory Authority or under applicable laws and regulations, or in the event that Client elects to institute a voluntary recall, withdrawal, field alert or similar action (collectively a "**Recall**"), Client shall be responsible for coordinating such Recall. Client promptly shall notify Althea if any Client Product is the subject of a Recall and provide Althea with a copy of all documents relating to such Recall. Althea shall reasonably cooperate with Client in connection with any Recall. Client shall be responsible for all of the costs and expenses of such Recall, except where the Recall is caused by a Batch defect or non-conformity that (i) existed at the time of shipment by Althea under section 2.7 (ii) was not discoverable at the time of delivery by reasonable testing, inspection and review by Client, (iii) was caused by Althea's failure to adhere to cGMP or the MBR and (iv) Client gives notice thereof to Althea on or before the relevant Client Product expiration date, but in no event later than [*] from delivery of same to Client and (v) the [*]. In such case Althea shall be responsible for reimbursing Client's reasonable and documented out of pocket costs and expenses of such Recall.

7. FORCE MAJEURE

Failure of either party to perform under this Agreement (except the obligation to make payments) shall not subject such party to any liability to the other if such failure is caused by acts of God, acts of terrorism, fire, explosion, flood, drought, war, riot, sabotage, embargo, strikes or other labor trouble, compliance with any order or regulation of any government entity, or by any cause beyond the reasonable control of the affected party, whether or not foreseeable, *provided* that written notice of such event is promptly given to the other party. In the case of a force majeure event, Althea shall use commercially reasonable efforts to assist Client to arrange for the Production of Client Product through subcontracting or other means as appropriate to provide Client Product. The responsibility for any differential in the cost for such Production will be mutually agreed upon by the parties. However, if Althea is unable to provide a solution

for the Production of Client Product within [*] days of such event, Client may terminate this Agreement as specified in Section 3.2(c) without payment of any Cancellation Fee otherwise due.

8. CHANGES IN PRODUCTION.

8.1 Changes to Master Batch Records and SOW: Each party agrees to notify the other promptly of any regulatory or other requested changes to the SOW, Client Product, Production, Specifications or the MBR. Upon such notification, Althea shall provide an estimate of any additional fees and costs required and a time line for implementation. No change(s) to any of the foregoing shall be effective or binding unless reduced to writing and signed by both parties.

8.2 Product-Specific Changes: If Facility, equipment, process or system changes are required, for example, as a result of requirements set forth by the FDA or in any other Regulations, and such required changes apply only to the Production of one or more Client Products, then Client and Althea will review such requirements and agree in writing to the changes, and Client shall bear the reasonable costs thereof.

8.3 Unused Materials: In the event of changes requested by Client or to comply with any regulatory requirement, Client shall reimburse Althea for any Althea-Supplied Components that cannot reasonably be used by Althea or returned for credit.

9. CONFIDENTIALITY.

9.1 Confidentiality. For purposes of this Agreement “*Confidential Information*” means all information provided by or on behalf of one party (the “*Disclosing Party*”) to the other party in connection with this Agreement including, without limitation, all data, inventions and information developed in or as a result of the performance of this Agreement, whether in oral, written, graphic or electronic form. Without limiting the generality of the foregoing, all Inventions and Intellectual Property of either party shall be deemed the “*Confidential Information*” of such party. Each party agrees, with respect to any Confidential Information disclosed to such party (the “*Receiving Party*”) by the Disclosing Party hereunder: (a) to use such Confidential Information only for the purposes set forth in this Agreement; (b) to receive, maintain and hold the Confidential Information in strict confidence and to use the same methods and degree of care (but at least reasonable care) to prevent disclosure of such Confidential Information as it uses to prevent disclosure of its own proprietary and Confidential Information and to protect against its dissemination to unauthorized parties; (c) not to disclose, or authorize or permit the disclosure of any Confidential Information to any third party without the prior written consent of the Disclosing Party, except to employees, agents and contractors who need such access either to perform its obligations or exercise its rights under this Agreement, and who have entered into confidentiality agreements that afford the Confidential Information the same level of protection afforded by this Agreement; and (d) except as needed to fulfill its obligations hereunder, to return or destroy any Confidential Information to the Disclosing Party at the request of the Disclosing Party and to retain no copies or reproductions thereof, except that the Receiving Party may retain a single archival copy of the Confidential Information for the sole purpose of determining the scope of obligations incurred under this Agreement.

9.2 Exceptions. The Receiving Party shall not be obligated to treat information as Confidential Information of the Disclosing Party if the Receiving Party can show by competent tangible evidence that such information: (a) was already known to the Receiving Party without any obligations of confidentiality prior to receipt from the Disclosing Party; (b) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the Receiving Party; (c) became generally available to the public or otherwise part of the public domain after its disclosure, other than through any act or omission of the Receiving Party in breach of any obligation of confidentiality; (d) was disclosed to the Receiving Party, by a third party who was not under any obligation, direct or indirect, to Disclosing Party with respect to confidentiality or non-use; or (e) was independently discovered or developed by the Receiving Party without the use of or reference to the Disclosing Party’s Confidential Information.

9.3 Authorized Disclosure. Notwithstanding Section 9.1, the Receiving Party may disclose Confidential Information, without violating its obligations under Article 9, to the extent the disclosure is required by a valid order of a court or other governmental body having jurisdiction; *provided, however*, that the Receiving Party, if permitted and practicable, gives reasonable prior written notice to the Disclosing Party of such required disclosure in order to allow Disclosing Party, at its option and expense, to seek a protective or other order preventing or limiting the disclosure. The Receiving Party will limit access to the Confidential Information of the Disclosing Party to only those of the Receiving Party's employees, consultants, or professional advisors having a need to know and who are bound by written or statutory obligations of confidentiality and non-use consistent with those set forth herein. Notwithstanding the foregoing, Althea shall be permitted to disclose Client Product information to third party developmental and analytical service providers who have a need to know such information in connection with performance of its obligations hereunder, *provided* such providers shall be subject to written confidentiality agreements consistent with this Article 9. Receiving Party may disclose the terms of this Agreement to such party's Affiliates, investors or potential investors, acquirers, or merger candidates, provided they are not competitors of the Disclosing Party, who are bound by written obligations of confidentiality and non-use consistent with those set forth herein.

9.4 Injunctive Relief. The parties expressly acknowledge and agree that any breach or threatened breach of this Article 9 may cause immediate and irreparable harm to the Disclosing Party which may not be adequately compensated by damages. Each party therefore agrees that in the event of such breach or threatened breach and in addition to any remedies available at law, the Disclosing Party shall have the right to seek equitable and injunctive relief, without bond, in connection with such a breach or threatened breach.

9.5 Public Announcements. Neither party shall publicize or make any announcement concerning this Agreement or the other party which includes the identity, name(s), or other trademarks of the other party or its Confidential Information or the identity of Client Product or the financial terms of this Agreement without the other party's prior written consent; *provided, however*, that either party may disclose the terms of this Agreement insofar as required to comply with applicable securities laws, *provided further* that in the case of such disclosures the party proposing to make such disclosure notifies the other party reasonably in advance of such disclosure and cooperates to minimize the scope and content of such disclosure. The failure of a party to respond in writing to a publication or disclosure proposal from the other party within five working days of such party's receipt of such publication shall be deemed as such party's approval of such publication or disclosure as received by such party. Each party agrees that it shall cooperate fully and in a timely manner with the other with respect to any disclosures to the Securities and Exchange Commission and any other governmental or regulatory agencies, including requests for confidential treatment of Confidential Information of either party included in any such disclosure.

9.6 Duration of Confidentiality: All obligations of confidentiality and non-use imposed upon the parties under this Agreement shall expire seven (7) years after the relevant disclosure notwithstanding any earlier expiration or termination hereof; *provided, however*, that Confidential Information which constitutes the trade secrets of a party if expressly labeled as such by the Disclosing Party at the time of disclosure shall be kept confidential indefinitely, subject to the limitations set forth in Sections 9.2 and 9.3.

10. INVENTIONS.

10.1 Existing Intellectual Property; Client's Intellectual Property: Except as the parties may otherwise expressly agree in writing, each party shall continue to own its existing patents, trademarks, copyrights, trade secrets and other Intellectual Property, without conferring any interests therein on the other party. Without limiting the generality of the preceding sentence, Client shall retain all right, title and interest arising under the United States Patent Act, the United States Trademark Act, the United States Copyright Act and all other applicable laws, rules and regulations in and to all Client Product, Labeling and trademarks associated therewith and any Inventions which are conceived, reduced to practice, or created by a party or its agents in the course of performing its obligations under this Agreement

which Inventions (a) are derived from Client's Confidential Information or (b) are specific to proprietary Client Product or Bulk Compound (collectively, "**Client's Intellectual Property**"). Neither Althea nor any third party shall acquire any right, title or interest in Client's Intellectual Property by virtue of this Agreement or otherwise, except to the extent expressly provided herein. To the extent Althea has or acquires any rights in Client's Intellectual Property, Althea agrees to assign, and hereby does assign, any and all rights, title and interest that Althea has or may have in and to Client's Intellectual Property, and to cause its agents to do so. Althea agrees to take such actions and execute such documents (including separate assignment agreements) as may be necessary to effectuate Client's rights under this Section 10.1. Althea hereby irrevocably appoints Client as its attorney-in-fact, coupled with an interest, with full authority in its place and stead and name, from time to time, to take any action and to execute any instrument that is reasonable and necessary to accomplish the provisions of this Section 10.1.

10.2 Althea Owned Inventions: All Inventions which are conceived, reduced to practice, or created solely by Althea or its agents in the course of performing its obligations under this Agreement and which are not Client's Intellectual Property shall be solely owned and subject to use and exploitation by Althea, *provided that*, Althea hereby grants to Client a fully-paid, perpetual, irrevocable (except in the event of Client's breach of this Agreement), worldwide non-exclusive license to practice any such Invention created by Althea to the extent necessary for Client to make, have made, use, sell, offer and import Client Product.

10.3 Jointly Owned Inventions: All Inventions which are conceived, reduced to practice, or created jointly by the parties and/or their respective agents in the course of the performance of this Agreement and which are not Client's Intellectual Property shall be owned jointly by the parties. Each party shall have full rights to exploit such Inventions for its own commercial purposes without any obligation or duty of accounting to the other. The parties shall share equally in the cost of mutually agreed patent filings with respect to all such jointly owned Inventions. The decision to file for patent coverage on jointly owned Inventions shall be mutually agreed upon, and the Parties shall select a mutually acceptable patent counsel to file and prosecute patent applications based on such joint Inventions. If either party declines to participate in, or share the costs of, such prosecution or payment of maintenance fees for jointly-owned inventions, it shall assign its interest therein promptly to the other party.

10.4 No Other Rights: Except as otherwise expressly provided herein, nothing contained in this Agreement shall be construed or interpreted, either expressly or by implication, estoppel or otherwise, as: (a) a grant, transfer or other conveyance by either party to the other of any right, title, license or other interest of any kind in any of its Inventions or other Intellectual Property, (b) creating an obligation on the part of either party to make any such grant, transfer or other conveyance or (c) requiring either party to participate with the other party in any cooperative development program or project of any kind or to continue with any such program or project.

10.5 Rights in Inventions: Except for joint Inventions as provided in Section 10.3, the party owning any Invention shall have the world wide right to control the drafting, filing, prosecution and maintenance of patents covering the Inventions including decisions about the countries in which to file patent applications. Patent costs associated with the patent activities described in this Section shall be borne by the sole owner. Each party will cooperate with the other party in the filing and prosecution of patent applications. Such cooperation will include, but not be limited to, furnishing supporting data and affidavits for the prosecution of patent applications and completing and signing forms needed for the prosecution, assignment and maintenance of patent applications.

10.6 Confidentiality of Inventions: Inventions and any disclosure of information by one party to the other under the provisions of this Article 10 shall be subject to the provisions of Article 9. It shall be the responsibility of the party preparing a patent application to obtain the written permission of the other party to use or disclose the other party's Confidential Information in the patent application before the application is filed and for other disclosures made during the prosecution of the patent application, such permission not to be unreasonably withheld or delayed.

11. REPRESENTATIONS AND WARRANTIES.

11.1 Mutual Representations: Each party hereby represents and warrants to the other party that (a) such party is duly organized, validly existing, and in good standing under the laws of the place of its establishment or incorporation, (b) such party has taken all action necessary to authorize it to enter into this Agreement and perform its obligations under this Agreement, (c) this Agreement will constitute the legal, valid and binding obligation of such party, and (d) neither the execution of this Agreement nor the performance of such party's obligations hereunder will conflict with, result in a breach of, or constitute a default under any provision of the organizational documents of such party, or of any law, rule, regulation, authorization or approval of any government entity, or of any agreement to which it is a party or by which it is bound.

11.2 Althea Warranty: Althea represents and warrants that Client Product shall be Produced in accordance with and will comply with the Specifications, and cGMP, subject to the provisions of Article 5. Althea represents and warrants that (a) it has obtained (or will obtain prior to Producing Client Product), and will remain in compliance with during the Term, all permits, licenses and other authorizations which are required under Regulations generally applicable to its operations and the Facility; *provided, however*, Althea makes no representation or warranty with respect to compliance or permits specific to Client Product or Bulk Compound or their manufacture, nor related to the sale, marketing, distribution, use or Labeling of Bulk Compound or Client Product except as expressly set forth in the preceding sentence, and (b) Althea has no knowledge of any patents or other Intellectual Property that would be infringed or misappropriated by Althea's Production of Client Product or performance of any other of its obligations under this Agreement.

11.3 Client Warranties: Client represents and warrants that (a) it has the right to give Althea any Client-Supplied Components and information provided by Client hereunder, and that Althea has the right to use such components and information for the Production of Client Product, and (b) Client has no knowledge of any patents or other Intellectual Property that would be infringed or misappropriated by Althea's Production of Client Product or performance of any other of its obligations under this Agreement.

11.4 Disclaimer of Warranties: Except as expressly set forth in this Agreement, NEITHER PARTY MAKES ANY REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Without limiting the foregoing, Althea makes no representation or warranty, and Client expressly waives all claims against all Althea Indemnitees arising out of or in connection with any claims relating to the stability, efficacy, safety, or toxicity of any Client Product, *provided that* such Client Product has been Produced in accordance with the Specifications and cGMP.

12. LIMITATION OF LIABILITY AND WAIVER OF PROPERTY CLAIMS.

12.1 Limitation of Liability: (a) Except for indemnification obligations, Client's sole and exclusive remedy for Althea's breach of Client Product warranty or for failure to deliver conforming Client Product or deliverables is limited to those remedies set forth in Article 5. EXCEPT FOR A PARTY'S INDEMNIFICATION OBLIGATIONS AND BREACH OF ITS CONFIDENTIALITY OBLIGATIONS UNDER THIS AGREEMENT, UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE FOR LOSS OF USE OR PROFITS OR OTHER INDIRECT, COLLATERAL, SPECIAL, CONSEQUENTIAL, PUNITIVE OR OTHER DAMAGES, LOSSES, OR EXPENSES, INCLUDING BUT NOT LIMITED TO THE COST OF COVER OR, EXCEPT AS PROVIDED IN ARTICLE 6, THE COST OF A RECALL IN CONNECTION WITH, OR BY REASON OF THE PRODUCTION AND DELIVERY OF CLIENT PRODUCT UNDER THIS AGREEMENT REGARDLESS OF WHETHER SUCH CLAIMS OR DAMAGES ARE FORESEEABLE OR ARE FOUNDED IN TORT OR CONTRACT. IN NO EVENT

WILL ALTHEA BE RESPONSIBLE FOR REPLACING ANY COMPONENTS OR MATERIALS SUPPLIED BY CLIENT EXCEPT AS PROVIDED IN ARTICLE 5.

(b) EXCEPT FOR A PARTY'S INDEMNIFICATION OBLIGATIONS AND BREACH OF ITS CONFIDENTIALITY OBLIGATIONS UNDER THIS AGREEMENT, IN NO EVENT SHALL EITHER PARTY'S AGGREGATE LIABILITY UNDER THIS AGREEMENT EXCEED [*]. THIS LIMITATION SHALL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.

12.2 Waiver of Property Claims: All Althea-Supplied Components and equipment used by Althea in the Production of Client Product (collectively, "**Althea Property**") shall at all times remain the property of Althea and Althea assumes risk of loss for such Althea-Supplied Components until delivery of Client Product to a common carrier as specified under Section 2.7 or when risk of loss otherwise shifts to Client. Althea hereby waives any and all rights of recovery against Client and its Affiliates, and against any of their respective directors, officers, employees, agents or representatives, for any loss or damage to Althea Property. Except as set forth in Section 5.3, Client assumes all risk of loss at all times for all Client-Supplied Components and Client equipment. Client assumes risk of loss for all Client Product upon delivery to a common carrier as specified under Section 2.7 or when risk of loss otherwise shifts to Client.

13. INDEMNIFICATION.

13.1 Client Indemnification: Client hereby agrees to save, defend, indemnify and hold harmless Althea and its Affiliates and their respective officers, directors, employees, contractors, consultants and agents (each, an "**Althea Indemnitee**") from and against any and all losses, damages, liabilities, expenses and costs, including reasonable legal expenses and attorneys' fees ("**Losses**"), to which any Althea Indemnitee may become subject as a result of any claim, demand, action or other proceeding by any third party including, without limitation, property damage, death or personal injury of third parties (a "**Claim**") against an Althea Indemnitee arising or resulting, directly or indirectly, from (a) Client's storage, disposal, promotion, labeling, marketing, distribution, forward processing, use or sale of Client Product or Client-Supplied Components, (b) Client's negligence or willful misconduct, (c) Client's breach of this Agreement, (d) any claim that the use, sale, marketing or distribution of Bulk Compound or Client Product by Client, the production of Bulk Compound, or the Production of Client Product by Althea in accordance with the Specifications, violates the patent, trademark, copyright or other proprietary rights of any third party, except to the extent any such Loss(es) are caused solely by or are within any of the matters indemnified by Althea in Section 13.2 below, or (e) Client's employees or contractors, including with limitation any personal injury/workman's compensation, employment- or benefit-related claims, except to the extent any such Loss(es) are caused solely by or are within any of the matters indemnified by Althea in Section 13.2 below.

13.2 Althea Indemnification: Althea hereby agrees to save, defend, indemnify and hold harmless Client and its Affiliates and any of their respective directors, officers, employees, contractors, consultants and agents (each, a "**Client Indemnitee**") from and against any and all Losses to which any Company Indemnitee may become subject as a result of any Claim against a Client Indemnitee arising or resulting, directly or indirectly, from (a) an Althea Indemnitee's negligence or willful misconduct, (b) Althea's breach of this Agreement, (c) any claim that Althea's processes and equipment (excluding without limitation processes prescribed by Client, and Client's equipment) or the Facilities violate the patent, copyright or other proprietary rights of any third party, or (d) Althea's employees or contractors, including with limitation any personal injury/workman's compensation, employment- or benefit-related claims, except to the extent any such Loss(es) are caused solely by or are within any of the matters indemnified by Client in Section 13.1 above.

13.3 Indemnitee Obligations: A party that makes a claim for indemnification under this Article 13 shall promptly notify the other party (the "**Indemnitor**") in writing of any action, claim or other matter in respect of which such party, intends to claim such indemnification; *provided, however*, that failure to provide such notice within a

reasonable period of time shall not relieve the Indemnitor of any of its obligations hereunder except to the extent the Indemnitor is prejudiced by such failure. The indemnified party shall permit the Indemnitor, at its discretion, to settle any such action, claim or other matter, and the indemnified party agrees to the complete control of such defense or settlement by the Indemnitor. Notwithstanding the foregoing, the Indemnitor shall not enter into any settlement that would adversely affect the indemnified party's rights hereunder, or impose any obligations on the indemnified party other than customary mutual general release terms, without the indemnified party's prior written consent, which shall not be unreasonably withheld or delayed. No such action, claim or other matter shall be settled without the prior written consent of the Indemnitor, which shall not be unreasonably withheld or delayed. The indemnified party shall fully cooperate with the Indemnitor and its legal representatives in the investigation and defense of any action, claim or other matter covered by the indemnification obligations of this Article 13. The indemnified party shall have the right, but not the obligation, to be represented in such defense by counsel of its own selection and at its own expense.

14. INSURANCE.

14.1 Client Insurance: Client shall procure and maintain, from the Effective Date through the date that is one year after the expiration date of all Client Product Produced under this Agreement, commercial general liability insurance, including without limitation, products and professional liability coverage (the "**Client Insurance**"). The Client Insurance shall cover amounts not less than [*] combined single limit. Upon request, Althea shall be named as an additional insured on the Client Insurance and Client promptly shall deliver a certificate of Client Insurance and endorsement of additional insured to Althea evidencing such coverage. If Client fails to furnish such certificates or endorsements, or if at any time during the Term Althea is notified of the cancellation or lapse of the Client Insurance, and Client fails to rectify the same within [*] days after notice from Althea, Althea, at its option, may terminate this Agreement. Any deductible and/or self insurance retention shall be the sole responsibility of Client.

14.2 Althea Insurance: Althea shall procure and maintain, from the Effective Date through the date that is one year after the expiration date of all Client Product Produced under this Agreement, commercial general liability insurance and products and professional liability coverage (the "**Althea Insurance**"). The Althea Insurance shall cover amounts not less than [*] combined single limit. Upon request, Client shall be named as an additional insured on the Althea Insurance and Althea promptly shall deliver a certificate of Althea Insurance and endorsement of additional insured to Client evidencing such coverage. If Althea fails to furnish such certificates or endorsements, or if at any time during the Term Client is notified of the cancellation or lapse of the Althea Insurance, and Althea fails to rectify the same within days [*] after notice from Client, Client, at its option, may terminate this Agreement. Any deductible and/or self insurance retention shall be the sole responsibility of Althea. For clarity, in the event an SOW provides for, or Client requests, the Production and/or storage of Client Product and/or Client-Supplied Components whose aggregate value exceeds this coverage amount, additional insurance may be required at Client's expense.

14.3 Waiver of Subrogation: Each party hereby waives and shall cause its insurers to waive any and all rights of recovery against the other party and its Affiliates, and against any of their respective directors, officers, employees, agents or representatives, for any loss or damage that is covered by insurance whether or not such insurance is described in this Agreement, or should have been covered by insurance described in this Agreement, but for the waiving party's failure to procure or maintain it.

15. GENERAL PROVISIONS.

15.1 Notices: Any notice to be given under this Agreement must be in writing and delivered either in person, by certified mail (postage prepaid) requiring return receipt, or by overnight courier or by facsimile with receipt confirmation, to the party to be notified at its address given below, or at any address such party designates by prior written notice to the other. Notice shall be deemed sufficiently given for all purposes upon the delivery thereof at the address designated in accordance with this paragraph.

If to Client: Revance Therapeutics, Inc.
7555 Gateway Blvd
Newark, CA 94560
Attn: [*]

Telephone: [*]

If to Althea: Ajinomoto Althea, Inc.
11040 Roselle Street
San Diego, CA 92121
Attn: [*]

Telephone: [*]

Facsimile: [*]

15.2 Entire Agreement; Amendment: The parties hereto acknowledge that this Agreement sets forth the entire agreement and understanding of the parties and supersedes all prior written or oral agreements or understandings with respect to the subject matter hereof. No modification of any of the terms of this Agreement, or of any attachments or Appendices, shall be deemed to be valid unless in writing and signed by an authorized officer of both parties hereto. No course of dealing or usage of trade shall be used to modify the terms and conditions herein.

15.3 Waiver: None of the provisions of this Agreement shall be considered waived by any party hereto unless such waiver is agreed to, in writing, by authorized officer(s) of the waiving party. The failure of a party to insist upon strict conformance to any of the terms and conditions hereof, or failure or delay to exercise any rights provided herein or by law shall not be deemed a waiver of any rights of any party hereto.

15.4 Assignment: This Agreement may not be assigned or transferred by either party including by operation of law without the prior written consent of the other, which consent will not be unreasonably withheld or delayed; *provided, however*, that either party may assign this Agreement including by operation of law without the other party's consent to an Affiliate or in connection with the transfer or sale of all or substantially all of the business of such party to which this Agreement relates, whether by merger, sale of stock, sale of assets or otherwise, provided that if such assignment is to an Affiliate, the assigning party shall be jointly responsible for Affiliate's obligations hereunder, but only for so long as the assigning party and assignee remain Affiliates. Any assignee must agree in writing to be bound by the terms and conditions of this Agreement. Any attempted assignment of this Agreement not in compliance with this Section 15.4 shall be null and void. No assignment shall relieve either party of the performance of any accrued obligation that such party may then have under this Agreement. This Agreement shall inure to the benefit of and be binding upon each party signatory hereto, its successors and permitted assigns, subsidiaries and Affiliates.

15.5 Taxes: Client shall bear the cost of all national, state, municipal or other sales, use, excise, import, property, value added, or other similar taxes, assessments or tariffs assessed upon or levied against the sale or distribution of Client Product by Client. Except as set forth in the SOW Althea shall pay all national, state, municipal or other taxes on the income resulting from the sale by Althea of the Client Product to Client under this Agreement, including but not limited to, gross income, adjusted gross income, supplemental net income, gross receipts, excess profit taxes, or other similar taxes.

15.6 Independent Contractor: Althea shall act as an independent contractor for Client in providing the services required hereunder and neither party shall be considered an agent or employer of, or joint venturer with, the other party or its employees.

15.7 Governing Law; Limitations: This Agreement is being delivered, performed and executed in San Diego County, California. Any action brought related to this Agreement or the activities contemplated hereunder shall be governed in all respects by the laws of the State of California, without regard to the principles of conflicts of laws. The federal and state courts located in the State of California shall have personal jurisdiction over the parties hereto in all such actions, and the exclusive venue for any such action brought by either party against the other party will be the federal or state courts located in the State of California. This is a contract for services, not goods, and the UCC and analogous laws shall not apply.

15.8 Dispute Resolution: Prior to initiating any court, administrative or other action on a claim, dispute, demand or assertion related to this Agreement or the services hereunder (collectively, a "Claim"), the claimant shall give notice to the other party, detailing the nature of the Claim and the facts relevant thereto and the chief executive officers (or their equivalent) of the parties shall in good faith attempt to resolve such Claim for a period of [*] days, or such longer period as they may agree. No court, administrative or other action shall be filed or otherwise initiated until the parties have exhausted good faith settlement attempts by first, direct negotiation as set forth herein, and second, mediation by a mutually-agreeable professional mediator under the appropriate Mediation Procedures of the American Arbitration Association. The defending party shall be entitled to recover from the other party, in addition to any other damages awarded, all of its attorneys' fees incurred in any action initiated in violation of this section, regardless of outcome. The site of the mediation shall be mutually agreed. The costs of mediation shall be borne equally by the parties.

15.9 Attorney's Fees: The successful party in any litigation or other dispute resolution proceeding to enforce the terms and conditions of this Agreement shall be entitled to recover from the other party reasonable attorney's fees and related costs involved in connection with such litigation or dispute resolution proceeding.

15.10 Severability: In the event that any one or more of the provisions contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable in any respect for any reason, the parties shall negotiate in good faith with a view to the substitution therefor of a suitable and equitable provision in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid provision; *provided, however*, that the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be in any way impaired thereby, it being intended that all of the rights and privileges of the parties hereto shall be enforceable to the fullest extent permitted by law.

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly-authorized representatives as of the Effective Date above.

CLIENT

AJINOMOTO ALTHEA, INC.

By: /s/ Dan Browne

By: /s/ J. David Enloe, Jr.

Name: L. Daniel Browne

Name: J. David Enloe, Jr.

Title: President and CEO

Title: President and CEO

Appendix A
Statement(s) of Work

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[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

**Statement of Work No. 1 to Technology Transfer,
Validation and Commercial Fill/Finish Services Agreement**

This Statement of Work No. 1 (“Statement of Work” or “SOW”), entered into as of March 14th, 2017 (the “SOW Effective Date”), adopts and incorporates by reference the terms and conditions of the Technology Transfer, Validation and Commercial Fill/Finish Services Agreement (the “Master Services Agreement” or “MSA”) dated March 14th, 2017, between Revance Therapeutics, Inc., a Delaware corporation, having its principal place of business at 7555 Gateway Blvd., Newark, CA 94560 (“Client”), and AJINOMOTO ALTHEA, INC., a Delaware corporation, with a place of business located at 11040 Roselle Street, San Diego, CA 92121 (“Althea”).

1. Definitions. Capitalized terms not defined in this SOW shall have the meanings assigned to them in the MSA, as such definitions may also be supplemented by this SOW.

1.1 “**Althea-Supplied Components**” are listed in Exhibit A to this SOW.

1.2 “**Client-Supplied Components**” are listed in Exhibit A to this SOW.

1.3 “**Project Manager**” has the meaning set forth in Exhibit F to this SOW. The parties’ Project Managers as of the SOW Effective Date are identified in Exhibit C to this SOW.

1.4 “**Project Protocols**” means the assumptions and protocols for the services to be provided under this SOW, as set forth in Exhibit E to this SOW.

1.5 “**Schedule**” means the timeline and schedule for the project, which is summarized in Exhibit C to this SOW.

2. Services and Deliverables.

2.1 Althea shall perform and provide the services and deliverables set forth in this SOW in accordance with this document and the MSA, including but not limited to the following:

[*]

- Commercial cGMP manufacturing services for Client Product

2.2 Upon signature of this SOW by Revance and Althea, the Project Manager at Althea will schedule a project kickoff meeting and begin the process of further refining the project schedule provided in Exhibit C. The parties shall work in good faith to finalize the final detailed schedule within [*] days of the SOW Effective Date consistent with the base milestones set forth in the Schedule in Exhibit C. The finalized schedule shall be considered to be the “Schedule” for the purposes of this SOW.

2.3 All services will be performed by Althea at the Facility.

3. Quality Agreement. The parties shall execute a Quality Agreement within [*] of the SOW Effective Date.

4. Entire Agreement; Amendment: This SOW is hereby incorporated into the MSA and made a part thereof. The parties hereto acknowledge that this the MSA, the Quality Agreement and this SOW sets forth the entire agreement and understanding of the parties and supersedes all prior written or oral agreements or understandings with respect to the subject matter hereof. No modification of any of the terms of this SOW, or of any attachments or Exhibits, shall be deemed to be valid unless in writing and

signed by an authorized officer of both parties hereto. No course of dealing or usage of trade shall be used to modify the terms and conditions herein.

IN WITNESS WHEREOF, the parties hereto have each caused this SOW to be executed by their duly-authorized representatives as of the SOW Effective Date.

REVANCE THERAPEUTICS, INC. AJINOMOTO ALTHEA, INC.

By: /s/ L. Daniel Browne By: /s/ Jennifer Cannon

Name: L. Daniel Browne Name: Jennifer Cannon, Ph.D.

Title: President and CEO Title: Vice President, Commercial

Date: 3/14/2017 Date: March 14, 2017

PO Number: _____

BUS REV_____

Exhibit A

Components

[*]

In addition to the above, any other components supplied by Althea will be considered to be "Althea-Supplied Components" for the purposes of this SOW and the MSA.

Client-Supplied Component

Bulk Compound

Peptide

24

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Exhibit B

Project Managers

Revance, Therapeutics, Inc. Ajinomoto Althea, Inc.

[*]
7555 Gateway Boulevard
Newark, CA 94560
[*]

[*]
11040 Roselle Street
San Diego, CA 92121
[*]

Exhibit C

Schedule

Based on available information, a monthly high level summary for the project timeline is shown below with target dates for each activity: For clarity, this timeline sets forth target dates which are not guaranteed and subject to section 2.5 of the MSA; provided, however, the parties will at all times use commercially reasonable and diligent efforts to meet the timeline and milestones of the Schedule.

[*]

Exhibit D
Services, Deliverables and Pricing

1. ANALYTICS

[*]

{3 pages omitted}

2. FILL/FINISH EQUIPMENT AND VALIDATION

[*]

{2 pages omitted}

3. COMPONENT QUALIFICATION / VALIDATION

[*]

{2 pages omitted}

4. PROCESS PERFORMANCE QUALIFICATION

[*]

5. COMMERCIAL DRUG PRODUCT MANUFACTURING

[*]

{2 pages omitted}

6. LABELING AND SECONDARY PACKAGING

Labeling and Packaging: Deliverables and Pricing

Labeling and secondary packaging details for this project have yet to be determined at this time. Althea and Revance are discussing options and capabilities of Althea to support this portion of the project, and the scope of work and price for these operations will be quoted once details are defined. Althea will quote, and the parties will negotiate, pricing in good faith. The scope is expected to include the labeling and packaging of individual vials and the validation of the process prior to commercial launch. The validation will include formal protocols and reports as required for process validation.

7. SUPPORTING SERVICES

[*]

{4 pages omitted}

8. SHIPPING

[*]

9. MATERIALS, COMPONENTS & EQUIPMENT

[*]

10. PAYMENT SCHEDULE

Unless otherwise stated on this payment schedule, all invoices are payable net [*] days from invoice date, subject to payment terms in the MSA as applicable.

The Prepayment section in Chart I below sets forth the total prepayment (percentage and amount) on all of the individual activities that follow in Chart II. The prepayment is due as set forth in the MSA. The balance due (percentage and amount) for such individual activities is set forth in Chart II for each activity, and will be billed as set forth in Chart II, [*].

[*]

{3 pages omitted}

Exhibit E
Project Protocols

[*]

{5 pages omitted}

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[*] = Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

CERTIFICATIONS

I, L. Daniel Browne, 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 9, 2017

/s/ L. Daniel Browne

L. Daniel Browne
President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATIONS

I, Lauren P. Silvermail, 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 9, 2017

/s/ Lauren P. Silvermail

Lauren P. Silvermail

Chief Financial Officer and Chief Business Officer
(Principal Financial Officer)

CERTIFICATION

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), L. Daniel Browne, 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, 2017, to which this Certification is attached as Exhibit 32.1 (the "Periodic Report"), 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 9, 2017

IN WITNESS WHEREOF, the undersigned has set his hands hereto as of the 9th day of May, 2017.

/s/ L. Daniel Browne

L. Daniel Browne

President and Chief Executive Officer

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

CERTIFICATION

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

1. The Company's Quarterly Report on Form 10-Q for the period ended March 31, 2017, to which this Certification is attached as Exhibit 32.2 (the "Periodic Report"), 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 9, 2017

IN WITNESS WHEREOF, the undersigned has set her hands hereto as of the 9th day of May, 2017.

/s/ Lauren P. Silvernail

Lauren P. Silvernail

Chief Financial Officer and Chief Business 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.