

REFINITIV

DELTA REPORT

10-Q

EOLS - EVOLUS, INC.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1655
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 CHANGES	158
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 DELETIONS	893
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 ADDITIONS	604
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2023 March 31, 2024

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 Number: 001-38381

EVOLUS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

46-1385614

(I.R.S. Employer
Identification Number)

520 Newport Center Drive Suite
1200

Newport Beach, California

(Address of Principal Executive Offices)

92660

(Zip Code)

(949) 284-4555

(Registrant's Telephone
Number, Including Area
Code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.00001 per share	EOLS	The Nasdaq Stock Market LLC (Nasdaq Global Market)

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

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

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

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

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

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

As of November 3, 2023 May 3, 2024, 57,150,722 62,610,487 shares of the registrant's common stock, par value \$0.00001, were outstanding.

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Special Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, that involve risks and uncertainties, including statements regarding future events, our business, financial condition, results of operations and prospects, **our plans and expectations regarding regulatory approval**, our industry and the regulatory environment in which we operate. Any statements contained herein that are not statements of historical or current facts are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “will,” “would” or the negative of those terms, or other comparable terms intended to identify statements about the future. The forward-looking statements included herein are based on our current expectations, assumptions, estimates and projections, which we believe to be reasonable, and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. These risks and uncertainties, all of which are difficult or impossible to predict accurately and many of which are beyond our control, include, but are not limited to, those made below under “Summary of Risk Factors” and in Item 1A. Risk Factors in this Quarterly Report.

You should carefully consider these risks, as well as the additional risks described in other documents we file with the U.S. Securities and Exchange Commission (“SEC”) in the future, including subsequent Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, which may from time to time amend, supplement or supersede the risks and uncertainties we disclose. We also operate in a very competitive and rapidly changing environment. New risks emerge from time to time and it is not possible for our management to predict all risks, nor can we 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, or implied by, any forward-looking statements.

In light of the significant risks and uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by us or any other person that such results will be achieved, and readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. Except as required by law, we undertake no obligation to revise the forward-looking statements contained herein to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. You should read this Quarterly Report on Form 10-Q and the other documents we file with the SEC with the understanding that our actual future results, levels of activity, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by the cautionary statements referenced above.

Summary of Risk Factors

An investment in our securities involves various risks and you are urged to carefully consider the risks discussed under Item 1A “Risk Factors,” in this Quarterly Report on Form 10-Q prior to making an investment in our securities. If any of the risks below or in Item 1A “Risk Factors” occurs, our business could be materially and adversely affected. As more fully described in Item 1A “Risk Factors”, the principal risks and uncertainties that may affect our business, financial condition and results of operations include, but are not limited to, the following:

- We currently depend entirely on the successful commercialization of our only commercial product, Jeuveau®. If we are unable to successfully market and sell Jeuveau®, we may not generate sufficient revenue to continue our business.
- We have a limited operating history and have incurred significant losses since our inception and anticipate that we will continue to incur losses for the foreseeable future. We have only one approved product, which, together with our limited operating history, makes it difficult to assess our future viability.
- We are dependent on Symatse to achieve regulatory approval for the Evolysse™ dermal filler product line in the United **States. States and Europe.** Failure to obtain approval or obtain approval on our estimated time frame for the Evolysse™ product line would negatively affect our ability to sell these products.

- We may require additional financing to fund our future operation operations or execute corporate development activities, which could dilute the ownership interest of our existing stockholders, and a failure to obtain additional capital when so needed on acceptable terms, or at all, could force us to delay, limit, reduce or terminate our operations.

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- If we or our counterparties do not comply with the terms of our settlement agreements with Medytox, Inc., or Medytox, we may face litigation or lose our ability to market and sell Jeuveau®, which would materially and adversely affect our ability to carry out our business and our financial condition and ability to continue as a going concern.
 - The terms of the Settlement Agreement with Medytox will continue to reduce our profitability, profitability until the royalty payment obligations expire.
 - Our business, financial condition and operations have been, and may in the future be, adversely affected by a COVID-19 resurgence or other similar infectious disease outbreaks.
 - We rely on the license and supply agreement, as amended, with Daewoong, which we refer to as the Daewoong Agreement, to provide us with exclusive rights to distribute Jeuveau® in certain territories. Any termination or loss of significant rights, including exclusivity, under the Daewoong Agreement would materially and adversely affect our development and commercialization of Jeuveau®.
 - Our failure to successfully in-license, acquire, develop and market additional product candidates or approved products would impair our ability to grow our business.
 - Jeuveau® faces, and any of our future product candidates will face, significant competition and our failure to effectively compete may prevent us from maintaining our market share and expansion.
 - Jeuveau® may fail to continue to achieve the broad degree of physician aesthetic practitioners adoption and use or consumer demand necessary for commercial success.
 - Our ability to market Jeuveau® is limited to use for the treatment of glabellar lines, and if we want to expand the indications for which we market Jeuveau®, we will need to obtain additional regulatory approvals, which will be expensive and may not be granted.
 - Third party claims of intellectual property infringement may prevent or delay our commercialization efforts and interrupt our supply of products.
 - If we or any of our current or future licensors, including Daewoong, are unable to maintain, obtain or protect intellectual property rights related to Jeuveau® or any of our future product candidates, we may not be able to compete effectively in our market.
 - We may need to increase the size of our organization, including our sales and marketing capabilities, in order to further market and sell Jeuveau® and we may experience difficulties in managing this growth.
 - We rely on our digital technology and applications and our business and operations would suffer in the event of computer system failures or breach.
 - We are subject to extensive government regulation, and we may face delays in or not obtain regulatory approval of our product candidates and our compliance with ongoing regulatory requirements may result in significant additional expense, limit or delay regulatory approval or subject us to penalties if we fail to comply.

- Future sales of our common stock by us or others, or the perception that such sales may occur, could depress the market price of our common stock.

Additional Information

Unless the context indicates otherwise, as used in this Quarterly Report on Form 10-Q, the terms “Evolus,” “company,” “we,” “us” and “our” refer to Evolus, Inc., a Delaware corporation, and our subsidiaries taken as a whole, unless otherwise noted.

EVOLUS™ EVOLUS®, Jeuveau®, Evolux® and Evolysse™ are trademarks of ours that are used in this Quarterly Report on Form 10-Q. Jeuveau® is the trade name in the United States for our approved product with non-proprietary name, prabotulinumtoxinA-xvfs. The This product has different trade names outside of the United States, including Nuceiva® in Canada, Europe and Australia, but is referred to throughout this Quarterly Report on Form 10-Q as Jeuveau®. Our dermal filler products have

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different trade names outside of the United States, including Estyme® in Europe, but are referred to throughout this Quarterly Report on Form 10-Q as Evolysse™. This Quarterly Report on Form 10-Q also includes trademarks, trade names and service marks that are the property of other organizations, such as BOTOX® and BOTOX® Cosmetic, which we refer to throughout this Quarterly Report on Form 10-Q as BOTOX. organizations. Solely for convenience, trademarks and trade names referred to in this Quarterly Report on Form 10-Q may appear without the ® and ™ symbols, but those references are not intended to indicate that we will not assert, to the fullest extent under applicable law, our rights, or that the applicable owner will not assert its rights, to these trademarks and trade names. We do not intend our use or display

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of other companies' trade names or trademarks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

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PART I—FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

Evolus, Inc.

Condensed Consolidated Balance Sheets

(in thousands, except par value and share data)

		September	December
		30, 2023	31, 2022
		(Unaudited)	
March 31, 2024		March 31, 2024	
(Unaudited)		December 31, 2023	
ASSETS			
ASSETS			
ASSETS	ASSETS		
Current assets	Current assets		
Current assets			
Current assets			
Cash and cash equivalents			
Cash and cash equivalents			
Cash and cash equivalents	Cash and cash equivalents	\$ 38,685	\$ 53,922
Accounts receivable, net	Accounts receivable, net	30,464	22,448
Accounts receivable, net			
Accounts receivable, net			
Inventories	Inventories	17,626	18,852
Prepaid expenses	Prepaid expenses	3,655	3,902
Other current assets	Other current assets	1,569	1,678
Total current assets	Total current assets	91,999	100,802
Property and equipment, net	Property and equipment, net	2,130	2,616
Operating lease right-of-use assets	Operating lease right-of-use assets	5,907	1,947
Intangible assets, net	Intangible assets, net	46,505	48,597
Goodwill	Goodwill	21,208	21,208
Other assets	Other assets	222	2,813
Total assets	Total assets	\$ 167,971	\$ 177,983
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities	Current liabilities		
Current liabilities			
Current liabilities			
Accounts payable			
Accounts payable			
Accounts payable	Accounts payable	\$ 11,760	\$ 8,935
Accrued expenses	Accrued expenses	26,713	24,794

Accrued litigation settlement		—	5,000
Operating lease liabilities	Operating lease liabilities	1,363	1,320
Contingent royalty obligation payable to Evolus Founders	Contingent royalty obligation payable to Evolus Founders	8,704	6,460
Total current liabilities	Total current liabilities	48,540	46,509

Total current liabilities

Total current liabilities

Operating lease liabilities	Operating lease liabilities	4,983	1,224
Contingent royalty obligation payable to Evolus Founders	Contingent royalty obligation payable to Evolus Founders	38,700	39,850
Term loan, net of discount and issuance costs	Term loan, net of discount and issuance costs	95,094	71,879
Deferred tax liability	Deferred tax liability	22	22
Total liabilities	Total liabilities	<u>\$ 187,339</u>	<u>\$ 159,484</u>

Commitments and contingencies (Note 8)	Commitments and contingencies (Note 8)		
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Commitments and contingencies (Note 8)

Stockholders' equity (deficit)

Stockholders' equity (deficit)

Preferred stock, \$0.00001 par value; 10,000,000 shares authorized; no shares issued and outstanding at September 30, 2023 and December 31, 2022, respectively		—	—
Common stock, \$0.00001 par value; 100,000,000 shares authorized; 57,092,480 and 56,260,570 shares issued and outstanding at September 30, 2023 and December 31, 2022, respectively		1	1

Preferred stock, \$0.00001 par value; 10,000,000 shares authorized; no shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively			
Preferred stock, \$0.00001 par value; 10,000,000 shares authorized; no shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively			
Preferred stock, \$0.00001 par value; 10,000,000 shares authorized; no shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively			

Common stock, \$0.00001 par value; 100,000,000 shares authorized; 62,274,032 and 57,820,621 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively			
Additional paid-in capital	Additional paid-in capital	528,385	516,129
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(606)	(337)
Accumulated deficit	Accumulated deficit	(547,148)	(497,294)
Total stockholders' equity (deficit)	Total stockholders' equity (deficit)	(19,368)	18,499
Total liabilities and stockholders' equity (deficit)	Total liabilities and stockholders' equity (deficit)	\$ 167,971	\$ 177,983

See accompanying notes to consolidated financial statements.

Evolus, Inc.

Condensed Consolidated Statements of Operations and Comprehensive Loss

(in thousands, except share and per share data)

(Unaudited)

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
	2024			2024	2023
Revenue:	Revenue:				

Product revenue, net					
Product revenue, net					
Product revenue, net	Product revenue, net	\$ 49,323	\$ 33,215	\$ 139,050	\$ 103,604
Service revenue	Service revenue	696	684	2,036	1,366
Total net revenues	Total net revenues	50,019	33,899	141,086	104,970
Operating expenses:	Operating expenses:				
Operating expenses:					
Operating expenses:					
Product cost of sales (excludes amortization of intangible assets)	Product cost of sales (excludes amortization of intangible assets)	15,431	13,490	42,289	42,517
Product cost of sales (excludes amortization of intangible assets)					
Product cost of sales (excludes amortization of intangible assets)					
Selling, general and administrative	Selling, general and administrative	43,328	34,794	121,886	105,111
Research and development	Research and development	1,587	1,376	4,176	3,394
In-process research and development		—	—	4,441	2,000
Revaluation of contingent royalty obligation payable to Evolus Founders					
Revaluation of contingent royalty obligation payable to Evolus Founders					
Revaluation of contingent royalty obligation payable to Evolus Founders	Revaluation of contingent royalty obligation payable to Evolus Founders	1,802	1,216	5,132	3,946

Depreciation and amortization	Depreciation and amortization	1,311	920	3,760	2,695
Total operating expenses	Total operating expenses	63,459	51,796	181,684	159,663
Loss from operations	Loss from operations	(13,440)	(17,897)	(40,598)	(54,693)
Other income (expense):	Other income (expense):				
Interest income	Interest income	306	38	569	42
Interest income	Interest income				
Interest expense	Interest expense	(3,786)	(2,343)	(9,757)	(6,466)
Other income (expense), net	Other income (expense), net	21	(62)	2	(93)
Loss before income taxes:	Loss before income taxes:	(16,899)	(20,264)	(49,784)	(61,210)
Income tax expense	Income tax expense	24	12	70	38
Net loss	Net loss	\$ (16,923)	\$ (20,276)	\$ (49,854)	\$ (61,248)
Other comprehensive loss:	Other comprehensive loss:				
Unrealized loss, net of tax	Unrealized loss, net of tax	(138)	(203)	(269)	(368)
Unrealized loss, net of tax	Unrealized loss, net of tax				
Comprehensive loss	Comprehensive loss				
Comprehensive loss	Comprehensive loss				
Comprehensive loss	Comprehensive loss	\$ (17,061)	\$ (20,479)	\$ (50,123)	\$ (61,616)
Net loss per share, basic and diluted	Net loss per share, basic and diluted	\$ (0.30)	\$ (0.36)	\$ (0.88)	\$ (1.09)

Weighted- average shares outstanding used to compute basic and diluted net loss per share	Weighted- average shares outstanding used to compute basic and diluted net loss per share	57,023,151	56,176,949	56,808,333	55,997,545
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See accompanying notes to consolidated financial statements.

Evolus, Inc.
Condensed Consolidated Statements of Stockholders' Equity (Deficit)
(in thousands, except share data)
(Unaudited)

		Common Stock		Accumulated			
				Additional	Other	Accumulated	Total
				Paid In	Comprehensive		Stockholders'
		Shares	Amount	Capital	Loss	Deficit	Equity
Balance at December 31, 2021		55,576,988	\$ 1	\$ 504,757	\$ —	\$ (422,882)	\$ 81,876
Common Stock							
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Stock-based compensation	—	—	2,979	—	—	2,979
Net loss	—	—	—	—	(23,471)	(23,471)
Other comprehensive loss	—	—	—	(62)	—	(62)
Balance at June 30, 2022	56,063,413	\$ 1	\$ 510,879	\$ (165)	\$ (463,854)	\$ 46,861
Issuance of common stock in connection with the incentive equity plan	120,001	\$ —	\$ 355	\$ —	\$ —	\$ 355
Stock-based compensation	—	—	2,483	—	—	2,483
Net loss	—	—	—	—	(20,276)	(20,276)
Other comprehensive loss	—	—	—	(203)	—	(203)
Balance at September 30, 2022	56,183,414	\$ 1	\$ 513,717	\$ (368)	\$ (484,130)	\$ 29,220
Balance at March 31, 2023						

Evolus, Inc.

Condensed Consolidated Statements of Stockholders' Equity (Deficit)

(in thousands, except share data)

(Unaudited)

	Accumulated					Total
	Common Stock		Additional Paid In Capital	Other Comprehensive Loss	Accumulated Deficit	Stockholders' Equity (Deficit)
	Shares	Amount				
Balance at December 31, 2022	56,260,570	\$ 1	\$ 516,129	\$ (337)	\$ (497,294)	\$ 18,499
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Issuance of common stock in connection with the incentive equity plan	Issuance of common stock in connection with the incentive equity plan	622,701	—	26	—	—	26
Stock-based compensation	Stock-based compensation	—	—	3,294	—	—	3,294
Net loss	Net loss	—	—	—	—	(14,791)	(14,791)
Other comprehensive loss	Other comprehensive loss	—	—	—	(79)	—	(79)
Balance at March 31, 2023		56,883,271	\$ 1	\$ 519,449	\$ (416)	\$ (512,085)	\$ 6,949
Issuance of common stock in connection with the incentive equity plan		54,552	\$ —	\$ 109	\$ —	\$ —	\$ 109
Stock-based compensation		—	—	4,171	—	—	4,171
Net loss		—	—	—	—	(18,140)	(18,140)
Other comprehensive loss		—	—	—	(52)	—	(52)
Balance at June 30, 2023		56,937,823	\$ 1	\$ 523,729	\$ (468)	\$ (530,225)	\$ (6,963)
Issuance of common stock in connection with the incentive equity plan		154,657	\$ —	\$ 60	\$ —	\$ —	\$ 60
Stock-based compensation		—	—	4,596	—	—	4,596
Net loss		—	—	—	—	(16,923)	(16,923)
Other comprehensive loss		—	—	—	(138)	—	(138)
Balance at September 30, 2023		57,092,480	\$ 1	\$ 528,385	\$ (606)	\$ (547,148)	\$ (19,368)
Balance at March 31, 2024							

See accompanying notes to consolidated financial statements.

Evolus, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(Unaudited)

		Nine Months Ended September 30,	
		2023	2022
Three Months Ended March 31,		Three Months Ended March 31,	
2024	2024	2023	

Cash flows from operating activities	Cash flows from operating activities		
Net loss			
Net loss			
Net loss	Net loss	\$(49,854)	\$(61,248)
Adjustments to reconcile net loss to net cash used in operating activities:	Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	Depreciation and amortization	3,760	2,695
Depreciation and amortization			
Depreciation and amortization			
Stock-based compensation	Stock-based compensation	12,061	8,421
Provision for bad debts	Provision for bad debts	1,354	1,363
Amortization of operating lease right-of-use assets	Amortization of operating lease right-of-use assets	590	573
Amortization of debt discount and issuance costs	Amortization of debt discount and issuance costs	843	805
Deferred income taxes	Deferred income taxes	—	(15)
Revaluation of contingent royalty obligation payable to Evolus Founders	Revaluation of contingent royalty obligation payable to Evolus Founders	5,132	3,946
Changes in assets and liabilities:	Changes in assets and liabilities:		
Accounts receivable	Accounts receivable	(9,370)	(7,626)
Accounts receivable			
Accounts receivable			

Inventories	Inventories	(654)	(15,283)
Prepaid expenses	Prepaid expenses	247	1,426
Other assets	Other assets	110	2,300
Accounts payable	Accounts payable	4,789	2,338
Accrued expenses	Accrued expenses	1,919	(110)
Accrued litigation settlement	Accrued litigation settlement	(5,000)	(15,000)
Operating lease liabilities	Operating lease liabilities	(748)	(723)
Net cash used in operating activities	Net cash used in operating activities	(34,821)	(76,138)
Cash flows from investing activities	Cash flows from investing activities		
Purchases of property and equipment	Purchases of property and equipment	(264)	(752)
Purchases of property and equipment			
Purchases of property and equipment			
Additions to capitalized software	Additions to capitalized software	(1,002)	(796)
Net cash used in investing activities	Net cash used in investing activities	(1,266)	(1,548)
Cash flows from financing activities	Cash flows from financing activities		
Payment of contingent royalty obligation to Evolus Founders	Payment of contingent royalty obligation to Evolus Founders	(4,038)	(3,169)
Proceeds from issuance of long-term debt, net of discounts		25,000	—

Payments for debt issuance costs		(38)	—
Payment of contingent royalty obligation to Evolus Founders			
Payment of contingent royalty obligation to Evolus Founders			
Proceeds from follow-on offering, net of underwriters fees			
Proceeds from follow-on offering, net of underwriters fees			
Proceeds from follow-on offering, net of underwriters fees			
Issuance of common stock in connection with incentive equity plan	Issuance of common stock in connection with incentive equity plan	195	539
Issuance of common stock in connection with incentive equity plan			
Issuance of common stock in connection with incentive equity plan			
Net cash provided by (used in) financing activities			
Net cash provided by (used in) financing activities			
Net cash provided by (used in) financing activities	Net cash provided by (used in) financing activities	21,119	(2,630)
Effect of exchange rates on cash	Effect of exchange rates on cash	(269)	(368)
Change in cash and cash equivalents	Change in cash and cash equivalents	(15,237)	(80,684)
Cash and cash equivalents, beginning of period	Cash and cash equivalents, beginning of period	53,922	146,256
Cash and cash equivalents, end of period	Cash and cash equivalents, end of period	<u>\$ 38,685</u>	<u>\$ 65,572</u>

See accompanying notes to consolidated financial statements.

Evolus, Inc.
Condensed Consolidated Statements of Cash Flows (Continued)
(in thousands)
(Unaudited)

		Nine Months Ended September 30, 2023 2022	
		Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Supplemental disclosure of cash flow information	Supplemental disclosure of cash flow information		
Cash paid for interest	Cash paid for interest	\$ 8,908	\$ 5,651
Cash paid for interest			
Cash paid for interest	Cash paid for interest		
Cash paid for income taxes	Cash paid for income taxes	95	70
Non-cash information			
Operating lease right-of-use assets obtained in exchange for operating lease liabilities		\$ 4,550	\$ —
Non-cash investing and financing information			
Accrued offering costs, unpaid			
Accrued offering costs, unpaid			
Accrued offering costs, unpaid			

See accompanying notes to consolidated financial statements.

Evolus, Inc.
Notes to Condensed Consolidated Financial Statements

(in thousands, except share and per share data)
(Unaudited)

Note 1. Description of Business

Description of Business

Evolus, Inc., ("Evolus" or the "Company") is a global performance beauty company focused on delivering products in the self-pay cash-pay aesthetic market. The Company received the approval of its first product Jeuveau® (prabotulinumtoxinA-xvfs) from the U.S. Food and Drug Administration (the "FDA") in February 2019. The product was also approved by Health Canada in August 2018, the European Commission ("EC") in September 2019, and the Australian Therapeutics Good Administration ("TGA") in January 2023, and Swissmedic in November 2023. Jeuveau® is a proprietary 900 kDa purified botulinum toxin type A formulation indicated for the temporary improvement in the appearance of moderate to severe glabellar lines, also known as "frown lines," in adults. The Company commercially launched Jeuveau® in the United States in May 2019, in Canada through a distribution partner in October 2019, and began its launch in Europe in September 2022. In 2023, the Company entered into an agreement to be the exclusive distributor of Evolysse™, a line of dermal fillers currently in late-stage development in the United States and Europe. Regulatory approval has been received for the Evolysse™ nasolabial fold product in Europe. The Company currently generates all of its net revenues from Jeuveau®. The Company is headquartered in Newport Beach, California.

Liquidity and Financial Condition

The accompanying unaudited condensed consolidated financial statements have been prepared on a basis that assumes that the Company will continue as a going concern. This basis of accounting contemplates the recovery of the Company's assets and the satisfaction of the Company's liabilities and commitments in the normal course of business and does not include any adjustments to reflect the possible future effects of the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Since inception, the Company has incurred recurring net operating losses and negative cash flows from operating activities and management expects operating losses and negative cash flows to continue for at least the next twelve months. The Company recorded net loss from operations of \$13,440 \$8,922 and a total net loss of \$16,923 \$13,109 for the three months ended September 30, 2023 March 31, 2024. The Company used cash of \$34,821 \$10,615 from operations during the nine three months ended September 30, 2023, which included the final lump sum settlement payment of \$5,000 to Medytox and Allergan, Inc. and Allergan Limited (together, "Allergan") and an upfront payment of \$4,441 to Symatex S.A.S ("Symatex") March 31, 2024. As of September 30, 2023 March 31, 2024, the Company had \$38,685 \$96,958 in cash and cash equivalents as well as \$25,000 to be advanced on December 15, 2023 under its term loan agreement with Pharmakon (described below) and an accumulated deficit of \$547,148 \$572,088.

In December 2021, March 2024, the Company entered into completed a \$125,000 Term Loan agreement with BPCR Limited Partnership, BioPharma Credit Investments V (Master) LP, follow-on offering and Biopharma Credit PLC (collectively, "Pharmakon"). The first tranche issued 3,554,000 shares of \$75,000 was funded on December 29, 2021. its common stock, at a price to the public of \$14.07 per share. The Company received net proceeds of \$68,695 \$46,794 from Pharmakon, the offering, after issuance costs deducting underwriting discounts and debt discounts in December 2021. On December 5, 2022, commissions and other offering expenses. In addition, the Company entered into a Second Amendment granted the underwriters an option, exercisable for 30 days, to purchase up to 533,100 additional shares of common stock (the "option shares") at the loan agreement to extend its purchase price.

Subsequently in April 2024, the underwriters exercised their option to draw down purchase 318,100 of the second tranche of \$50,000 until December 31, 2023. In exchange for the extension, the Company paid an amendment fee of \$500 to Pharmakon. On May 9, 2023, the Company entered into a third amendment (the "Third Amendment") to the Pharmakon loan agreement. Under the Third Amendment, Pharmakon agreed to advance the second tranche of \$50,000 allotted option shares. The net proceeds to the Company in two installments: (i) \$25,000 advanced on May 31, 2023 and (ii) \$25,000 to be advanced on December 15, 2023. The Pharmakon Term Loans will mature on from the six-year anniversary sale of the closing date of option shares, after deducting the first tranche. See Note 6. Term Loans for additional information. underwriters' discounts and commissions, was \$4,207.

On March 8, 2023, the Company entered into an "at-the-market" sales agreement (the "ATM Sales Agreement") and filed a shelf registration statement on Form S-3 and corresponding prospectus with the SEC to permit sales under the ATM Sales Agreement, which registration

statement became effective on June 8, 2023. The Company has not sold any shares under the ATM Sales Agreement. See *Note 9. Stockholders' Equity* for additional information.

The Company believes that its current capital resources, which consist of cash and cash equivalents, and the final tranche of \$25,000 under the Pharmakon Term Loans, will be sufficient to fund its operations through at least the next twelve months from the date the accompanying condensed consolidated financial statements are issued based on its expected cash needs. The Company may need to raise additional capital to fund future operations or execute corporate development activities through entering into licensing or collaboration agreements with partners, grants or other sources of financing. Sufficient funds may not be available to the Company at all or on attractive terms when needed from equity or debt financings. If the Company is unable to obtain additional funding from these or other sources when needed, or to the extent needed, it may be necessary to reduce its scope of operations to reduce the current rate

Evolus, Inc.
Notes to Condensed Consolidated Financial Statements
(in thousands, except share and per share data)
(Unaudited)

necessary to reduce its scope of operations to reduce the current rate of spending through actions such as reductions in staff and delaying, scaling back, or suspending certain research and development, sales and marketing programs and other operational goals.

Note 2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared on a consistent basis with the annual financial statements and in accordance with accounting principles generally accepted in the United States of America ("GAAP") and the requirements of the Securities and Exchange Commission ("SEC") for interim reporting. Pursuant to these SEC rules and regulations, the Company has condensed or omitted certain financial information and disclosures normally included in annual financial statements prepared in accordance with GAAP. In the opinion of management, the interim consolidated financial statements reflect all adjustments, which include only normal recurring adjustments, considered necessary for a fair statement of the interim periods. The interim results presented herein are not necessarily indicative of the results of operations to be expected for the full year ending December 31, 2023 December 31, 2024 or for any other interim period.

The accompanying unaudited condensed consolidated financial statements and related disclosures should be read in conjunction with the financial statements and notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023, as filed with the SEC on March 8, 2023 March 7, 2024.

Principles of Consolidation

The Company's unaudited condensed consolidated financial statements include the Company's accounts and those of the Company's wholly-owned subsidiaries, Evolus Pharma Limited, Evolus International Ltd. and Evolus Pharma BV, and have been prepared in conformity with GAAP. All intercompany transactions have been eliminated.

Use of Estimates

Management is required to make certain estimates and assumptions in order to prepare consolidated financial statements in conformity with GAAP. Such estimates and assumptions affect the reported consolidated financial statements. These estimates include, but are not limited to net revenues, allowance for doubtful accounts, fair value measurements, inventory valuations and stock-based compensation, among others. Management bases estimates on historical experience and on assumptions that management believes are reasonable. The Company's actual results could differ materially from those estimates.

Risks and Uncertainties

The Company is party to an agreement (the (as amended, the "Daewoong Agreement") with Daewoong Pharmaceutical Co. Ltd. ("Daewoong"), pursuant to which the Company received an exclusive distribution license to Jeuveau® from Daewoong for aesthetic indications in the United

States, European Union, United Kingdom, members of the European Economic Area, Switzerland, Canada, Australia, certain members of the Commonwealth of Independent States, New Zealand, and South Africa, as well as co-exclusive distribution rights with Daewoong in Japan. Jeuveau® is manufactured by Daewoong in a facility in South Korea. The Company also has the option to negotiate first with Daewoong to secure a distribution license for any product that Daewoong directly or indirectly develops or commercializes that is classified as an injectable botulinum toxin (other than Jeuveau®) in a territory covered by the Daewoong Agreement. The Company relies on Daewoong, its exclusive and sole supplier, to manufacture Jeuveau®. Any termination or loss of significant rights, including exclusivity, under the Daewoong Agreement would materially and adversely affect the Company's commercialization of Jeuveau®. See *Note 8. Commitments and Contingencies* and *Note 10. Medytox/Allergan Settlement Agreements and Daewoong Arrangement* for additional information.

The Company commercially launched Jeuveau® in the United States in May 2019 and in Canada through its distribution partner in October 2019. The Company also began commercially launching Jeuveau® in Europe in September 2022 and, as such, has a limited history of sales in those markets. If any previously granted approval to market and sell Jeuveau® is

Evolus, Inc.

Notes to Condensed Consolidated Financial Statements

(in thousands, except share and per share data)

(Unaudited)

retracted or the Company is denied approval or approval is delayed by regulators in any other jurisdictions, it may have a material adverse impact on the Company's business and its consolidated financial statements.

Evolus, Inc.

Notes to Condensed Consolidated Financial Statements

(in thousands, except share and per share data)

(Unaudited)

The Company is also subject to risks common to companies in the pharmaceutical industry including, but not limited to, dependency on the commercial success of Jeuveau®, the Company's sole commercial product, significant competition within the medical aesthetics industry, its ability to maintain regulatory approval of Jeuveau®, its ability to obtain regulatory approval for Evolysse™, third party litigation and challenges to its intellectual property, uncertainty of broad adoption of its product by physicians aesthetic practitioners and patients, its ability to in-license, acquire or develop additional product candidates and to obtain the necessary approvals for those product candidates, and the need to scale manufacturing capabilities over time.

Any disruption and volatility in the global capital markets, including caused by other events, such as public health crises, increased inflation and rising interest rates, and geopolitical conflicts, including the military conflict between Russia and Ukraine and the ongoing conflict in the Middle East, may increase the Company's cost of capital and adversely affect its ability to access financing when and on terms that the Company desires. Any of these events could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Segment Reporting

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision-maker. The Company has determined that it operates in a single operating and reportable segment. The Company's chief operating decision maker is its Chief Executive Officer who manages operations and reviews the financial information as a single operating segment for the purposes of allocating resources and evaluating its financial performance.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash and cash equivalents and accounts receivable. Substantially all of the Company's cash is held by financial institutions that management believes are of high credit quality. Such deposits may, at times, exceed federally insured limits. To date, the Company has not experienced any losses associated with this credit risk and continues to believe that this exposure is not significant. The Company invests, or plans to soon invest, its excess cash, in line with its investment policy, primarily in money market funds and debt instruments of U.S. government agencies.

The Company's accounts receivable is derived from customers located principally in the United States. Concentrations of credit risk with respect to trade receivables are limited due to the Company's credit evaluation process. The Company does not typically require collateral from its customers. Credit losses historically have not been material. The Company continuously monitors customer payments and maintains an allowance for credit losses based on its assessment of various factors including historical experience, age of the receivable balances, and other current economic conditions or other factors that may affect customers' ability to pay.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investments with remaining maturities at purchase of three months or less that can be liquidated without prior notice or penalty. Cash and cash equivalents may include deposits, money market funds and debt securities. Amounts receivable from credit card issuers are typically converted to cash within two to four days of the original sales transaction and are considered to be cash equivalents.

Inventories

Inventories consist of finished goods held for sale and distribution. Cost is determined based on the estimated amount payable to the Company's supplier, after accounting for any reimbursement receivable pursuant to the Daewoong Settlement Agreement (as such term is defined, and such agreement is discussed, in Note 10. Medytox/Allergan Settlement Agreements and Daewoong Arrangement), using the first-in, first-out method with prioritization of the items with the earliest expiration dates. Inventory valuation reserves are established based on a number of factors including, but not limited to, finished goods not meeting product specifications, product excess and obsolescence, or application of the lower of cost or net realizable value concepts. The determination of events requiring the establishment of inventory valuation reserves, together with the

Evolus, Inc.

Notes to Condensed Consolidated Financial Statements

(in thousands, except share and per share data)

(Unaudited)

calculation of the amount of such reserves may require judgment. No material inventory valuation reserves have been recorded for the periods presented. Adverse changes in assumptions utilized in the Company's inventory reserve calculations could result in an increase to its inventory valuation reserves.

Evolus, Inc.

Notes to Condensed Consolidated Financial Statements

(in thousands, except share and per share data)

(Unaudited)

Product cost of sales, excluding amortization of intangible assets, consisted of the inventory cost and certain royalties on the sale of Jeuveau® payable to Medytox and Allergan pursuant to the Medytox/Allergan Settlement Agreements (as such term is defined in Note 10.

Medytox/Allergan Settlement Agreements and Daewoong Arrangement) Arrangement, as partially offset by reimbursement receivable from Daewoong pursuant to the Daewoong Settlement Agreement with respect to such royalties.).

Fair Value of Financial Instruments

Fair value is defined as the exchange price that would be received for an asset or an exit price paid to transfer a liability in an orderly transaction between market participants in a principal market on the measurement date.

The fair value hierarchy defines a three-tiered valuation hierarchy for disclosure of fair value measurement is classified and disclosed by the Company in one of the three categories as follows:

- Level 1—Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2—Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets; quoted prices in markets that are not active; or other inputs that are observable, either directly or indirectly, or can be corroborated by observable market data for substantially the full term of the asset or liability; and
- Level 3—Prices or valuation techniques that require inputs that are unobservable that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The categorization of a financial instrument within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of approximately three to five years. Leasehold improvements are amortized over the shorter of the estimated useful lives of the improvements or the term of the related lease.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired in a business combination. The Company assesses goodwill for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of goodwill may not be recoverable. The Company performs an annual qualitative assessment of its goodwill in the fourth quarter of each calendar year to determine if any events or circumstances exist, such as an adverse change in business climate or a decline in the overall industry demand, that would indicate that it would more likely than not reduce the fair value of a reporting unit below its carrying amount, including goodwill. If events or circumstances do not indicate that the fair value of a reporting unit is below its carrying amount, then goodwill is not considered to be impaired and no further testing is required. For the purpose of impairment testing, the Company has determined that it has one reporting unit. There was no impairment of goodwill for any of the periods presented.

Intangible Assets

The distribution right intangible asset related to Jeuveau® is amortized over the period the asset is expected to contribute to the future cash flows of the Company. The Company determined the pattern of this intangible asset's future cash flows could not be readily determined with a high level of precision. As a result, the distribution right intangible asset is being amortized on a straight-line basis over the estimated useful life of 20 years.

On December 20, 2023, the Company entered into a License, Supply and Distribution Agreement (the "Symatase Europe Agreement"), pursuant to which Symatase granted to the Company an exclusive right to commercialize and distribute four dermal filler product candidates, which are referred to as: (i) Lift; (ii) Smooth; (iii) Sculpt and (iv) Lips in 50 countries in Europe for use in the aesthetics and dermatological fields. A portion of the Symatase Europe Agreement represents the license and distribution right to Evolysse™ in Europe. The definite-lived distribution right intangible asset related to the

Evolus, Inc.

Notes to Condensed Consolidated Financial Statements
(in thousands, except share and per share data)
(Unaudited)

Evolysse™ nasolabial fold product approved in Europe is amortized on a straight-line basis over the estimated useful life of 15 years.

The Company capitalizes certain internal-use software costs associated with the development of its mobile and web-based customer platforms. These costs include personnel expenses and external costs that are directly associated with the software projects. These costs are included as intangible assets in the accompanying condensed consolidated balance sheets. The capitalized internal-use software costs are amortized on a straight-line basis over the estimated useful life of two years upon being placed in service.

The Company reviews long-term and identifiable definite-lived intangible assets or asset groups for impairment when events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the carrying amount of the asset or an asset group, further impairment analysis is performed. An impairment loss is measured as the amount by which the carrying amount of the asset or asset groups exceeds the fair value for assets to be held and used or fair value less cost to sell for assets to be disposed of. The Company also reviews the useful lives of its assets periodically to determine whether events and circumstances warrant a revision to the remaining useful life. Changes in the useful life are adjusted prospectively by revising the remaining period over which the asset is amortized. There was no material impairment of long-lived assets for any periods presented.

Leases

At the inception of a contractual arrangement, the Company determines whether the contract contains a lease by assessing whether there is an identified asset and whether the contract conveys the right to control the use of the identified asset in exchange for consideration over a period of time. If both criteria are met, upon lease commencement, the Company records a lease liability which represents the Company's obligation to make lease payments arising from the lease, and a corresponding right-of-use ("ROU") asset which represents the Company's right to use an underlying asset during the lease term. Operating lease assets and liabilities are included in ROU assets, current portion of operating lease liabilities and noncurrent operating lease liabilities in the accompanying condensed consolidated balance sheets.

Operating lease ROU assets and lease liabilities are initially recognized based on the present value of the future minimum lease payments over the lease term at commencement date calculated using the Company's incremental borrowing rate applicable to the underlying asset unless the implicit rate is readily determinable. The incremental borrowing rate, the ROU asset and the lease liability are reevaluated upon a lease modification. Operating lease ROU assets also include any lease payments made at or before lease commencement and exclude any lease incentives received, if any. The Company determines the lease term as the noncancelable period of the lease and may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise such options. The Company's leases do not contain any residual value guarantees. Leases with a term of 12 months or less are not recognized on the condensed consolidated balance sheets. For operating leases, the Company recognized rent expense on a straight-line basis over the lease term. There were no significant finance leases as of September 30, 2023 March 31, 2024.

Contingent Royalty Obligation Payable to Evolus Founders

The Company was acquired by Strathspey Crown Holdings Group, LLC ("SCH") in 2013 and subsequently by its subsidiary, Alphaeon Corporation ("Alphaeon"), by means of a stock purchase agreement ("Stock Purchase Agreement") pursuant to which Alphaeon assumed certain payment obligations related to the acquisition. On December 14, 2017, the Stock Purchase Agreement was amended ("Amended Stock Purchase Agreement"), and, as a result, effective upon the closing of the Company's initial public offering in February 2018, the Company assumed all of Alphaeon's payment obligations under the Amended Stock Purchase Agreement.

Payment obligations to the Evolus Founders consist of quarterly royalty payments of a low single digit percentage of net sales of Jeuveau®. The obligations terminate in the second quarter following of 2029, which is the 10-year anniversary of the first commercial sale of Jeuveau® in the United States. Under the Amended Stock Purchase Agreement, the Company recorded the fair value of all revised payment obligations owed to the Evolus Founders.

The Company determines the fair value of the contingent royalty obligation payable at each reporting period end based on Level 3 inputs using a discounted cash flows method. Changes in the fair value of the contingent royalty obligation payable

Evolus, Inc.

Notes to Condensed Consolidated Financial Statements

(in thousands, except share and per share data)

(Unaudited)

are determined at each reporting period end and recorded in operating expenses in the accompanying condensed consolidated statements of operations and comprehensive loss and as a liability in the condensed consolidated balance sheets.

Long-Term Debt

Evolus, Inc.

Notes to Condensed Consolidated Financial Statements

(in thousands, except share and per share data)

(Unaudited)

Long-term debt represents the debt balance with Pharmakon (see *Note 6. Term Loans*), net of discount and issuance costs. Debt issuance costs represent legal, lender and consulting costs or fees associated with debt financing. Debt discounts and issuance costs are amortized into interest expense over the term of the debt.

Foreign Currency Translation

The financial statements of foreign subsidiaries are measured using the local currency as the functional currency. Assets and liabilities are translated into U.S. dollars at current exchange rates as of balance sheet date, and income and expense items are translated into U.S. dollars using the average rates of exchange prevailing during the period. Gains and losses arising from translation are recorded in other comprehensive loss as a separate component of stockholders' equity. Foreign currency gains or losses on transactions denominated in a currency other than the Company's functional currency are recorded in other expenses, net in the accompanying condensed consolidated statements of operations and comprehensive loss.

Revenue Recognition

The Company recognizes revenue when control of the promised goods or services is transferred to its customers, in an amount that reflects the consideration to which the Company expects to be entitled in exchange for the goods or services. In order to achieve that core principle, a five-step approach is applied: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue allocated to each performance obligation when the Company satisfies the performance obligation. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account for revenue recognition.

General

The Company generates product revenue from the sale of Jeuveau® in the United States and Europe, and service revenue from the sale of Jeuveau® through a distribution partner in Canada.

For product revenue, the Company recognizes revenue when control of the promised goods under a contract is transferred to a customer, in an amount that reflects the consideration the Company expects to receive in exchange for those goods as specified in the customer contract. The transfer of control occurs upon receipt of the goods by the customer since that is when the customer has obtained control of the goods' economic benefits. The Company does not provide any service-type warranties and does not accept product returns except under limited circumstances such as damages in transit or ineffective product. The Company also excludes any amounts related to taxes assessed by governmental authorities from revenue measurement. Shipping and handling costs associated with outbound product freight are accounted for as fulfillment costs and are included in selling, general and administrative expenses in the accompanying condensed consolidated statements of operations and comprehensive loss.

For service revenue, the Company evaluated the arrangement with the distribution partner in Canada and determined that it acts as an agent in the distribution of Jeuveau® in Canada as it does not control the product before control is transferred to a customer. The indicators of which party exercises control include primary responsibility over performance obligations, inventory risk before the good or service is transferred and discretion in establishing the price. Accordingly, the Company records the sale as service revenue on a net basis. Revenue from services is recognized in the period the service is performed for the amount of consideration expected to be received. **The Company recognized \$696 and**

\$2,036 of service revenues for the three and nine months ended September 30, 2023, respectively. For the three and nine months ended September 30, 2022, service revenues were \$684 and \$1,366, respectively.

Disaggregation of Revenue

The Company's disaggregation of revenue is consistent with its operating segment as disclosed above.

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Gross-to-Net Revenue Adjustments

The Company provides customers with discounts, such as trade and volume discounts and prompt pay discounts, that are directly reflected in the invoice price. Revenues are recorded net of sales-related adjustments, wherever applicable, primarily for the volume-based rebates, consumer loyalty programs and co-branded marketing programs.

- *Volume-Based Rebates* — Volume-based rebates are contractually offered to certain customers. The rebates payable to each customer are determined based on the contract and quarterly purchase volumes.
- *Consumer Loyalty Program* — The Company's consumer loyalty program allows participating customers to earn rewards for qualifying treatments to their patients (i.e. consumers) using Jeuveau® and redeem the rewards for Jeuveau® in the future at no additional cost. The loyalty program represents a customer option that provides a material right and, accordingly, is a performance obligation. At the time Jeuveau® product is sold to customers, the invoice price is allocated between the product sold and the estimated material right reward ("Reward") that the customer might redeem in the future. The standalone selling price of the Reward is measured based on estimated average selling price of Jeuveau® at the time of redemption and the expected redemption rate by customers based on historical sales data. The portion of invoice price allocated to the Reward is initially recorded as deferred revenue. Subsequently, when customers redeem the Reward and the related product is delivered, the deferred revenue is recognized in net revenues at that time.
- *Co-Branded Marketing Programs* — The Company offers eligible customers with a certain level of Jeuveau® purchases to receive advertising co-branded with the Company. The co-branded advertising represents a performance obligation. At the time Jeuveau® product is sold to customers, the invoice price is allocated between the product sold and the advertisement. The standalone selling price of the advertisement is measured based on the estimated market value of similar advertisement adjusted for the customer's portion of the advertisement. The portion of invoice price allocated to the advertisement is initially recorded as deferred revenue. Subsequently, when the advertisement airs, the deferred revenue is recognized in net revenues at that time.

Contract Balances

A contract with a customer states the terms of the sale, including the description, quantity and price of each product purchased. Amounts are recorded as accounts receivable when the Company's right to consideration becomes unconditional. The Company does not have any significant financing components in customer contracts given the expected time between transfer of the promised products and the payment of the associated consideration is less than one year. As of September 30, 2023, March 31, 2024 and December 31, 2022, December 31, 2023, all amounts included in accounts receivable, net on the accompanying condensed consolidated balance sheets are related to contracts with customers.

The Company did not have any contract assets nor unbilled receivables as of September 30, 2023, March 31, 2024 or December 31, 2022, December 31, 2023. Sales commissions are included in selling, general and administrative expenses when incurred.

Contract liabilities reflect estimated amounts that the Company is obligated to pay to customers or patients primarily under the rebate and deferred revenue associated with Rewards under the consumer loyalty program and co-branded marketing programs. The Company's contract liabilities are included in accounts payable and accrued expenses in the accompanying condensed consolidated balance sheets.

As of September 30, 2023, March 31, 2024 and December 31, 2022, December 31, 2023, the accrued revenue contract liabilities, primarily related to volume-based rebates, consumer loyalty program and co-branded marketing programs, were \$8,780, \$8,708 and \$9,011, \$11,033, respectively, which were recorded in accrued expenses in the accompanying condensed consolidated balance sheets. For the nine three months ended September 30, 2023, March 31, 2024 and 2022, 2023, provisions for rebate, consumer loyalty programs and co-branded marketing programs were \$22,264, \$8,628 and \$17,341, \$7,226, respectively, which were offset by related payments, redemptions and adjustments of \$22,495, \$10,953 and \$15,087, \$9,252, respectively, which were recorded as adjustments to gross revenues in the accompanying condensed consolidated statement of operations.

During the nine three months ended September 30, 2023, March 31, 2024 and 2022, 2023, the Company recognized \$7,751, \$9,203 and \$7,566, \$7,614, respectively, of revenue related to amounts included in contract liabilities at the beginning of the period and did not recognize any revenue related to changes in transaction prices regarding its contracts with customers from previous periods.

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Collectability

Accounts receivable are recorded at the invoiced amount and do not bear interest. At the time of contract inception or new customer account set-up, the Company performs a collectability assessment of the customer's creditworthiness. The Company assesses the probability that the Company will collect the entitled consideration in exchange for the goods sold, by considering the customer's ability and intention to pay when consideration is due. The Company's expected loss allowance methodology for accounts receivable is developed using historical collection experience, current and future economic and market conditions and periodic evaluation of customers' receivables balances using relevant available information, from internal and external sources, relating to past events, current conditions and forecasts. Historical credit loss experience provides the basis for estimation of expected credit losses and are adjusted as necessary using the relevant information available. The Company writes off accounts receivable balances when it is determined that there is no possibility of collection. As of September 30, 2023, March 31, 2024 and December 31, 2022, December 31, 2023, allowance for credit losses was \$2,450, \$1,779 and \$2,050, \$1,490, respectively. For the three and nine months ended September 30, 2023, the provision for bad debts was \$1,012 and \$1,354, respectively, and the write-off amount net of recoveries was \$1,057 and \$955, respectively. For the three and nine months ended September 30, 2022, March 31, 2024, the provision for bad debts was \$623, \$188 and \$1,363, respectively, the net recoveries from write-offs was \$101. For the three months ended March 31, 2023, the provision for bad debts was \$273 and the write-off amount was \$392 and \$477, respectively. \$1.

Practical Expedients

The Company expenses sales commissions when incurred as the amortization period is one year or less. These costs are recorded within selling, general and administrative expenses in the accompanying condensed consolidated statements of operations and comprehensive loss. The Company does not adjust the amount of promised consideration for the effects of the time value of money for contracts in which the anticipated period between when the Company transfers the goods or services to the customer and when the customer pays within one year.

Research and Development Expenses

Research and development costs are expensed as incurred. Research and development expenses include personnel-related costs, costs associated with pre-clinical and clinical development activities, costs associated with and costs for prototype products that are manufactured prior to market approval for that prototype product, internal and external costs associated with the Company's regulatory compliance and quality assurance functions, including the costs of outside consultants and contractors that assist in the process of submitting and maintaining regulatory filings, and overhead costs, including allocated facility related expenses.

In-process Research and Development

Intangible assets acquired that are used for research and development, do not yet have regulatory approval for commercialization, and have no future alternative use are expensed as in-process research and development.

Collaboration Symatase U.S. Agreement

In June 2022, the Company entered into a License and Research Collaboration Agreement (the “Collaboration Agreement”) with a 3D printing company with biomaterial capabilities (the “Licensor”). Under the terms of the Collaboration Agreement, the Company was granted a license to the Licensor’s technology to develop and commercialize any aesthetic product or non-therapeutic product that is created through the use or practice of the Licensor’s patents. The Company paid \$2,000 upon the signing of the Collaboration Agreement and has research funding, ongoing milestone and royalty payment obligations depending on the development plans, the success of such development and approval and commercialization of products. The upfront payment of \$2,000 was recorded as in-process research and development expense in the nine months ended September 30, 2022.

Symatese Agreement

On May 9, 2023, the Company and Symatese entered into a License, Supply and Distribution Agreement (the “Symatese U.S. Agreement”), pursuant to which Symatese granted to the Company an exclusive right to commercialize and distribute its five dermal filler product candidates, including the products referred to as: (i) Lift; (ii) Smooth; (iii) Sculpt; (iv) Lips; and (v) Eye (collectively, the “Products”) in the United States for use in the aesthetics and dermatological field of use. The Company also

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has the right of first negotiation to obtain a license from Symatese to commercialize and distribute any new products developed using the same technology as the Evolysse™ line of dermal fillers.

As consideration for the rights granted under the Symatese U.S. Agreement, the Company is required to make up to €16,200 in milestone payments to Symatese, including an initial payment of €4,100 within 30 days of execution of the Symatese U.S. Agreement, and additional annual payments of €1,600 in June 2025, €4,100 in June 2026, €3,200 in June 2027, and €3,200 in June 2028, in each case subject to three of the Products gaining approval prior to that date. In June 2023, the Company paid \$4,441 as an upfront payment upon the signing of the Symatese U.S. Agreement and has developmental costs, ongoing milestone and royalty payment obligations. The Symatese U.S. Agreement is also subject to minimum purchase requirements and failure to meet such requirements may result in a reduction or termination of the Company’s exclusive rights, subject to certain exceptions. Additionally, the Company agreed to a specified cost-sharing agreement with Symatese related to the registration of the Lips and Eye Products with the FDA.

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The initial term of the Symatese U.S. Agreement is fifteen (15) years from the first FDA approval of a Product, with automatic renewals for successive five (5)-year terms subject to the terms of the Symatese U.S. Agreement. The upfront payment of \$4,441 was recorded as in-process research and development expense expense.

Symatese Europe Agreement

On December 20, 2023, the Company entered into the Symatese Europe Agreement, pursuant to which Symatese granted to us an exclusive right to commercialize and distribute four dermal filler product candidates, which are referred to as: (i) Lift; (ii) Smooth; (iii) Sculpt and (iv) Lips in 50 countries in Europe for use in the nine months ended September 30, 2023, aesthetics and dermatological fields.

In exchange for the rights granted under the Symatese Europe Agreement, the Company issued 610,000 shares of common stock and is required to pay two milestone payments: (i) €1,200 on the second anniversary of certain regulatory approvals, and (ii) €1,900 on the earlier of

the third anniversary of certain regulatory approvals or following a year in which the Company achieves €25,000 in revenue in Europe. The Symatase Europe Agreement is also subject to minimum purchase requirements and failure to meet such requirements may result in a reduction or termination of the Company's exclusive rights, subject to certain exceptions.

The initial agreement is for a term of fifteen (15) years, with automatic year renewal provisions. Upon the receiving of regulatory approval for the Evolysse™ nasolabial fold product in Europe, the Company recorded \$4,429 in in-process research and development expense and \$1,476 in intangible assets in December 2023 for the stock issuance of 610,000 shares. The intangible assets of \$1,476 represents the value of the approved nasolabial fold product in Europe and is amortized over its estimated useful life.

Litigation Settlement

In February 2021, upon entering into certain agreements to settle intellectual property disputes relating to Jeuveau®, the Company agreed to pay to Allergan and Medytox \$35,000 in multiple payments over two years, of which \$15,000 was paid in the third quarter of 2021, \$15,000 was paid in the first quarter of 2022, and \$5,000 was paid in the first quarter of 2023, and issued 6,762,652 shares of its common stock to Medytox. In addition, for the period from December 16, 2020 through September 16, 2022 (the "Restricted Period"), the Company agreed to pay to Allergan and Medytox a royalty on the sale of Jeuveau®, based on a certain dollar amount per vial sold in the United States and a low-double digit royalty on net sales of Jeuveau® sold in other Evolus territories. Royalties for sales during the Restricted Period ended in the third quarter of 2022. For the period from December 16, 2020 to September 16, 2022, Daewoong agreed to reimburse the Company certain amounts with respect to the royalties payable to Medytox and Allergan. This reimbursement was received quarterly and recorded as an offset to the related royalties to Medytox and Allergan in the product cost of sales on the accompanying condensed consolidated statements of operations and comprehensive loss. For the period from September 17, 2022 to September 16, 2032, the Company agreed to pay Medytox a mid-single digit royalty percentage on all net sales of Jeuveau®. The royalty payments are made quarterly and recorded as product cost of sales on the accompanying condensed consolidated statements of operations and comprehensive loss in the periods the royalties are incurred.

As of September 30, 2023, there were no liabilities recorded in the accompanying condensed consolidated balance sheets related to the litigation settlement with Allergan and Medytox. As of December 31, 2022, a current liability of \$5,000 was recorded in the accompanying condensed consolidated balance sheets related to the litigation settlement with Allergan and Medytox.

See Note 10. Medytox/Allergan Settlement Agreements and Daewoong Arrangement for the details of all litigation settlement agreements.

Stock-Based Compensation

The Company recognizes stock-based compensation expense for employees, consultants and members of the Board of Directors based on the fair value at the date of grant.

The Company uses the Black-Scholes option pricing model to value stock option grants. The Black-Scholes option pricing model requires the input of subjective assumptions, including the expected volatility of the Company's common stock, expected risk-free interest rate, and the option's expected life. The fair value of the Company's restricted stock units ("RSUs") is based on the fair value on the grant date of the Company's common stock. The Company also evaluates the impact of modifications made to the original terms of equity awards when they occur.

The Company uses a Monte Carlo simulation model to determine the fair value of performance units with market conditions at the grant date. The Monte Carlo simulation model involves the generation of a large number of possible stock price outcomes for the Company's stock which is assumed to follow a Geometric Brownian Motion. The use of the Monte Carlo

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outcomes for the Company's stock which is assumed to follow a Geometric Brownian Motion. The use of the Monte Carlo simulation model requires the input of a number of assumptions including expected volatility of the Company's stock price, which is based on the historical volatility of its stock; risk-free interest rate, which is based on the treasury zero-coupon yield commensurate with the term of the performance unit as of the grant date; and expected dividends as applicable, which is zero, as the Company has never paid any cash dividends.

The fair value of stock options and RSUs with service conditions that are expected to vest is amortized on a straight-line basis over the requisite service period. Stock-based compensation for RSUs with performance or market conditions is recorded over the requisite service period using the accelerated attribution method. Stock-based compensation expense is recognized net of actual forfeitures when they occur, as an increase to additional paid-in capital in the condensed consolidated balance sheets and in the selling, general and administrative or research and development expenses in the condensed consolidated statements of operations and comprehensive loss.

Income Taxes

The Company applies an estimated annual effective tax rate ("ETR") approach for calculating a tax provision or benefit for interim periods, as required under GAAP. The Company recorded an income tax expense of \$24 \$47 and \$12 \$23 for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and an income tax expense of \$70 and \$38 for the nine months ended September 30, 2023 and 2022, 2023, respectively. The Company's ETR differs from the U.S. federal statutory tax rate of 21% for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, primarily as a result of the impact of the change of the valuation allowance to offset its deferred tax assets.

A valuation allowance is recorded against deferred tax assets to reduce the net carrying value when it is more likely than not that some portion or all of a deferred tax asset will not be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, and ongoing prudent and feasible tax planning strategies in assessing the amount of the valuation allowance. When the Company establishes or reduces the valuation allowance against its deferred tax assets, its provision for income taxes will increase or decrease, respectively, in the period such determination is made.

Additionally, the Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefit recognized in the consolidated financial statements for a particular tax position is based on the largest benefit that is more likely than not to be realized upon settlement. Accordingly, the Company establishes reserves for uncertain tax positions.

The Company monitors changes to the tax laws in the states it conducts business and files corporate income tax returns. The Company does not expect that changes to state tax laws through September 30, 2023 March 31, 2024 to materially impact its condensed consolidated financial statements.

Net Loss Per Share

Basic net loss per share is computed by dividing the net loss by the weighted-average number of shares of common stock outstanding during the period including contingently issuable shares. Diluted earnings per share is based on the treasury stock method and includes the effect from potential issuance of ordinary shares, such as shares issuable pursuant to the exercise of stock options and the vesting of restricted stock units. Because the impact of the options and non-vested RSUs are anti-dilutive during periods of net loss, there was no difference between the weighted-average number of shares used to calculate basic and diluted net loss per common share for the periods presented. Excluded from the dilutive net loss per share computation for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 were stock options of 5,814,632 6,647,908 and 4,932,632 5,824,197, respectively, and non-vested RSUs of 4,085,052 3,286,701 and 2,638,803 3,257,469, respectively, because their inclusion would have been anti-dilutive. Although these securities were anti-dilutive for these periods, they could be dilutive in future periods.

Recently Adopted Recent Accounting Pronouncements

Recent Accounting Pronouncements Issued But Not Adopted

In March 2020, December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2020-04, 2023-09, *Reference Rate Reform Income Taxes (Topic 848) 740: Facilitation of the Effects of Reference Rate Reform on Financial Reporting* and in January 2021, the FASB issued ASU No. 2021-01, *Reference Rate Reform (Topic 848): Scope ("ASU 2021-01") Improvements to Income Tax Disclosures*. Both ASU No. 2020-04 and ASU No. 2021-01 provides optional expedients and exceptions for applying GAAP to contracts. This update requires disaggregated

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hedging relationships and other transactions that reference the London Interbank Offered Rate ("LIBOR") or another reference information about a reporting entity's effective tax rate expected to be discontinued because of reference rate reform. reconciliation as well as information on income taxes paid. ASU No. 2020-04 and ASU No. 2021-01 are 2023-09 is effective upon issuance for contract modifications and hedging relationships, and the public entities with annual periods beginning after December 15, 2024, with early adoption permitted. The Company is allowed to elect to apply currently evaluating the amendments prospectively through December 31, 2022. impact of this guidance on its consolidated financial statements.

In December 2022, November 2023, the FASB issued ASU No. 2022-06, 2023-07, *Reference Rate Reform Segment Reporting (Topic 848) 280*: *Deferral of the Sunset Date of Topic 848*, which extends the temporary accounting rules under Topic 848 Improvements to December 31, 2024. The Company transitioned to SOFR from LIBOR on May 9, 2023. There are no material impacts to the consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment Reportable Segment Disclosures*. The This update simplifies requires public entities to disclose information about their reportable segments' significant expenses and other segment items on an interim and annual basis. Public entities with a single reportable segment are required to apply the accounting for goodwill impairment by removing step two of the goodwill impairment test, which requires a hypothetical purchase price allocation. A goodwill impairment will be the amount by which a reporting unit's carrying amount, including goodwill, exceeds its fair value. The impairment charge will be limited to the amount of goodwill allocated to that reporting unit. As amended by disclosure requirements in ASU No. 2019-10, the updated guidance 2023-07, as well as all existing segment disclosures and reconciliation requirements in ASC 280, on an interim and annual basis. ASU 2023-07 is effective for the Company as a smaller reporting company fiscal years beginning January 1, 2023. The standard requires prospective application. Early after December 15, 2023 and for interim periods beginning after December 15, 2024, with early adoption is permitted. The Company adopted is currently evaluating the impact of this guidance on the effective date of January 1, 2023. There are no material impacts to the its consolidated financial statements as a result of this adoption.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which modifies the measurement and recognition of credit losses for most financial assets and certain other instruments. The new standard requires the use of forward-looking expected credit loss models based on historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount, which may result in earlier recognition of credit losses under the new standard. The new guidance also modifies the impairment models for available-for-sale debt securities and for purchased financial assets with credit deterioration since their origination. Subsequent to the issuance of ASU No. 2016-13, the FASB issued ASU No. 2018-19, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses*. This ASU does not change the core principle of the guidance in ASU No. 2016-13, instead these amendments are intended to clarify and improve operability of certain topics included within the credit losses standard. The FASB also subsequently issued ASU No. 2019-04 which did not change the core principle of the guidance in ASU No. 2016-13 but clarified that expected recoveries of amounts previously written off and expected to be written off should be included in the valuation account and should not exceed amounts previously written off and expected to be written off. As amended by ASU No. 2019-10, the updated guidance is effective for the Company as a smaller reporting company beginning January 1, 2023. The Company prospectively adopted this guidance on the effective date of January 1, 2023 and the adoption did not have a material impact to the consolidated financial statements and resulted in no adjustment to the Company's prior year earnings. statements.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the American Institute of Certified Public Accountants, and the SEC did not, or are not believed by management to, have a material impact on the Company's present or future financial position, results of operations or cash flows.

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Note 3. Fair Value Measurements

Assets and Liabilities Measured at Fair Value on a Recurring Basis

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:

		As of September 30, 2023			
		Fair Value	Level 1	Level 2	Level 3
		As of March 31, 2024			
		Fair Value	Level 1	Level 2	Level 3
Liabilities	Liabilities				
Contingent royalty obligation payable to Evolus Founders	Contingent royalty obligation payable to Evolus Founders	\$47,404	\$ —	\$ —	\$47,404
Contingent royalty obligation payable to Evolus Founders					
Contingent royalty obligation payable to Evolus Founders					
		As of December 31, 2022			
		Fair Value	Level 1	Level 2	Level 3
		As of December 31, 2023			
		Fair Value	Level 1	Level 2	Level 3
Liabilities	Liabilities				
Contingent royalty obligation payable to Evolus Founders	Contingent royalty obligation payable to Evolus Founders	\$46,310	\$ —	\$ —	\$46,310
Contingent royalty obligation payable to Evolus Founders					
Contingent royalty obligation payable to Evolus Founders					

The Company did not transfer any assets or liabilities measured at fair value on a recurring basis between levels during the **nine three** months ended **September 30, 2023** **March 31, 2024** or **2022, 2023**.

The Company determines the fair value of the contingent royalty obligation payable to Evolus Founders based on Level 3 inputs using a discounted cash flows method. The significant unobservable input assumptions that can significantly change the fair value include (i) projected amount and timing of net revenues during the payment period, which terminates at the end of the second quarter of 2029, (ii) the discount rate, and (iii) the timing of payments. **During the three As of March 31, 2024 and nine months ended September 30, 2023 and 2022, December 31, 2023**, the Company utilized a discount **rates between 13.0% and rate of 15.0%, reflecting changes in the Company's risk profile.** Net revenue projections are also updated to reflect changes in the timing of expected sales. Significant increases (decreases) in the discount rate **and to the projected net revenues** would result in a significantly lower (higher) fair value measurement, which could materially impact their fair value reported on the unaudited consolidated balance sheet.

The following table shows a reconciliation of the beginning and ending fair value measurements of the contingent royalty obligation payable:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Fair value, beginning of period	\$ 47,081	\$ 45,415	\$ 46,310	\$ 44,740
Payments	(1,479)	(1,114)	(4,038)	(3,169)
Change in fair value recorded in operating expenses	1,802	1,216	5,132	3,946
Fair value, end of period	\$ 47,404	\$ 45,517	\$ 47,404	\$ 45,517

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	Three Months Ended March 31,	
	2024	2023
Fair value, beginning of period	\$ 45,030	\$ 46,310
Payments	(1,829)	(1,308)
Change in fair value recorded in operating expenses	1,578	1,648
Fair value, end of period	\$ 44,779	\$ 46,650

Other Financial Assets and Liabilities

The Company's financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses, lease liabilities, and long-term debt. The carrying amount of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximates their fair value because of the short-term maturity of such instruments.

The Company estimates the fair value of long-term debt and operating lease liabilities using the discounted cash flow analysis based on the interest rates for similar rated debt securities (Level 2). As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, the

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fair value of long-term debt was \$106,377 \$139,691 and \$75,232, \$140,241, respectively. The fair value of operating lease liabilities as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 approximated their carrying value.

Note 4. Goodwill and Intangible Assets

The table below shows the weighted-average life, original cost, accumulated amortization and net book value by major intangible asset classification:

		Weighted-Average Life (Years)	Original Cost	Accumulated Amortization	Net Book Value
		Weighted-Average Life (Years)			
		Weighted-Average Life (Years)			
		Weighted-Average Life (Years)			
Definite-lived intangible assets	Definite-lived intangible assets				
Distribution right		20	\$ 59,076	\$ (13,761)	\$ 45,315
Definite-lived intangible assets					
Definite-lived intangible assets					
Distribution rights					
Distribution rights					
Distribution rights					
Capitalized software					
Capitalized software					
Capitalized software	Capitalized software	2	9,555	(8,365)	1,190
Intangible assets, net	Intangible assets, net		68,631	(22,126)	46,505
Intangible assets, net					
Intangible assets, net					
Indefinite-lived intangible asset					
Indefinite-lived intangible asset					
Indefinite-lived intangible asset	Indefinite-lived intangible asset				
Goodwill	Goodwill	*	21,208	—	21,208
Total as of September 30, 2023			\$ 89,839	\$ (22,126)	\$ 67,713

Goodwill
Goodwill
Total as of March 31, 2024
Total as of March 31, 2024
Total as of March 31, 2024

		Weighted-Average Life (Years)	Original Cost	Accumulated Amortization	Net Book Value				
		Weighted-Average Life (Years)				Weighted-Average Life (Years)	Original Cost	Accumulated Amortization	Net Book Value
Definite-lived intangible assets	Definite-lived intangible assets								
Distribution right		20	\$59,076	\$ (11,545)	\$47,531				
Distribution rights									
Distribution rights									
Distribution rights									
Capitalized software	Capitalized software	2	8,636	(7,570)	1,066				
Intangible assets, net	Intangible assets, net		67,712	(19,115)	48,597				
Indefinite-lived intangible asset	Indefinite-lived intangible asset								
Goodwill	Goodwill	*	21,208	—	21,208				
Total as of December 31, 2022			\$88,920	\$ (19,115)	\$69,805				
Goodwill									
Goodwill									
Total as of December 31, 2023									

* Intangible assets with indefinite lives have an indeterminable average life.

The following table outlines the estimated future amortization expense related to intangible assets held as of September 30, 2023 that are subject to amortization:

Fiscal year	
Remaining in 2023	\$ 1,113
2024	3,731
2025	2,996
2026	2,955
2027	2,955
Thereafter	32,755

\$	46,505
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Distribution right represents the license and associated distribution right to develop Jeuveau®, the initial term of which expires in September 2023 and is automatically extended for unlimited additional three-year terms provided that the Company meets certain performance requirements. Additionally, upon FDA approval of Jeuveau® on February 1, 2019, the in-process research and development project was completed and reclassified as a definite-lived distribution right intangible asset, which is amortized on a straight-line basis over the estimated useful life of 20 years.

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The following table outlines the estimated future amortization expense related to intangible assets held as of March 31, 2024 that are subject to amortization:

Fiscal year		
Remaining in 2024	\$	2,928
2025		3,518
2026		3,254
2027		3,054
2028		3,054
Thereafter		30,783
	\$	46,591

The Company capitalized \$349 \$635 and \$531 \$284 for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$919 and \$938 for the nine months ended September 30, 2023 and 2022, 2023, respectively, related to costs of computer software developed for internal use. The software is amortized over a two-year period using the straight-line method. The Company recorded total intangible assets amortization expense of \$1,053 \$1,154 and \$838 \$955 for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$3,005 and \$2,454 for the nine months ended September 30, 2023 and 2022, 2023, respectively, within depreciation and amortization on the accompanying condensed consolidated statements of operations and comprehensive loss.

Note 5. Accrued Expenses

Accrued expenses consisted of:

	September 30, 2023	December 31, 2022
	March 31,	
	March 31,	
	March 31,	
	2024	
	2024	
	2024	
Accrued revenue contract liabilities		
Accrued revenue contract liabilities		

Accrued revenue contract liabilities			
Accrued payroll and related benefits			
Accrued payroll and related benefits			
Accrued payroll and related benefits			
Accrued royalties under the Medytox Settlement Agreement	Accrued royalties under the Medytox Settlement Agreement	\$ 2,999	\$ 2,618
Accrued payroll and related benefits		9,466	7,454
Accrued revenue contract liabilities		8,780	9,011
Accrued royalties under the Medytox Settlement Agreement			
Accrued royalties under the Medytox Settlement Agreement			
Other accrued expenses	Other accrued expenses	5,468	5,711
		\$ 26,713	\$ 24,794
Other accrued expenses			
Other accrued expenses			
		\$	
		\$	
		\$	

Note 6. Term Loans

Pharmakon Term Loans

On December 14, 2021, the Company entered into a loan agreement with Pharmakon. Pursuant to the terms of the agreement, Pharmakon agreed to make term loans to the Company in two tranches (the “Pharmakon Term Loans”). The first tranche of \$75,000 was funded on December 29, 2021. On December 5, 2022, the Company entered into a Second Amendment to the loan agreement to extend the Company's option to draw down the second tranche of \$50,000 until December 31, 2023, and paid an amendment fee of \$500 to Pharmakon. The Pharmakon Term Loans will mature on the six sixth-year anniversary of the closing date of the first tranche (the “Maturity Date”).

On May 9, 2023, the Company entered into the Third Amendment to the loan agreement. Under the Third Amendment, Pharmakon agreed to advance the second tranche of \$50,000 to the Company in two installments: (i) \$25,000 advanced on May 31, 2023 and (ii) \$25,000 to be advanced on December 15, 2023. The Third Amendment amended the principal payment terms to seven quarterly payments, each in an amount equal to 1/12th of the outstanding principal amount of the Pharmakon Term Loans following the 51st-month anniversary of the closing date of the first tranche and the remaining principal balance of the Pharmakon Term Loans on the Maturity Date. The Third Amendment replaced the interest rates based on LIBOR London

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Interbank Offered Rate (“LIBOR”) with interest rates based on the Secured Overnight Financing Rate (“SOFR”) throughout the remaining term of the Pharmakon Term Loans.

Initially, the Pharmakon Term Loans accrued interest at a per annum rate equal to the 3-month U.S. Dollar LIBOR rate (subject to a LIBOR rate floor of 1.0%) plus 8.5% per annum. Beginning May 2023, the Pharmakon Term Loans accrue interest at a per annum rate equal to the 3-month SOFR rate (subject to a SOFR rate floor of 1.0%) plus 8.5% per annum.

The Company may elect to prepay all amounts, not less than \$20,000, owed prior to the Maturity Date. Prepayments of the first tranche prior to the second anniversary of the closing date of the first tranche and prepayments of the second tranche prior to the second anniversary of the date on which the second tranche is drawn by the Company will be accompanied by a make whole amount equal to the sum of all interest that would have accrued through such second anniversary. Prepayments of the Pharmakon Term Loans will also be accompanied by a prepayment premium equal to the principal amount so prepaid multiplied by 3.0% if made prior to the third anniversary of the closing date of the first tranche, 2.0% if made on or after the third anniversary of the closing date of the first tranche but prior to the fourth anniversary of the closing date of the first tranche, and 1.0% if made on or after the fourth anniversary of the closing date of the first tranche but prior to the Maturity

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Date. If the Pharmakon Term Loans are accelerated following the occurrence of an event of default, including a material adverse change, the Company is required to immediately pay Pharmakon an amount equal to the sum of all outstanding principal, unpaid interest, and applicable make whole and prepayment premiums.

The Pharmakon Term Loans are secured by substantially all of the Company’s assets. The Pharmakon Term Loans contain customary affirmative and restrictive covenants and representations and warranties. The affirmative covenants include, among others, certain information delivery requirements, obligations to maintain certain insurance, and certain notice requirements. The restrictive covenants include, among others, incurring certain additional indebtedness, consummating certain change in control transactions, or incurring any non- permitted lien or other encumbrance on the Company’s assets, without Pharmakon’s prior written consent. The Pharmakon Term Loans do not contain covenants requiring the Company to maintain a minimum cash threshold or minimum revenues or earnings. As of September 30, 2023 March 31, 2024, the Company was in compliance with its debt covenants.

At the closing date of the first tranche, the Company incurred \$3,042 and \$3,263 in debt discounts and issuance costs related to the Pharmakon Term Loans, respectively. Debt discounts and issuance costs related to the entire Pharmakon Term Loans have been allocated pro rata between the funded and unfunded portions. Debt discounts and issuance costs allocated to the first tranche of \$75,000 have been presented as a deduction to the debt balance and are amortized into interest expense using the effective interest method. Debt discounts and issuance costs associated with the unfunded second tranche are deferred as assets until the tranche is drawn and are amortized into interest expense using the straight-line method over the term of the debt. Upon the first draw of the second tranche in May 2023, debt discounts and issuance costs associated with the second tranche were reclassified from assets to debt as a deduction to the debt balance.

As of September 30, 2023 March 31, 2024, the borrowings outstanding under the Pharmakon Term Loans were classified as long-term debt in the accompanying condensed consolidated balance sheets. The overall effective interest rate was approximately 15.18% 15.27% and 13.97% 13.94% for the first and second tranche, respectively, as of September 30, 2023 March 31, 2024.

As of September 30, 2023 March 31, 2024, the principal amounts of long-term debt maturities for each of the next five fiscal years are as follows:

Fiscal year			
Fiscal year			
Fiscal year	Fiscal year		
2026	2026	\$	33,333
2026			
2026			

2027		
2027		
2027	2027	66,667
Total principal payments	Total principal payments	100,000
Total principal payments		
Total principal payments		
Unamortized debt discounts and issuance costs		
Unamortized debt discounts and issuance costs		
Unamortized debt discounts and issuance costs	Unamortized debt discounts and issuance costs	(4,906)
Long term debt, net of discounts and issuance costs	Long term debt, net of discounts and issuance costs	\$ 95,094
Long term debt, net of discounts and issuance costs		
Long term debt, net of discounts and issuance costs		

Note 7. Operating Leases

On May 15, 2019, the Company entered into a five-year non-cancelable operating lease (the "Lease Agreement"), which was set to expire January 31, 2025, for its corporate headquarters in Newport Beach, California. Lease payments increase each

Evolus, Inc.

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year on February 1 based on an annual rent escalation clause. The Company has an option to extend the term of the lease for an additional 60 months, which was not recognized as part of its ROU assets and lease liabilities.

On July 27, 2023, the Company entered into the First Amendment to the Lease Agreement (the "Lease Amendment") for its corporate headquarters. The Lease Amendment includes a lease extension to January 31, 2030 with a three-month rent abatement period and additional office space. On July 27, 2023, the effective date of the Lease Amendment, the Company recognized additional ROU assets and lease liabilities in the amount of \$4,550.

The Company's lease agreement does not contain any residual value guarantees or material restrictive covenants. The payments associated with the renewal will only be included in the measurement of the lease liability and ROU assets if the exercise of the renewal option is determined to be reasonably certain. The Company considers the timing of the renewal period and other economic factors such as the financial implications of a decision to extend or not to extend a lease in determining if the renewal option is reasonably certain to be exercised.

Evolus, Inc.

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The components of operating lease expense are as follows:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
Three Months Ended March 31,		Three Months Ended March 31,			
2024		2024		2023	
Fixed operating lease expense	Fixed operating lease expense	\$286	\$273	\$833	\$811
Variable operating lease expense	Variable operating lease expense	48	18	110	65
		<u>\$334</u>	<u>\$291</u>	<u>\$943</u>	<u>\$876</u>
		\$			
		\$			
		\$			
		\$			

The weighted-average remaining lease term and discount rate are as follows:

		As of September 30,					
		2023	2022				
As of March 31,						As of March 31,	
2024				2024		2023	
Weighted-average remaining lease term (years)	Weighted-average remaining lease term (years)	6.3	2.3	Weighted-average remaining lease term (years)		5.8	1.8
Weighted-average discount rate	Weighted-average discount rate	11.0 %	9.4 %	Weighted-average discount rate		11.0 %	9.4 %

Operating lease expenses were included in the selling, general and administrative expenses in the accompanying condensed consolidated statements of operations and comprehensive loss. Operating lease right-of-use assets and related current and noncurrent operating lease liabilities are presented in the accompanying condensed consolidated balance sheets.

The following table presents the future minimum payments under the operating lease agreements with non-cancelable terms as of September 30, 2023 March 31, 2024:

Fiscal year	Fiscal year	
Remainder of 2023		\$ 332
2024		1,377
Remaining in 2024		
Remaining in 2024		
Remaining in 2024		
2025	2025	1,053
2026	2026	1,451
2027	2027	1,502
2028		
Thereafter	Thereafter	3,299
Total operating lease payments	Total operating lease payments	9,014
Less: imputed interest	Less: imputed interest	(2,668)
Present value of operating lease liabilities	Present value of operating lease liabilities	\$ 6,346

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Note 8. Commitments and Contingencies

Purchase Commitments

As of September 30, 2023 March 31, 2024, the Company has entered into commitments to purchase services and products for an aggregate amount of approximately \$1,762. \$5,409. Certain minimum purchase commitments related to the purchase of Jeuneau® and Evolysse™ are described below.

License and Supply Daewoong Agreement

The Daewoong Agreement includes certain minimum annual purchases that the Company is required to make in order to maintain the exclusivity of the license. The Company may, however, meet these minimum purchase obligations by achieving certain market share in the licensed territories. These potential minimum purchase obligations are contingent upon the occurrence of future events, including receipt of governmental approvals and the Company's future market share in various jurisdictions.

Total inventory payments to Daewoong were \$8,177 and \$14,132 for the three months ended March 31, 2024 and 2023, respectively.

Evolus, Inc. Symatase U.S. Agreement and Symatase Europe Agreement

Notes The Symatase U.S. Agreement and the Symatase Europe Agreement include certain minimum purchase requirements, and failure to Condensed Consolidated Financial Statements

(meet such requirements may result in thousands, except a reduction or termination of the Company's rights to exclusivity, subject to certain exceptions. These potential minimum purchase obligations are contingent upon the occurrence of future events, including receipt of governmental approvals and the Company's future market share and per share data)

(Unaudited)

in various jurisdictions.

Legal Proceedings

Securities Class Action Lawsuit

On October 16 and 28, 2020, two putative securities class action complaints were filed in the U.S. District Court for the Southern District of New York by Evolus shareholders Armin Malakouti and Clinton Cox, respectively, naming the Company and certain of its officers as defendants. The complaints assert violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder, claiming that the defendants made false and materially misleading statements and failed to disclose material adverse facts related to the Company's acquisition of the right to sell Jeuveau®, the complaint against the Company filed by Allergan and Medytox in the U.S. International Trade Commission related to Jeuveau® (the "ITC Action"), and risks related to the ITC Action. The complaints assert a putative class period of February 1, 2019 to July 6, 2020. The court consolidated the actions on November 13, 2020, under the caption *In re Evolus Inc. Securities Litigation*, No. 1:20-cv-08647 (PGG). On September 17, 2021, the court appointed a lead plaintiff and lead counsel. On November 17, 2021, the lead plaintiff filed an amended class action complaint against the Company, three of its officers, and Alphaeon Corporation, the Company's former majority shareholder. On January 18, 2022, the Company and the officer defendants served their motion to dismiss the amended complaint. On February 10, 2022, Alphaeon Corporation served its motion to dismiss the amended complaint. Both motions were fully briefed on June 16, 2022. The outcome of the legal proceeding is uncertain at this point. Based on information available to the Company at present, management cannot reasonably estimate a range of loss with respect to this matter.

Shareholder Derivative Lawsuit

On November 27, 2020 and December 2, 2020, two putative Evolus shareholders filed substantially similar shareholder derivative actions in the U.S. District Court for the Southern District of New York against certain of the Company's officers and directors as defendants. The complaints alleged substantially similar facts as those in the Securities Class Action and assert claims for, among other things, breach of fiduciary duty, waste of corporate assets, unjust enrichment, and violations of Section 14(a) of the Exchange Act and for contribution under Sections 10(b) and 21(D) of the Exchange Act. On December 29, 2020, the plaintiffs filed a joint stipulation to consolidate their actions and on February 5, 2021, the court consolidated the action under the caption *In re Evolus, Inc. Derivative Litigation*, No. 1:20-cv-09986-PPG, and adjourned defendants' time to move, answer or otherwise respond to the complaints. On September 20, 2021, the court so-ordered the parties' stipulated

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stay of the consolidated derivative suit pending the court's decision on the defendants' motion to dismiss the Securities Class Action.

It is possible that additional suits will be filed, or additional allegations will be made by stockholders, with respect to these same or similar or other matters and also naming the Company and/or its officers and directors as defendants. The Company believes that the complaints are without merit and intends to vigorously defend against it. However, the outcome of the legal proceeding is uncertain at this point. Based on information available to the Company at present, management cannot reasonably estimate a range of loss with respect to this matter.

Books and Records Demand

On March 5, 2021, the Company received a letter from a putative stockholder demanding inspection of specified categories of the Company's books and records under Section 220 of the Delaware General Corporations Law. The Company was subsequently informed that the stockholder sold his shares of the Company's common stock. On October 13, 2021, the Company received a substantially similar demand to inspect specified categories of the Company's books and records under Section 220 of the Delaware General Corporations Law from another putative stockholder. The subject of the demand is substantially similar to the allegations in the putative securities class action and derivative complaints described above. The Company responded to the demand in December 2021. The outcome of this matter is uncertain at this point. Based on information available to the Company at present, management cannot reasonably estimate a range of loss with respect to this matter.

Other Legal Matters

The Company is, from time to time, involved in various litigation matters or regulatory encounters arising in the ordinary course of business that could result in unasserted or asserted claims or litigation. These other matters may raise difficult and complex legal issues and are subject to many uncertainties, including, but not limited to, the facts and circumstances of each

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particular case or claim, the jurisdiction in which each suit or regulatory encounter is brought, and differences in applicable laws and regulations. Except as set forth above, the Company does not believe that these other matters would have a material adverse effect on its accompanying financial position, results of operations or cash flows. However, the resolution of one or more of the other matters in any reporting period could have a material adverse impact on the Company's financial results for that period.

In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties and provide for general indemnifications. The Company's exposure under these agreements is unknown because they involve claims that may be made against the Company in the future, but have not yet been made. 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. No amounts were accrued as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

Note 9. Stockholders' Equity

Preferred Stock

The Company has 10,000,000 authorized shares of preferred stock with a par value of \$0.00001 per share. As of September 30, 2023 March 31, 2024, no shares of its preferred stock were issued and outstanding.

Common Stock

The Company has 100,000,000 authorized shares of common stock with a par value of \$0.00001 per share. As of September 30, 2023 March 31, 2024, 57,092,480 62,274,032 shares of its common stock were issued and outstanding.

In March 2024, the Company completed a follow-on offering and issued 3,554,000 shares of its common stock, at a price to the public of \$14.07 per share. The Company received net proceeds of \$46,794 from the offering, after deducting underwriting discounts and commissions and other offering expenses. In addition, the Company granted the underwriters an option, exercisable for 30 days, to purchase up to 533,100 additional shares of common stock ("option shares") at the purchase price.

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Subsequently in April 2024, the underwriters elected to exercise their option to purchase 318,100 of the allotted option shares. The net proceeds to the Company from the sale of the option shares, after deducting the underwriters' discounts and commissions, was \$4,207.

"At-the-market" Offerings of Common Stock

On March 8, 2023, the Company entered into the ATM Sales Agreement with Leerink Partners LLC (formerly known as SVB Securities LLC) (the "Sales Agent") pursuant to which shares of the Company's common stock can be sold from time to time for aggregate gross proceeds of up to \$50,000 (the "ATM Program"). Under the ATM Sales Agreement, the Sales Agent is entitled to compensation, at a commission rate equal to

3.0% of the gross proceeds from sales of the Company's common shares under the ATM Program. The Company has not sold any shares under the ATM Sales Agreement.

2017 Omnibus Incentive Plan and Stock-based Compensation Allocation

The Company's 2017 Omnibus Incentive Plan (the "Plan") provides for the grant of incentive options to employees of the Company, and for the grant of non-statutory options, restricted stock awards, restricted stock unit awards, stock appreciation rights, performance stock awards and other forms of stock compensation to the Company's officers, directors, consultants and employees of the Company. The maximum number of shares of common stock that may be issued under the Plan is 4,361,291 shares, plus an annual increase on each anniversary of November 21, 2017 equal to 4.0% of the total issued and outstanding shares of the Company's common stock as of such anniversary (or such lesser number of shares as may be determined by the Company's Board of Directors). As of September 30, 2023 March 31, 2024, the Company had an aggregate of 452,244 1,170,517 shares of its common stock available for future issuance under the Plan.

2023 Inducement Incentive Plan

In September 2023, the Company's Board of Directors adopted the Company's 2023 Inducement Incentive Plan (the "Inducement Plan") in accordance with Nasdaq Listing Rule 5635(c)(4). The Company's Inducement Plan provides for the grant of equity awards to selected individuals in connection with their commencing employment with the Company as an inducement material to their accepting such employment. The Board of Directors reserved 1,000,000 shares of common stock for issuance under the Inducement Plan. As of September 30, 2023 March 31, 2024, the Company had an aggregate of 944,957 479,386 shares of its common stock available for future issuance under the Inducement Plan.

Inducement Grants

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From time to time, the Company has granted equity awards to its newly hired employees, including executives, in accordance with Nasdaq Listing Rule 5635(c)(4) and outside of the Company's Plan and Inducement Plan. Such grants were made pursuant to a stand-alone nonstatutory stock option agreement and a stand-alone RSU agreement, which were approved by the Compensation Committee of the Board of Directors. Any shares underlying the inducement grants are not, upon forfeiture, cancellation or expiration, returned to a pool of shares reserved for future issuance.

Stock Options

Options to purchase the Company's stock are granted at exercise prices based on the Company's common stock price on the date of grant. The option grants generally vest over a one- to four-year period. The options have a contractual term of ten years. The fair value of options is estimated using the Black-Scholes option pricing model, which has various inputs, including the grant date common share price, exercise price, risk-free interest rate, volatility, expected life and dividend yield. The change of any of these inputs could significantly impact the determination of the fair value of the Company's options as well as significantly impact its results of operations. The Company records stock-based compensation expense net of actual forfeitures when they occur.

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The weighted-average assumptions used in determining the fair value of stock options granted were as follows:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Volatility	86.7 %	83.8 %	83.5 %	78.6 %
Risk-free interest rate	4.39 %	3.25 %	3.64 %	1.92 %
Expected life (years)	6.25	6.25	6.20	6.19
Dividend yield rate	— %	— %	— %	— %

	Three Months Ended	
	March 31,	
	2024	2023
Volatility	84.2 %	82.9 %
Risk-free interest rate	4.07 %	3.55 %
Expected life (years)	6.21	6.20
Dividend yield rate	— %	— %

A summary of stock option activity for the **nine** **three** months ended **September 30, 2023** **March 31, 2024**, is presented below:

	Stock Options	Weighted Average Exercise Per Share	Weighted Average Remaining Contractual Terms (Years)	Aggregate Intrinsic Value
Outstanding, December 31, 2022	4,769,521	\$ 9.24	7.02	\$ 2,911
			Weighted	
			Weighted	
			Weighted	
		Weighted		
		Weighted		
		Weighted		
		Average		
		Average		
		Average		
	Stock			
	Stock			
	Stock			
	Options			
	Options			
	Options			
Outstanding, December 31, 2023				
Outstanding, December 31, 2023				

Outstanding, December 31, 2023					
Granted					
Granted					
Granted	Granted	1,339,521	10.62		
Exercised	Exercised	(34,518)	5.62		
Exercised					
Exercised					
Canceled/forfeited	Canceled/forfeited	(259,892)	11.14		
Outstanding, September 30, 2023		5,814,632	\$ 9.50	6.91	\$ 6,692
Exercisable, September 30, 2023		3,387,953	\$ 9.88	5.53	\$ 3,927
Canceled/forfeited					
Canceled/forfeited					
Outstanding, March 31, 2024					
Outstanding, March 31, 2024					
Outstanding, March 31, 2024					
Exercisable, March 31, 2024					
Exercisable, March 31, 2024					
Exercisable, March 31, 2024					

The aggregate intrinsic value of outstanding and exercisable options represents the excess of the fair market value of the Company's common stock over the exercise price of underlying options as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**.

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Restricted Stock Units

RSU grants generally vest over a one- to four-year period. The fair value of RSU grants is determined at the grant date based on the common share price.

A summary of RSU activity for the **nine** **three** months ended **September 30, 2023** **March 31, 2024**, is presented below:

	Restricted Stock Units	Weighted Average Grant Date Fair Value Per Share	
Outstanding, December 31, 2022	2,696,457	\$ 7.48	
	Weighted Average		Weighted Average

		Grant Date			Grant Date
	Restricted Stock Units		Restricted Stock Units	Fair Value Per Share	
Outstanding, December 31, 2023					
Granted	Granted	1,608,694		10.38	
Vested	Vested	(738,923)		7.34	
Forfeited	Forfeited	(275,056)		8.62	
Outstanding, September 30, 2023		3,291,172	\$	8.83	
Outstanding, March 31, 2024					

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Performance Restricted Stock Units

In January 2023, the Company's Board of Directors granted 292,349 shares of performance restricted stock units ("PRSUs") to certain executive officers under the Plan. The PRSU awards function in the same manner as restricted stock units except that vesting terms are based on achievement of certain pre-established performance measures. As of March 31, 2024, all of the pre-established performance measures were met, and stock-based compensation expense has been recognized for these awards using the accelerated attribution model, based on the fair value of the awards as of the date of grant.

In February 2024, the Company's Board of Directors granted 219,485 shares of PRSUs to certain executive officers under the Plan. The PRSU awards are measured on a cumulative two-year period ending in 2025. The performance measure milestones have not been met, and all were outstanding as of March 31, 2024.

A summary of PRSU activity for the three months ended March 31, 2024, is presented below:

	Performance Restricted Stock Units	Weighted Average Grant Date Fair Value
Outstanding as of December 31, 2023	233,880	\$ 10.25
Granted	219,485	13.15
Vested	(38,982)	10.25
Forfeited	—	—
Outstanding as of March 31, 2024	414,383	\$ 11.79

CEO Performance Award

For RSUs granted to employees that vest based on market conditions, such as the trading price of the Company's common stock exceeding certain price targets, the Company uses a Monte Carlo Simulation in estimating the fair value at grant date and recognizes compensation cost over the requisite service period. On May 8, 2023, the Company granted the Company's Chief Executive Officer ("CEO") an award of 560,000 PRSUs under the Plan.

The stock units subject to the award are subject to both performance- and time-based vesting requirements. 40% of the stock units subject to the award are eligible to vest if the average of the closing prices for a share of the Company's common stock over a period of 20 consecutive trading days is \$30 or more and an additional 60% of the stock units subject to the award are eligible to vest if the average of the closing prices for a share of the Company's common stock over a period of 20 consecutive trading days is \$50 or more, in each case within five years after the grant of the award and while the CEO is employed by the Company (or, in certain circumstances, within 20 days following a termination of his employment). Any stock units that become eligible to vest based on stock price will vest, subject to the CEO's continued service, over the four-year period after the grant date.

The Company used a Monte Carlo simulation to determine that the grant date fair value of the awards was \$3,774. Compensation expense is recorded if the service condition is met regardless of whether the market condition is satisfied.

The following table summarizes stock-based compensation expense:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Selling, general and administrative	\$ 4,295	\$ 2,398	\$ 11,445	\$ 8,236
Research and development	301	85	616	185
	<u>\$ 4,596</u>	<u>\$ 2,483</u>	<u>\$ 12,061</u>	<u>\$ 8,421</u>

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	Three Months Ended March 31,	
	2024	2023
Selling, general and administrative	\$ 4,863	\$ 3,167
Research and development	216	127
	<u>\$ 5,079</u>	<u>\$ 3,294</u>

Note 10. Medytox/Allergan Settlement Agreements and Daewoong Arrangement

Medytox/Allergan Settlement Agreements

U.S. Settlement Agreement

Effective February 18, 2021, the Company, Allergan and Medytox entered into a Settlement and License Agreement (the "U.S. Settlement Agreement"), pursuant to which, among other things: (i) Allergan and Medytox agreed to file a petition requesting the remedial orders related to the ITC Action be rescinded with respect to the Company; (ii) Medytox agreed to dismiss substantially similar litigation in California against the Company; (iii) the Company, on the one hand, and Medytox and Allergan, on the other hand, agreed to mutually release certain claims they may have against one another and their respective affiliates; (iv) Allergan and Medytox granted to the Company and its agents a license to

manufacture and commercialize certain products identified in the U.S. Settlement Agreement, including Jeuveau® (the “Licensed Products”), in the United States during the 21 month period that, pursuant to the ITC Action, the Company was restricted from, among other things, selling, marketing, or promoting such imported Jeuveau® in the United States (the “Restricted Period”); (v) the Company agreed to pay to Allergan and Medytox \$35,000 in multiple payments over two years, of which the Company paid the first cash payment of \$15,000 in the third quarter of 2021, the second cash payment of \$15,000 in the first quarter of 2022, and the final cash payment of \$5,000 in the first quarter of 2023; and (vi) during the Restricted Period, the Company agreed to pay to Allergan and Medytox certain confidential royalties on the sale of Licensed Products, calculated on dollar amount per vial sold of Licensed Products by or on behalf of the Company in the United States. Royalties for sales during the Restricted Period ended on September 16, 2022.

ROW Settlement Agreement

Effective February 18, 2021, the Company and Medytox entered into a Settlement and License Agreement (the “ROW Settlement Agreement” and, together with the U.S. Settlement Agreement, the “Medytox/Allergan Settlement Agreements”), pursuant to which, among other things: (i) the Company and Medytox agreed to mutually release certain claims they may have against one another and their respective affiliates; (ii) Medytox granted to the Company and its agents a license to manufacture and commercialize the Licensed Products, in Canada, the European Union, Switzerland, member countries and cooperating countries of the European Economic Area, certain members of the Commonwealth of Independent States, South Africa, Australia and Japan (the “ROW Territories”) during the Restricted Period; (iii) Medytox granted to the Company and its agents a fully paid up license to manufacture and commercialize the Licensed Products in the ROW Territories and the United States from the end of the Restricted Period (the “Medytox License Period”); (iv) the Company and Medytox agreed to enter into the Share Issuance Agreement (as defined below) pursuant to which the Company issued 6,762,652 shares (the “Settlement Shares”) of the Company's common stock, par value \$0.00001 per share, to Medytox; (v) the Company and Medytox agreed to enter into the Registration Rights Agreement (as defined below) effective February 18, 2021, pursuant to which the Company granted certain registration rights to Medytox with respect to the Settlement Shares; (vi) during the Restricted Period that ended September 16, 2022, the Company agreed to pay Medytox a confidential low-double digit royalty on net sales of the Licensed Products sold by or on behalf of the Company in the ROW Territories; and (vii) during the Medytox License Period from September 17, 2022 to September 16, 2032, the Company agreed to pay Medytox a mid-single digit royalty percentage on net sales of the Licensed Products sold by or on behalf of the Company in the United States and the ROW Territories.

Share Issuance Agreement

Evolus, Inc.

Notes to Condensed Consolidated Financial Statements

(in thousands, except share and per share data)

(Unaudited)

In connection with the execution of the ROW Settlement Agreement, the Company and Medytox entered into a Share Issuance Agreement effective February 18, 2021 (the “Share Issuance Agreement”). Pursuant to the Share Issuance Agreement and subject to the terms and conditions set forth therein, among other things, the Company issued to Medytox the Settlement Shares to enter into the ROW Settlement Agreement and in consideration for Medytox's representations, warranties, and other agreements set forth in the Share Issuance Agreement. The Settlement Shares are subject to contractual restrictions on transfer that, subject to certain limited exceptions such as transfers to affiliates, prevented Medytox from transferring any shares of common stock prior to February 16, 2022 or more than 25% of the shares it holds held prior to September 16, 2023 and, thereafter, prohibit Medytox from transferring more than 50% of the shares it holds prior to September 16, 2024 and more than 75% of the shares it holds prior to September 16, 2025, with such contractual restrictions terminating on September 16, 2025.

Evolus, Inc.

Notes to Condensed Consolidated Financial Statements

(in thousands, except share and per share data)

(Unaudited)

Registration Rights Agreement

In connection with the execution of the ROW Settlement Agreement, the Company and Medytox also entered into a Registration Rights Agreement effective February 18, 2021 (the "Registration Rights Agreement"). Pursuant to the Registration Rights Agreement, among other things, the Company agreed, after March 31, 2022, (i) to comply with certain requests by Medytox to register for sale, under the Securities Act, the Settlement Shares, and (ii) to include the Settlement Shares in certain registrations by the Company of its securities for sale under the Securities Act, to the extent requested by Medytox, in each case subject to certain customary conditions, exceptions and limitations as set forth in the Registration Rights Agreement.

In addition, Medytox's registration rights under the Registration Rights Agreement will terminate at such time that Medytox is able to sell all of the Settlement Shares over a three-month period, or less, pursuant to an exemption to registration under the Securities Act. As of September 30, 2023, Medytox's registration rights under the Registration Rights Agreement have terminated.

As of September 30, 2023 March 31, 2024, the Company accrued \$2,999 \$3,556 for royalties under the Medytox/Allergan Settlement Agreements. As of December 31, 2022 December 31, 2023, the Company accrued \$2,618 \$3,657 for royalties under the Medytox/Allergan Settlement Agreements and \$5,000 of accrued litigation settlement expense.

Daewoong Arrangement

Daewoong Settlement Agreement

On March 23, 2021, the Company and Daewoong entered into a Confidential Settlement and Release Agreement (the "Daewoong Settlement Agreement"), pursuant to which, among other things: (i) Daewoong agreed to (a) pay to the Company an amount equal to \$25,500, which the Company received in April 2021, (b) pay certain legal fees incurred by the Company's litigation counsel in connection with its defense of the ITC Action (including any appeal of the resulting remedial orders), (c) cancel all remaining milestone payments, totaling \$10,500 in aggregate, and (d) reimburse the Company certain amounts (calculated on a dollar amount per vials sold basis in the United States) for sales of certain products with respect to which the Company is required to pay Medytox and Allergan royalties pursuant to the U.S. Settlement Agreement; and (ii) the Company agreed to (a) release, on behalf of itself and certain of its affiliates and representatives, certain claims they may have against Daewoong related to the allegations made in or the subject matter of the Medytox/Allergan Actions, or any orders, remedies and losses resulting from the Medytox/Allergan Actions, and (b) coordinate with Daewoong on certain matters related to the Medytox/Allergan Actions.

Daewoong Agreement Amendment

In connection with the execution of the Daewoong Settlement Agreement, on March 23, 2021, the Company and Daewoong also entered into the Third Amendment to the Supply Agreement (the "Daewoong Agreement Amendment"). Pursuant to the Daewoong Agreement Amendment, the parties amended the Daewoong Agreement to (i) expand the territory within which the Company may distribute Jeuveau® to certain countries in Europe, (ii) reduce the period of time with respect to which the Company is required to deliver binding forecasts to Daewoong, (iii) introduce certain limitations on Daewoong's ability to convert the Company's exclusive license for certain territories to a non-exclusive license in the event the Company fails to meet certain minimum purchase requirements for such territory, (iv) adjust the minimum purchase requirements and reduce the transfer price per vial of Jeuveau® applicable to various territories, (v) require that any Jeuveau® supplied by Daewoong match certain shelf-life thresholds, and (vi) prohibit the Company from sharing certain confidential information of Daewoong with Medytox or its affiliates or representatives.

Total inventory payments to Daewoong were \$8,785 and \$36,537 for the three and nine months ended September 30, 2023, respectively. Total inventory payments to Daewoong were \$14,238 and \$40,509 for the three and nine months ended September 30, 2022, respectively. Agreements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion contains management's discussion and analysis of our financial condition and results of operations and should be read together with the unaudited condensed consolidated financial statements and the notes thereto included in Part I, Item 1 of this Quarterly Report on Form 10-Q and in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 and other documents previously filed with the SEC. This discussion contains forward-looking statements that reflect our plans, estimates and beliefs and involve numerous risks and uncertainties, including but not limited to those described in Item 1A "Risk Factors" of Part II of this Quarterly Report on Form 10-Q. Actual results may differ materially from those contained in any forward-looking statements. You should carefully read "Special Note Regarding Forward-Looking Statements" and Item 1A "Risk Factors" of Part II of this Quarterly Report on Form 10-Q.

Overview

We are a global performance beauty company with a customer-centric approach to delivering breakthrough products in the self-pay cash-pay aesthetic market. In February 2019, we received the approval of our Our first product, Jeuveau® (prabotulinumtoxinA-xvfs) from the U.S. Food and Drug Administration, or FDA. In May 2019, we commercially launched Jeuveau®, is currently sold in the United States, States, Canada and certain European countries. We have commercial launch plans in additional countries where we have regulatory approval that we expect to implement in the next few years. We are also actively pursuing regulatory approval of Evolysse™, a line of hyaluronic acid dermal fillers, and anticipate obtaining regulatory approval of the Evolysse™ line of products in Europe in the second half of 2024 and in the United States beginning in 2025. Regulatory approval has already been received for the Evolysse™ nasolabial fold product in Europe.

Jeuveau® is a proprietary 900 kDa purified botulinum toxin type A formulation indicated for the temporary improvement in the appearance of moderate to severe glabellar lines, also known as “frown lines,” in adults. Evolysse™, a line of dermal fillers, is a first-generation cold technology hyaluronic acid line for products including mid face, nasolabial folds, lips and eyes. Our primary market is the self-pay cash-pay aesthetic market, which includes consists of medical products purchased by physicians that consumers pay for directly out of pocket. Our customers are aesthetic practitioners who are properly licensed to deliver our products. By avoiding the regulatory burdens that accompany reimbursed products and pursuing an aesthetic-only non-reimbursed product strategy, we create flexibility to deliver a unique value proposition to our customers. We utilize this flexibility to drive customer adoption through programs such as our consumer loyalty program, co-branded marketing programs, promotional events and pricing strategies.

Recent Developments

Follow-On Offering

In March 2024, we completed a follow-on offering and issued 3,554,000 shares of its common stock, at a price to the public of \$14.07 per share. We received net proceeds of \$46.8 million from the offering, after deducting underwriting discounts and commissions and other customers that are then sold offering expenses. In addition, we granted the underwriters an option, exercisable for 30 days, to consumers or used purchase up to 533,100 additional shares of common stock at the purchase price, which the underwriters exercised in procedures April 2024 with respect to 318,100 of the allotted option shares. The net proceeds to the Company from the sale of the option shares, after deducting the underwriters' discounts and commissions, was \$4.2 million.

Market Trends and Uncertainties

The global economy, including the financial and credit markets, has recently experienced extreme volatility and disruptions, including uncertainty regarding the stability of certain financial institutions, increases in inflation rates, rising interest rates, severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, and uncertainty about economic stability. We expect elevated levels of cost inflation to continue, potentially impacting consumer discretionary spending for aesthetic indications that medical procedures. Markets experiencing uncertainty could have substantial high rates of inflation. We cannot reasonably estimate the financial impact of increased inflation on our financial condition, results of operations or cash flows in the future.

Results of Operations

Comparison of the Three Months Ended March 31, 2024 and 2023

The following table summarizes our consolidated results of operations for the periods indicated:

(in millions)	Three Months Ended			
	March 31,			
	2024		2023	
Revenue:				
Product revenue, net	\$	59.0	\$	41.0

Service revenue	0.4	0.7
Total net revenues	59.3	41.7
Operating expenses:		
Product cost of sales (excludes amortization of intangible assets)	18.1	12.1
Selling, general and administrative	45.1	37.4
Research and development	2.1	1.4
Revaluation of contingent royalty obligation payable to Evolus Founders	1.6	1.6
Depreciation and amortization	1.4	1.2
Total operating expenses	68.3	53.8
Loss from operations	(8.9)	(12.0)
Other income (expense):		
Non-operating expense, net	(4.2)	(2.7)
Other income (expense), net	0.0	0.0
Loss before income taxes:	(13.1)	(14.8)
Income tax expense	0.0	0.0
Net loss	(13.1)	(14.8)
Unrealized loss, net of tax	(0.1)	(0.1)
Comprehensive loss	\$ (13.2)	\$ (14.9)

The following table summarizes our gross profit margin for the periods indicated:

(in millions)	Three Months Ended March 31,	
	2024	2023
Total net revenues	\$ 59.3	\$ 41.7
Cost of sales:		
Product cost of sales (excludes amortization of intangible assets)	18.1	12.1
Amortization of distribution right intangible asset	0.8	0.7
Total cost of sales	18.8	12.9
Gross profit	\$ 40.5	\$ 28.8
Gross profit margin	68.3 %	69.1 %

Net Revenues

We currently operate in one reportable segment, and all of our net revenues are not reimbursed by any third-party payor, such as Medicaid, Medicare or commercial insurance. We believe we offer customers and consumers a compelling value proposition with derived from sales of Jeuveau®. Currently, onabotulinumtoxinA (BOTOX) is the neurotoxin market leader, and prior Net revenues consist of revenues, net of adjustments primarily for customer rebates, rewards related to the approval consumer loyalty program and co-branded marketing programs. Revenues are recognized when the control of the promised goods is transferred to the

customer in an amount that reflects the consideration allocated to the related performance obligations and to which we expect to be entitled in exchange for those products or services.

Net revenues of Jeuveau® sales increased by \$17.6 million, **was** or 42.2%, to \$59.3 million for the **only known 900 kDa botulinum toxin type A complex approved** three months ended March 31, 2024 from \$41.7 million for the three months ended March 31, 2023, primarily due to higher sales volumes. Net revenues during the three months ended March 31, 2024 and 2023 consisted of \$0.4 million and \$0.7 million, respectively, of service revenue from the sale of Jeuveau® through a distribution partner in Canada. We anticipate our continued sales growth will depend on our ability to grow our customer base and increase purchases by our current customers in the competitive medical aesthetic market as well as on regulatory approval for the Evolysse™ dermal filler product line in the United States. We believe aesthetic physicians generally prefer the **performance characteristics** States and Europe.

Cost of Sales

Product Cost of Sales

Product cost of sales, excluding amortization of intangible assets, primarily consisted of the **complete 900 kDa neurotoxin complex** cost of inventory purchased from Daewoong and **are accustomed** our royalty obligations to **injecting this formulation**. Medytox at a mid-single digit percentage of net revenue through the expiration of our Medytox royalty obligation in September 2032.

In August 2018, we received approval from Health Canada Product cost of sales, excluding amortization of intangible assets, increased by \$6.0 million, or 49.6%, to \$18.1 million for the **temporary improvement** three months ended March 31, 2024 from \$12.1 million for the three months ended March 31, 2023, primarily due to higher sales volume. We anticipate that our product cost of sales will fluctuate in line with changes in revenues.

Gross Profit Margin

Our gross profit margin was 68.3% and 69.1% for the three months ended March 31, 2024 and 2023, respectively. Our gross profit margin has been and will continue to be negatively impacted from September 2022 to September 2032 as we pay royalty obligations related to our litigation settlement agreement. See “—Liquidity and Capital Resources—Litigation Settlement” for further information. We also anticipate our gross profit margin will fluctuate as we implement various marketing programs that may affect the average selling price for Jeuveau® and as we continue to expand internationally.

Selling, General and Administrative

Selling, general and administrative expenses increased by \$7.7 million, or 20.6%, to \$45.1 million for the three months ended March 31, 2024 from \$37.4 million for the three months ended March 31, 2023, primarily resulting from increasing personnel costs related to our commercial activities. Selling, general and administrative expenses may fluctuate in the **appearance** future primarily due to potential changes in marketing strategies and international launches.

Research and Development

Research and development expenses increased by \$0.7 million to \$2.1 million for the three months ended March 31, 2024 from \$1.4 million for the three months ended March 31, 2023. The increase was primarily attributable to increasing our clinical operations and research and development expenses related to increased clinical operations and research. We expect our research and development expenses to continue to increase if and when we develop further product candidates and as we pursue regulatory approvals in other jurisdictions for our current products.

Revaluation of moderate Contingent Royalty Obligation Payable to severe glabellar lines Evolus Founders

The change in **adult patients under 65 years** the fair value of **age**. the contingent royalty obligation payable to Evolus Founders is recorded in operating expenses in each reporting period. During the three months ended March 31, 2024 and 2023, the revaluation charges of \$1.6 million and \$1.6 million, respectively, were primarily driven by changes in management assumptions relating to revenue forecasts, the discount rate used and the timing of cash flows.

Depreciation and Amortization

Depreciation and amortization increased by \$0.2 million, or 16.7%, to \$1.4 million for the three months ended March 31, 2024 from \$1.2 million for the three months ended March 31, 2023, primarily due to an increase in amortization of internal use software and leasehold improvements.

Non-Operating Expense, Net

Non-operating expense, net, increased by \$1.5 million, or 55.6%, to \$4.2 million for the three months ended March 31, 2024 from \$2.7 million for the three months ended March 31, 2023, primarily due to the advancement of the \$50.0 million of term loans in 2023 and higher interest expense for our term loans. Interest on our term loans is based on a variable interest rate, which we expect will continue to fluctuate with the market. See “—Liquidity and Capital Resources—The Pharmakon Term Loans” for further information.

Income Tax Expense

There was minimal income tax expense for each of the three months ended March 31, 2024 and 2023.

Liquidity and Capital Resources

As of March 31, 2024 we had cash and cash equivalents of \$97.0 million, positive working capital of \$103.5 million and stockholders' equity of \$18.4 million.

We began marketing selling Jeuveau® in Canada May 2019 and have a relatively limited history of generating revenues. Since inception, we have incurred recurring net operating losses and have an accumulated deficit of \$572.1 million as of March 31, 2024 as a result of ongoing efforts to develop and commercialize Jeuveau®, including providing selling, general and administrative support for our operations. We had net loss of \$13.1 million and \$14.8 million for the three months ended March 31, 2024 and 2023, respectively. We had net loss from operations of \$8.9 million and \$12.0 million for the three months ended March 31, 2024 and 2023, respectively. We used net cash of \$10.6 million and \$20.6 million in October 2019 through our distribution partner Clarion Medical Technologies, Inc., or Clarion. In September 2019, operating activities for the three months ended March 31, 2024 and 2023, respectively. We expect to continue to incur significant expenses for the foreseeable future as we also received approval from the European Commission, to market the product in all 27 European Union, or EU, member states plus the United Kingdom, Iceland, Norway and Liechtenstein. In January 2021, we received a positive decision from the European Commission to add the 50 unit product to the approval obtained in September 2019. We began our launch of increase marketing efforts for Jeuveau® in the U.S., Europe, and Australia, pursue regulatory approvals in September 2022 other jurisdictions and we continue to enter additional countries in Europe as part of a phased rollout. In January 2023, we received approval from the Australian Therapeutics Good Administration, or TGA, ready for regulatory approval of our neurotoxin product in Australia.

In November 2021, we announced the initiation of a Phase II clinical trial designed to investigate a higher strength dose of Jeuveau® in the frown lines. We completed our patient enrollment in the clinical study evaluating the “extra-strength” dose in the second quarter of 2022. This program provides us with the opportunity to offer the first multi-strength neurotoxin, giving customers and consumers increased treatment options. In June 2023, we announced the successful completion commercial launch of the Phase II clinical trial and in November 2023, we presented the final results of the “extra-strength” clinical trial. The clinical trial data showed that the “extra-strength” formulation of Jeuveau® had a similar safety profile to the controls and demonstrated a median duration of at least 26 weeks based on the time for patients to return to baseline after treatment.

On May 9, 2023, we entered into a License, Supply and Distribution Agreement, or the Symatase Agreement, with Symatase S.A.S, pursuant to which Symatase granted to us an exclusive right to commercialize and distribute five dermal filler product candidates which we collectively refer to as Evolysse™, including the products we refer to as: (i) Lift; (ii) Smooth; (iii) Sculpt; (iv) Lips; and (v) Eye in the United States for aesthetic and dermatological uses. We also have the right of first negotiation to obtain a license from Symatase for any new products developed using the same technology as the Evolysse™ line of dermal fillers.

Evolysse™ Lift, Smooth, and Sculpt are currently in advanced stages of clinical trials pursuant to an investigational device exemption, or IDE, from the FDA. We have agreed to a cost-sharing arrangement with Symatase to gain FDA approval of the Evolysse™ Lips and Eye products. Subject to FDA approval, we expect Evolysse™ Lift and Smooth to be commercially launched in the first half of 2025, Evolysse™ Sculpt to be launched in 2026 and Evolysse™ Lips and Eye to be launched in 2027. dermal filler product line.

Impact of Settlement Agreements Inflation

The markets in which we operate are currently experiencing increased inflation. While we do not believe that inflation has had a material impact on our business, revenues or operating results during the periods presented, a prolonged inflationary environment could impact consumer discretionary spending for aesthetic medical procedures, increase our cash required for operations and impact our liquidity position.

Follow-On Offering

In March 2024, we completed a follow-on offering and issued 3,554,000 shares of its common stock, at a price to the public of \$14.07 per share. We received net proceeds of \$46.8 million from the offering, after deducting underwriting discounts and commissions and other offering expenses. In addition, we granted the underwriters an option, exercisable for 30 days, to purchase up to 533,100 additional shares of common stock (the "option shares") at the purchase price, which the underwriters exercised in April 2024 with respect to 318,100 of the allotted option shares. The net proceeds to the Company sale of the option shares, after deducting the underwriters' discounts and commissions, was \$4.2 million.

"At-the-market" Offerings of Common Stock

On March 8, 2023, we entered into an "at-the-market" sales agreement (the "ATM Sales Agreement") and filed a shelf registration statement on Form S-3 and corresponding prospectus with the SEC to permit sales under the ATM Sales Agreement, which registration statement became effective on June 8, 2023. We have not sold any shares under the ATM Sales Agreement. See *Note 9. Stockholders' Equity* in the Notes to the Condensed Consolidated Financial Statements in Part I, Item of this quarterly report for additional information.

The Pharmakon Term Loans

On December 14, 2021, we entered into a loan agreement with BPCR Limited Partnership, BioPharma Credit Investments V (Master) LP, and Biopharma Credit PLC (collectively, "Pharmakon"). The loan agreement, as amended, provided for Pharmakon to make multiple term loans to us totaling \$125.0 million ("Pharmakon Term Loans"). The first tranche of \$75.0 million was advanced on December 29, 2021. A second tranche of \$25.0 million was advanced on May 31, 2023. The final tranche of \$25.0 million was advanced on December 15, 2023. We are required to pay interest only under the loan agreement until March 2026, after which we make seven equal quarterly payments, each in an amount equal to 1/12th of the outstanding principal amount of the loan. We pay the remaining principal of the loan on the maturity date. The Pharmakon Term Loans will mature on the sixth year anniversary of the closing date of the first tranche. The term loan bears an annual interest rate

equal to the 3-month secured overnight financing rate ("SOFR") (subject to a SOFR rate floor of 1.0%) plus 8.5% per annum. The proceeds of the Pharmakon Term Loans are used to fund our general corporate and working capital requirements.

Contingent Royalties to Evolus Founders

We are obligated to make quarterly royalty payments of a low-single digit percentage of net sales of Jeuveau® to the Evolus Founders. These obligations terminate at the end of the second quarter of 2029. The fair value of the obligations is valued quarterly and is referred to in our condensed consolidated financial statements as the contingent royalty obligation.

As of March 31, 2024, we recorded an aggregate balance of \$44.8 million on our balance sheet for the future royalty payment obligation to Evolus Founders.

Litigation Settlement

In February 2021, we settled litigation claims related to a complaint against us filed by Allergan, Inc. and Allergan Limited (together, "Allergan") and Medytox, Inc. ("Medytox") in the U.S. International Trade Commission related to Jeuveau® (the "ITC Action") and certain related matters by entering into a Settlement and License Agreement with Medytox and Allergan, which we refer to as the U.S. Settlement Agreement, and another Settlement and License Agreement with Medytox which we refer to as the Medytox Settlement Agreement. We refer to the U.S. Settlement Agreement and the ROW Settlement Agreement collectively as the Medytox/Allergan Settlement Agreements.

We have completed all obligations to Allergan and the majority of our obligations to Medytox under the Medytox/Allergan Settlement Agreements. The completed obligations consisted of (i) cash payments of \$35.0 million, of which we paid the first payment of \$15.0 million in

the third quarter of 2021, the second payment of \$15.0 million in the first quarter of 2022, and the 2023 we made a final payment of \$5.0 million in the first quarter of 2023, (ii) payment to Allergan and Medytox of certain royalties on the sale of Jeuveau®, based on a certain dollar amount per vial sold of Licensed Products by or on our behalf in the United States, from December 16, 2020 through September 16, 2022, (iii) payment to Medytox, from December 16, 2020 to September 16, 2022, of a low-double digit royalty on net sales of Jeuveau® sold by us or on our behalf in territories we have licensed outside the United States, and (iv) the issuance of 6,762,652 shares of our common stock to Medytox.

Going forward, our remaining obligation will be to pay Medytox a mid-single digit royalty percentage on net sales of Jeuveau® in the United States and all territories we have licensed outside the United States through September 16, 2032.

In addition, in March 2021, we entered into a Confidential Settlement and Release Agreement and certain related agreements with Daewoong Pharmaceutical Co. Ltd. ("Daewoong"), which we refer to as the Daewoong Settlement Agreement, under which Daewoong paid us \$25.5 million in April 2021, cancelled all remaining milestone payments up to \$10.5 million in aggregate under the Daewoong Settlement Agreement and reimbursed us certain amounts (calculated on a dollar amount per vials sold basis in the United States) for sales of certain products with respect to which we are required to pay Medytox and Allergan royalties pursuant to the U.S. Settlement Agreement. See *Note 10. Medytox/Allergan Settlement Agreements and Daewoong Arrangement* for additional details on the litigation settlement agreements.

As a result of the royalty payments that we are required to pay under the Medytox Settlement Agreements, our cost of sales and gross profit margin have been negatively impacted and will continue to be negatively impacted to a lesser extent from September 2022 to September 2032.

The Pharmakon Term Loans

On December 14, 2021, we entered into a loan agreement with BPCR Limited Partnership, BioPharma Credit Investments V (Master) LP, and Biopharma Credit PLC (collectively, "Pharmakon"). Pursuant to the terms of the agreement, Pharmakon agreed to make term loans to us in two tranches ("Pharmakon Term Loans"). The first tranche of \$75.0 million was funded on December 29, 2021. On December 5, 2022, we entered into a Second Amendment to the loan agreement to extend our option to draw down the second tranche of \$50.0 million until December 31, 2023. In exchange for the extension, we paid an amendment fee of \$0.5 million to Pharmakon. On May 9, 2023, we entered into a Third Amendment to the loan agreement, which provides for the advancement of the second tranche of \$50.0 million in two installments: (i) \$25.0 million advanced on May 31, 2023 and (ii) \$25.0 million to be advanced on December 15, 2023, subject to the terms and conditions of the Pharmakon Term Loans. The Pharmakon Term Loans will mature on the six-year anniversary of the closing date of the first tranche. See "— Liquidity and Capital Resources—The Pharmakon Term Loans" for further information.

Contingent Royalties to Evolus Founders

We are obligated to make quarterly future payments to the founders of Evolus, which we refer to as the Evolus Founders, of a low single digit percentage of net sales of Jeuveau®. These obligations will terminate at the end of the second quarter of 2029. The fair value of the obligations are valued quarterly and are referred to in our consolidated financial statements as the contingent royalty obligation.

Market Trends and Uncertainties

The global economy, including the financial and credit markets, has recently experienced extreme volatility and disruptions, including uncertainty regarding the stability of certain financial institutions, increases in inflation rates, rising interest rates, severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, and uncertainty about economic stability. We anticipate that the remainder of fiscal 2023 will continue to reflect a dynamic macroeconomic environment. We expect elevated levels of cost inflation to continue, potentially impacting consumer discretionary spending for aesthetic medical procedures. Markets experiencing uncertainty could have substantial high rates of inflation. We cannot reasonably estimate the financial impact of increased inflation on our financial condition, results of operations or cash flows in the future.

Management's Use of Adjusted Gross Profit Margin

Adjusted gross profit and adjusted gross profit margin are not required by, nor presented in accordance with, United States generally accepted accounting principles, or GAAP. Adjusted gross profit is defined as total net revenues less product cost of sales, excluding amortization of an intangible asset. Adjusted gross profit margin is calculated as adjusted gross profit divided by total net revenues. Management believes that adjusted gross profit margin is an important measure for investors, as it is a key performance indicator to evaluate the profitability of sales without giving effect to costs that are not core to our cost of sales, such as the amortization of an intangible asset. Adjusted gross profit margin should not be considered a measure of financial performance under GAAP, and the items excluded from adjusted gross profit margin should not be considered in isolation or as an alternative to financial statement data presented in the condensed consolidated financial statements as an

indicator of financial performance or liquidity. Adjusted gross profit margin is not a measurement determined in accordance with GAAP and is therefore susceptible to varying methods of calculation and has limitations as an analytical tool and may not be comparable to other similarly-titled metrics of other companies.

The following table presents reconciliations of adjusted gross profit to gross profit, the most directly comparable to GAAP measure, and adjusted gross profit margin to gross profit margin, the most directly comparable GAAP measure:

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Total net revenues	\$ 50.0	\$ 33.9	\$ 141.1	\$ 105.0
Cost of sales:				
Product cost of sales (excludes amortization of intangible assets)	15.4	13.5	42.3	42.5
Amortization of distribution right intangible asset	0.7	0.7	2.2	2.2
Total cost of sales	16.2	14.2	44.5	44.7
Gross profit	33.9	19.7	96.6	60.2
Gross profit margin	67.7 %	58.0 %	68.5 %	57.4 %
Add: Amortization of distribution right intangible asset	0.7	0.7	2.2	2.2
Adjusted gross profit	\$ 34.6	\$ 20.4	\$ 98.8	\$ 62.5
Adjusted gross profit margin	69.1 %	60.2 %	70.0 %	59.5 %

Results of Operations

Comparison of the Three Months Ended September 30, 2023 and 2022

The following table summarizes our consolidated results of operations for the periods indicated:

(in millions)	Three Months Ended September 30,	
	2023	2022
Product revenue, net	\$ 49.3	\$ 33.2
Service revenue	0.7	0.7
Total net revenues	50.0	33.9
Operating expenses:		
Product cost of sales (excludes amortization of intangible assets)	15.4	13.5
Selling, general and administrative	43.3	34.8
Research and development	1.6	1.4
Revaluation of contingent royalty obligation payable to Evolus Founders	1.8	1.2
Depreciation and amortization	1.3	0.9
Total operating expenses	63.5	51.8
Loss from operations	(13.4)	(17.9)

Other income (expense):		
Non-operating expense, net	(3.5)	(2.3)
Other income (expense), net	0.0	(0.1)
Loss before income taxes:	(16.9)	(20.3)
Income tax expense	0.0	0.0
Net loss	(16.9)	(20.3)
Unrealized loss, net of tax	(0.1)	(0.2)
Comprehensive loss	\$ (17.1)	\$ (20.5)

Net Revenues

We currently operate in one reportable segment, and all of our net revenues are derived from sales of Jeuveau®. Net revenues consist of revenues, net of adjustments primarily for customer rebates, rewards related to the consumer loyalty program and co-branded marketing programs. Revenues are recognized when the control of the promised goods is transferred to the customer in an amount that reflects the consideration allocated to the related performance obligations and to which we expect to be entitled in exchange for those products or services.

Net revenues of Jeuveau® sales increased by \$16.1 million, or 47.5%, to \$50.0 million for the three months ended September 30, 2023 from \$33.9 million for the three months ended September 30, 2022, primarily due to higher sales volumes. Net revenues during the three months ended September 30, 2023 and 2022 consisted of \$0.7 million of service revenue from the sale of Jeuveau® through a distribution partner in Canada. We anticipate our continued sales growth will depend on our ability to grow our customer base and increase purchases by our current customers in the competitive medical aesthetic market as well as on regulatory approval for the Evolysse™ dermal filler product line in the United States by Symatase.

Cost of Sales

Product Cost of Sales

Product cost of sales, excluding amortization of intangible assets, primarily consisted of the cost of inventory purchased from Daewoong. In addition, during the period from December 2020 to September 2022, product cost of sales, excluding amortization of intangible assets, also included certain royalties on the sale of Jeuveau® payable to Medytox and Allergan pursuant to the Medytox/Allergan Settlement Agreements, partially offset by reimbursement receivable from Daewoong

pursuant to the Daewoong Arrangement with respect to such royalties. Our royalty obligations to Allergan concluded on September 16, 2022, and beginning on September 17, 2022, our royalty obligations to Medytox were reduced to a mid-single digit percentage of net revenue through the expiration of our Medytox royalty obligation in September 2032.

Product cost of sales, excluding amortization of intangible assets, increased by \$1.9 million, or 14.1%, to \$15.4 million for the three months ended September 30, 2023 from \$13.5 million for the three months ended September 30, 2022, primarily due to higher sales volume, offset by reduced royalty obligations to Medytox. We anticipate that our product cost of sales will fluctuate in line with changes in revenues until the expiration of our Medytox royalty obligation in September 2032.

Gross Profit Margin

Our gross profit margin was 67.7% and 58.0% for the three months ended September 30, 2023 and 2022, respectively. Our adjusted gross profit margin, calculated as total net revenues less product cost of sales, excluding amortization of intangible assets, as a percentage of net revenues was 69.1% and 60.2% for the three months ended September 30, 2023 and 2022, respectively. The difference between our gross profit margin and our adjusted gross profit margin reflects the impact of the amortization of distribution right intangible asset. Our gross profit margin and adjusted gross profit margin were impacted negatively and materially through September 2022, by our payments under the Medytox/Allergan

Settlement Agreements, partially offset by payments we received under the Daewoong Arrangement. Our gross profit margin and adjusted gross profit margin have been and will continue to be negatively impacted to a lesser extent from September 2022 to September 2032 as we pay royalty obligations to Medytox at a mid-single digit percentage of net revenue. We also anticipate our gross profit margin and adjusted gross profit margin will fluctuate as we implement various marketing programs that may affect the average selling price for Jeuveau® and as we expand internationally.

Selling, General and Administrative

Selling, general and administrative expenses increased by \$8.5 million, or 24.4%, to \$43.3 million for the three months ended September 30, 2023 from \$34.8 million for the three months ended September 30, 2022, primarily resulting from increasing personnel costs related to our commercial activities. Selling, general and administrative expenses may fluctuate in the future primarily due to potential changes in marketing strategies and international launches.

Research and Development

Research and development expenses increased by \$0.2 million to \$1.6 million for the three months ended September 30, 2023 from \$1.4 million for the three months ended September 30, 2022. We expect our research and development expenses to continue to increase if and when we develop further product candidates and as we pursue regulatory approvals in other jurisdictions.

Revaluation of Contingent Royalty Obligation Payable to Evolus Founders

The change in the fair value of the contingent royalty obligation payable to Evolus Founders is recorded in operating expenses in each reporting period. During the three months ended September 30, 2023 and 2022, the revaluation charges of \$1.8 million and \$1.2 million, respectively, were primarily driven by changes in management assumptions relating to revenue forecasts, the discount rate used and the timing of cash flows.

Depreciation and Amortization

Depreciation and amortization increased by \$0.4 million, or 44.4%, to \$1.3 million for the three months ended September 30, 2023 from \$0.9 million for the three months ended September 30, 2022, primarily due to an increase in amortization of internal use software and leasehold improvements.

Non-Operating Expense, Net

Non-operating expense, net, increased by \$1.2 million, or 51.0%, to \$3.5 million for the three months ended September 30, 2023 from \$2.3 million for the three months ended September 30, 2022, primarily due to higher interest expense for the Pharmakon Term Loans. Interest on the Pharmakon Term Loans is based on a variable interest rate, which we expect will continue to fluctuate with market rates.

Income Tax Expense

There was minimal income tax expense for each of the three months ended September 30, 2023 and 2022.

Comparison of the Nine Months Ended September 30, 2023 and 2022

The following table summarizes our consolidated results of operations for the periods indicated:

(in millions)	Nine Months Ended September 30,	
	2023	2022
Product revenue, net	\$ 139.1	\$ 103.6
Service revenue	2.0	1.4
Total net revenues	141.1	105.0

Operating expenses:		
Product cost of sales (excludes amortization of intangible assets)	42.3	42.5
Selling, general and administrative	121.9	105.1
Research and development	4.2	3.4
In-process research and development	4.4	2.0
Revaluation of contingent royalty obligation payable to Evolus Founders	5.1	3.9
Depreciation and amortization	3.8	2.7
Total operating expenses	181.7	159.7
Loss from operations	(40.6)	(54.7)
Other income (expense):		
Non-operating expense, net	(9.2)	(6.5)
Other income (expense), net	0.0	(0.1)
Loss before income taxes:	(49.8)	(61.2)
Income tax expense	0.1	0.0
Net loss	(49.9)	(61.2)
Unrealized loss, net of tax	(0.3)	(0.4)
Comprehensive loss	\$ (50.1)	\$ (61.6)

Net Revenues

Net revenues of Jeuveau® sales increased by \$36.1 million, or 34.4%, to \$141.1 million for the nine months ended September 30, 2023 from \$105.0 million for the nine months ended September 30, 2022, primarily due to higher sales volumes. Net revenues during the nine months ended September 30, 2023 and 2022 consisted of \$2.0 million and \$1.4 million, respectively, of service revenue from the sale of Jeuveau® through a distribution partner in Canada. We anticipate our continued sales growth will depend on our ability to grow our customer base and increase purchases by our current customers in the competitive medical aesthetic market as well as on regulatory approval for the Evolysse™ dermal filler product line in the United States by Symatase.

Cost of Sales

Product Cost of Sales

Product cost of sales, excluding amortization of intangible assets, primarily consisted of the cost of inventory purchased from Daewoong. In addition, during the period from December 2020 to September 2022, product cost of sales, excluding amortization of intangible assets, also included certain royalties on the sale of Jeuveau® payable to Medytox and Allergan pursuant to the Medytox/Allergan Settlement Agreements, partially offset by reimbursement receivable from Daewoong pursuant to the Daewoong Arrangement with respect to such royalties. Our royalty obligations to Allergan concluded on September 16, 2022, and beginning on September 17, 2022, our royalty obligations to Medytox were reduced to a mid-single digit percentage of net revenue through the expiration of our Medytox royalty obligation in September 2032.

Product cost of sales, excluding amortization of intangible assets, decreased by \$0.2 million, or 0.5%, to \$42.3 million for the nine months ended September 30, 2023 from \$42.5 million for the nine months ended September 30, 2022, primarily due to reduced royalty obligations to Medytox, offset by an increase due to higher sales volume. We anticipate that our product cost of sales will fluctuate in line with changes in revenues until the expiration of the Medytox royalty obligation in September 2032.

Gross Profit Margin

Our gross profit margin was 68.5% and 57.4% for the nine months ended September 30, 2023 and 2022, respectively. Our adjusted gross profit margin, calculated as total net revenues less product cost of sales, excluding amortization of intangible assets, as a percentage of net revenues was 70.0% and 59.5% for the nine months ended September 30, 2023 and 2022, respectively. The difference between our gross profit margin and our adjusted gross profit margin reflects the impact of the amortization of distribution right intangible asset. Our gross profit margin and adjusted gross profit margin were impacted negatively and materially through September 2022 by our payments under the Medytox/Allergan Settlement Agreements, offset by payments we received under the Daewoong Arrangement. Our gross profit margin and adjusted gross profit margin have been and will continue to be negatively impacted to a lesser extent from September 2022 to September 2032 as we pay royalty obligations to Medytox at a mid-single digit percentage of net revenue. We also anticipate our gross profit margin and adjusted gross profit margin will fluctuate as we implement various marketing programs that may affect the average selling price for Jeuveau® and as we expand internationally.

Selling, General and Administrative

Selling, general and administrative expenses increased by \$16.8 million, or 16.0%, to \$121.9 million for the nine months ended September 30, 2023 from \$105.1 million for the nine months ended September 30, 2022, primarily resulting from increasing personnel costs related to our commercial activities. Selling, general and administrative expenses may fluctuate in the future primarily due to potential changes in marketing strategies and international launches.

Research and Development

Research and development expenses increased by \$0.8 million to \$4.2 million for the nine months ended September 30, 2023 from \$3.4 million for the nine months ended September 30, 2022. We expect our research and development expenses to continue to increase if and when we develop further product candidates and as we pursue regulatory approvals in other jurisdictions.

In-process Research and Development

For the nine months ended September 30, 2022, we recorded \$2.0 million of in-process research and development expense in connection with the Collaboration Agreement. For the nine months ended September 30, 2023, we recorded \$4.4 million of in-process research and development expense in connection with the Symatse Agreement. Refer to Note 2. *Basis of Presentation and Summary of Significant Accounting Policies* for additional information.

Revaluation of Contingent Royalty Obligation Payable to Evolus Founders

The change in the fair value of the contingent royalty obligation payable to Evolus Founders is recorded in operating expenses in each reporting period. During the nine months ended September 30, 2023 and 2022, the revaluation charges of \$5.1 million and \$3.9 million, respectively, were primarily driven by changes in management assumptions relating to revenue forecasts, the discount rate used and the timing of cash flows.

Depreciation and Amortization

Depreciation and amortization increased by \$1.1 million, or 40.7%, to \$3.8 million for the nine months ended September 30, 2023 from \$2.7 million for the nine months ended September 30, 2022, primarily due to an increase in amortization of internal use software and leasehold improvements.

Non-Operating Expense, Net

Non-operating expense, net, increased by \$2.7 million, or 41%, to \$9.2 million for the nine months ended September 30, 2023 from \$6.5 million for the nine months ended September 30, 2022, primarily due to higher interest expense for the

Pharmakon Term Loans. Interest on the Pharmakon Term Loans is based on a variable interest rate, which we expect will continue to fluctuate with market rates.

Income Tax Expense

There was minimal income tax expense for each of the nine months ended September 30, 2023 and 2022.

Liquidity and Capital Resources

As of September 30, 2023 we had cash and cash equivalents of \$38.7 million, positive working capital of \$43.5 million and stockholders' deficit of \$19.4 million.

We began selling Jeuveau® in May 2019 and have a relatively limited history of generating revenues. Since inception, we have incurred recurring net operating losses and have an accumulated deficit of \$547.1 million as of September 30, 2023 as a result of ongoing efforts to develop and commercialize Jeuveau®, including providing selling, general and administrative support for our operations. We had net loss of \$49.9 million and \$61.2 million for the nine months ended September 30, 2023 and 2022, respectively. We had net loss from operations of \$40.6 million and \$54.7 million for the nine months ended September 30, 2023 and 2022, respectively. We used net cash of \$34.8 million and \$76.1 million in operating activities for the nine months ended September 30, 2023 and 2022, respectively. We expect to continue to incur significant expenses for the foreseeable future as we increase marketing efforts for Jeuveau® in the U.S., Europe, and Australia, pursue regulatory approvals in other jurisdictions and ready for commercial launch of the Evolysse™ Lift, Smooth, and Sculpt dermal filler product line.

Impact of Inflation

The markets in which we operate are currently experiencing increased inflation. While we do not believe that inflation has had a material impact on our business, revenues or operating results during the periods presented, a prolonged inflationary environment could increase our cash required for operations and impact our liquidity position.

"At-the-market" Offerings of Common Stock

On March 8, 2023, we entered into an "at-the-market" sales agreement (the "ATM Sales Agreement") with Leerink Partners, LLC (formerly known as SVB Securities LLC) (the "Sales Agent") pursuant to which shares of our common stock could be sold from time to time for aggregate gross proceeds of up to \$50.0 million (the "ATM Program"). Under the ATM Sales Agreement, the Sales Agent is entitled to compensation, at a commission rate equal to 3.0% of the gross proceeds from sales of our common shares under the ATM Program. We have not sold any shares under the ATM Sales Agreement.

The Pharmakon Term Loans

On December 14, 2021, we entered into a loan agreement with Pharmakon. Pursuant to the terms of the agreement, Pharmakon agreed to make term loans to us in two tranches. The first tranche of \$75.0 million was funded on December 29, 2021. We received net proceeds of approximately \$68.7 million from Pharmakon, after issuance costs and debt discounts. On December 5, 2022, we entered into a Second Amendment to the loan agreement to extend our option to draw down the second tranche of \$50.0 million until December 31, 2023. On May 9, 2023, we entered into a Third Amendment to the loan agreement, which provides for the advancement of the second tranche of \$50.0 million in two installments: (i) \$25.0 million advanced on May 31, 2023 and (ii) \$25.0 million to be advanced on December 15, 2023, subject to the terms and conditions of the Pharmakon Term Loans. We are required to pay interest only under the loan agreement until March 2026, after which we make seven equal quarterly payments, each in an amount equal to 1/12th of the outstanding principal amount of the loan. We pay the remaining principal of the loan on the maturity date. The Pharmakon Term Loans will mature on the sixth year anniversary of the closing date of the first tranche. The term loan bears an annual interest rate equal to the 3-month secured overnight financing rate ("SOFR") (subject to a SOFR rate floor of 1.0%) plus 8.5% per annum. The proceeds of the Pharmakon Term Loans are used to fund our general corporate and working capital requirements.

Contingent Royalties to Evolus Founders

We are obligated to make quarterly royalty payments of a low-single digit percentage of net sales of Jeuveau® to the Evolus Founders. These obligations terminate at the end of the second quarter of 2029. The fair value of the obligations is valued quarterly and is referred to in our condensed consolidated financial statements as the contingent royalty obligation.

As of September 30, 2023, we recorded an aggregate balance of \$47.4 million on our balance sheet for the future royalty payment obligation to Evolus Founders.

Litigation Settlement

As described in “—Overview—Impact of Settlement Agreements,” on February 18, 2021, upon entering into the Medytox/Allergan Settlement Agreements, we agreed to pay to Allergan and Medytox \$35.0 million in multiple payments over two years, of which we paid the first payment of \$15.0 million in the third quarter of 2021, the second payment of \$15.0 million in the first quarter of 2022, and the final payment of \$5.0 million in the first quarter of 2023. We also issued 6,762,652 shares of common stock Going forward, from September 17, 2022 to Medytox. In addition, during the period from December 16, 2020 through September 16, 2022 September 16, 2032, we agreed to will pay to Allergan and Medytox royalties on the sale of Jeuveau®, based on a certain dollar amount per vial sold in the United States, and a low-double quarterly, mid-single digit royalty on net sales of Jeuveau® sold in other Evolus territories. During

Daewoong Agreement

Our agreement (as amended, the period from September 17, 2022 “Daewoong Agreement”) with Daewoong Pharmaceutical Co. Ltd. (“Daewoong”), provides us with an exclusive distribution license to September 16, 2032, we agreed to pay to Medytox a mid-single digit royalty percentage on all net sales of Jeuveau®. The royalty payments are made quarterly.

As described in “—Overview—Impact of Settlement Agreements,” on March 23, 2021, upon entering the from Daewoong Arrangement, Daewoong paid us \$25.5 million in April 2021, cancelled all remaining milestone payments up to \$10.5 million in aggregate under the Daewoong Arrangement and agreed to reimburse us certain amounts (calculated on a dollar amount per vials sold basis for aesthetic indications in the United States) for sales States, European Union, United Kingdom, members of certain products the European Economic Area, Switzerland, Canada, Australia, New Zealand, and South Africa, as well as co-exclusive distribution rights with respect to which we are required to pay Medytox and Allergan royalties pursuant to the U.S. Settlement Agreement.

License and Supply Agreement

Daewoong in Japan. The Daewoong Agreement includes certain minimum annual purchases we are required to make in order to maintain the exclusivity of the license. We may, however, meet these minimum purchase obligations by achieving certain market share in our licensed territories. These potential minimum purchase obligations are contingent upon the occurrence of future events, including receipt of governmental approvals and our future market share in various jurisdictions.

Symatase Agreements

In 2023, we entered into two agreements with Symatase S.A.S. and its affiliates, or Symatase, which granted us exclusive rights to commercialize and distribute the Evolysse™ line of dermal fillers in the United States and 50 countries in Europe for aesthetic and dermatological uses. We refer to the agreement conveying rights in the United States as the “Symatase U.S. Agreement” and the agreement conveying rights in Europe as the “Symatase Europe Agreement.” In the United States, we obtained the rights to the Evolysse™ products referred to as (i) Lift; (ii) Smooth; (iii) Sculpt; (iv) Lips; and (v) Eye and in Europe we obtained the rights to (i) Lift; (ii) Smooth; (iii) Sculpt; and (iv) Lips.

Symatase U.S. Agreement

The Symatase U.S. Agreement includes certain milestone payments, development cost-sharing arrangements, and minimum annual purchases we are required to make in order to maintain the exclusivity of the license. We may, however, meet these minimum purchase obligations by achieving certain market share in our licensed territory. These potential minimum purchase obligations are contingent upon the occurrence of future events, including receipt of governmental approvals and our future market share.

Symatase Europe Agreement

The Symatase Europe Agreement includes certain milestone payments and minimum annual purchases we are required to make in order to maintain the exclusivity of the license. We may, however, meet these minimum purchase obligations by achieving certain market share in our licensed territory. These potential minimum purchase obligations are contingent upon the occurrence of future events, including receipt of governmental approvals and our future market share.

Operating Leases

Our corporate headquarters in Newport Beach, California is under a non-cancelable operating lease, which expires on January 31, 2030 with an option to extend the term for an additional 60 months. Lease payments increase based on an annual rent escalation clause that occurs on each February 1 anniversary.

Current and Future Capital Requirements

We believe that our current capital resources, which consist of cash and cash equivalents, future cash generated from operations, and cash available under the Pharmakon Term Loans, existing liquidity, will be sufficient to satisfy our cash requirements for at least the next twelve months for working capital to support our daily operations and meet commitments under our contractual obligations with third parties, although we may wish to access the debt and equity markets or other sources of financing to satisfy our long-term cash requirements as further discussed below.

We have based our projections of capital requirements on assumptions that may prove to be incorrect and we may use all our available capital resources, which consist of cash and cash equivalents and cash generated from operations, and cash available under the Pharmakon Term Loans, sooner than we expect. Our cash requirements depend on numerous factors, including but not limited to, the impact of any potential disruptions to our supply chain, inflation or other economic conditions, uncertainty regarding the stability of certain financial institutions, and other long-term commitments and contingencies. Because of the numerous risks and uncertainties associated with research, development and commercialization of our products, we are unable to estimate the exact amount of our operating capital requirements, requirements, including our requirements beyond the next twelve months. In such case, we may be required to raise additional capital to fund future operations through the incurrence of debt, the entry into licensing or collaboration agreements with partners, sale of equity securities, grants or other sources of financing. However, there can be no assurance such financing or other alternatives will be available to us on acceptable terms, or at all. The global economy, including the financial and credit markets, has recently experienced significant volatility and disruptions, including severely diminished liquidity and credit availability and rising interest rates. These conditions may adversely impact our ability to raise additional capital on acceptable terms, or at all.

Our future funding requirements will depend on many factors, including, but not limited to:

- the rate of revenue growth for Jeuveau® in the United States and success of planned international launches;
- the timing of regulatory approval for the Evolysse™ dermal filler product line in the United States and Europe by Symatase; Symatase and our ability to successfully commercialize these products;
- development costs and milestone payments related to the Evolysse™ products;
- our ability to forecast demand for our products, scale our supply to meet that demand and manage working capital effectively;
- corporate development activities including the purchase, license, or other acquisition of products and services to add to our product or service offerings;
- the number, characteristics, and development stage of any future product candidates we may develop or acquire;
- the timing and costs of any ongoing or future clinical programs we may conduct;
- the cost of manufacturing our product or any future product candidates and any products we successfully commercialize, including costs associated with our supply chain;
- the timing and amounts of the royalty and other payments payable in connection with the Medytox Settlement Agreement;
- the amounts of the royalty payable to the Evolus Founders;

- the cost of commercialization activities for Jeuveau®, the Evolysse™ dermal filler product line or any future product candidates that are approved or cleared for sale, including marketing, sales and distribution costs;
 - the cost of maintaining a sales force, the productivity of that sales force, the market acceptance of our products and the actions and product introductions of our competitors;
-
- our ability to establish and maintain strategic collaborations, licensing or other arrangements and the financial terms of any such agreements that we may enter into;
 - any product liability or other lawsuits related to our products;
 - the cost of any current litigation, including our ongoing securities class action lawsuit and shareholder derivative lawsuit;
 - the expenses needed to attract and retain skilled personnel;
 - the costs associated with being a public company;
 - the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing intellectual property and any other future intellectual litigation we may be involved in; and
 - the timing, receipt and amount of sales of any future approved or cleared products, if any.

Cash Flows

The following table summarizes our cash flows for the periods indicated:

		Nine Months Ended September 30,					
		Three Months Ended March 31,				Three Months Ended March 31,	
(in millions)	(in millions)	2023	2022	(in millions)	2024	2023	
Net cash provided by (used in):	Net cash provided by (used in):						
Operating activities	Operating activities						
Operating activities	Operating activities	\$(34.8)	\$(76.1)				
Investing activities	Investing activities	(1.3)	(1.5)				
Financing activities	Financing activities	21.1	(2.6)				

Effect of exchange rates on cash	Effect of exchange rates on cash	(0.0)	(0.4)
Change in cash and cash equivalents	Change in cash and cash equivalents	(15.0)	(80.7)
Cash and cash equivalents, beginning of period	Cash and cash equivalents, beginning of period	53.9	146.3
Cash and cash equivalents, end of period	Cash and cash equivalents, end of period	\$ 38.7	\$ 65.6

Operating Activities

For the **nine** **three** months ended **September 30, 2023** **March 31, 2024**, operating activities used **\$34.8 million** **\$10.6 million** of cash, which primarily resulted from our net loss of **\$49.9 million** **\$13.1 million**. Net operating assets and liabilities **Improved** changed by **\$8.7 million** **\$6.2 million**, primarily driven by improved collections from customers, payments to vendors **and** the timing of inventory purchases from our **supplier**, supplier. Operating activities also includes adjustments for certain non-cash charges including \$5.1 million of stock-based compensation expense, \$1.6 million in revaluation of our contingent royalty obligation, \$0.2 million of provision of allowance for doubtful accounts and \$1.4 million of depreciation and amortization.

For the three months ended March 31, 2023, operating activities used \$20.6 million of cash, which primarily resulted from our net loss of \$14.8 million. Net operating assets and liabilities changed by \$12.7 million, primarily driven by timing of receipts from customers and payments to vendors and the final cash litigation settlement payment of \$5.0 million to Medytox and Allergan. Operating activities also includes adjustments for certain non-cash charges including **\$12.1 million** **\$3.3 million** of stock-based compensation expense, **\$5.1 million** **\$1.6 million** in revaluation of our contingent royalty obligation, **\$1.4 million** **\$0.3 million** of provision of allowance for doubtful accounts and **\$3.8 million** of depreciation and amortization.

For the nine months ended September 30, 2022, operating activities used \$76.1 million of cash, which primarily resulted from our net loss of \$61.2 million. Net operating assets and liabilities changed by \$32.7 million, primarily driven by timing of receipts from customers and payments to vendors and the second cash litigation settlement payment of \$15.0 million to Medytox and Allergan. Operating activities also includes adjustments for certain non-cash charges including \$8.4 million of stock-based compensation expense, \$3.9 million in revaluation of our contingent royalty obligation, \$1.4 million of provision of allowance for doubtful accounts and \$2.7 million **\$1.2 million** of depreciation and amortization.

Investing Activities

Cash used in investing activities was **\$1.3 million** **\$0.8 million** for the **nine** **three** months ended **September 30, 2023** **March 31, 2024** compared to **\$1.5 million** **\$0.5 million** for the **nine** **three** months ended **September 30, 2022** **March 31, 2023**.

Financing Activities

Cash provided by financing activities was **\$21.1 million** **\$45.7 million** for the **nine** **three** months ended **September 30, 2023** **March 31, 2024**, compared to **\$2.6 million** **\$1.3 million** of cash used in financing activities for the **nine** **three** months ended **September 30, 2022** **March 31, 2023**.

For the **nine** **three** months ended **September 30, 2023** **March 31, 2024**, cash provided by financing activities resulted from **\$25.0 million net proceeds** **\$47.0 million** from **drawing on the second tranche of the Pharmakon Term Loans** **a follow-on equity offering** as described above.

Indebtedness

"See "—Liquidity and Capital **Resources**" **Resources—The Pharmakon Term Loans**" for a description of our Pharmakon Term Loans.

Material Cash Requirements

Our material cash requirements from known contractual and other obligations, **including commitments for capital expenditures**, primarily consist of (i) principal and interest payments related to our Pharmakon Term Loans **(future interest payments on our outstanding Pharmakon Term Loans total approximately \$56.2 million, with \$17.7 million due within twelve months)**, (ii) quarterly royalty payments to the Evolus Founders of a low single digit percentage of net sales of Jeuveau® (these obligations terminate in the quarter after the 10-year anniversary of the first commercial sale of Jeuveau® in the United States), (iii) quarterly royalty payments to Medytox of a low-double digit royalty on net sales of Jeuveau® sold in the United States and other Evolus territories (during the period from September 17, 2022 to September 16, 2032), (iv) minimum purchase obligations under the Daewoong Agreement, (v) **€12.1** milestone payments

development cost-sharing arrangements, and minimum annual purchases under the Symatase **U.S. Agreement** **consisting of €1.6 million in June 2025, €4.1 million in June 2026, €3.2 million in June 2027, and €3.2 million in June 2028, in each case subject to three of the dermal filler products gaining approval prior to that date, (vi) €3.1 million of milestone payments under the Symatase Europe Agreement consisting of : €1.2 million on the second anniversary of certain regulatory approvals and €1.9 million on the earlier of the third anniversary of certain regulatory approvals or following a year in which we achieves €25 million in revenue in Europe for the dermal filler products, and (vii) obligations under operating leases related to our office spaces, space which are described in more detail in Note 7. Operating Leases in the Notes to the Condensed Consolidated Financial Statements in Part I, Item of this quarterly report.** During the **nine** **three** months ended **September 30, 2023** **March 31, 2024**, there were no material changes to these obligations as reported in our Annual Report on Form 10-K for the year ended **December 31, 2022**, except as described above with the respect to the Symatase Agreement.

December 31, 2023.

Critical Accounting Policies and Estimates

Management's discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and related disclosure of contingent assets and liabilities, revenue and expenses at the date of the consolidated financial statements as well as the expenses incurred during the reporting period. Generally, we base our estimates on historical experience and on various other assumptions in accordance with GAAP that we believe to be reasonable under the circumstances. Actual results may differ materially from these estimates under different assumptions or conditions and such differences could be material to the financial position and results of operations. On an ongoing basis, we evaluate our estimates and assumptions in light of changes in circumstances, facts and experience.

There have been no material changes to our critical accounting policies and estimates as discussed in our Annual Report on Form 10-K filed for the year ended **December 31, 2022** **December 31, 2023**. However, we adopted ASC 326 on January 1, 2023, which requires us to estimate the allowance for credit losses using relevant available information, from internal and external sources, relating to past events, current conditions and reasonable and supportable forecasts. Historical credit loss experience provides the basis for estimation of expected credit losses and are adjusted as necessary using the relevant information available.

Recently Issued and Adopted Accounting Pronouncements

We describe the recently issued and adopted accounting pronouncements that apply to us in **Note 2. Summary of Significant Accounting Policies-Recent Accounting Pronouncements**, **in the Notes to the Condensed Consolidated Financial Statements in Part I, Item of this quarterly report.**

Item 3. Quantitative and Qualitative Disclosure About Market Risk.

Not applicable. We are exposed to market risk in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of fluctuations in interest rates and foreign currency exchange rates.

For financial market risks related to changes in interest rates and foreign currency exchange rates, reference is made to the “*Management’s Discussion and Analysis of Financial Condition and Results of Operations-Quantitative and Qualitative Disclosures About Market Risk*” section in the Annual Report on Form 10-K and to the notes to the consolidated financial statements included therein. As of the date of this report, there were no material changes in the our financial market risks from the risks disclosed in the Annual Report on Form 10-K filed for the year ended December 31, 2023.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As of September 30, 2023 March 31, 2024, our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, who serve as our principal executive officer and principal financial officer, respectively, performed an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act. Our disclosure controls and procedures are designed to ensure (a) that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and (b) that information required to be disclosed by us in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, as of September 30, 2023 March 31, 2024, our disclosure controls and procedures were effective at a reasonable assurance level.

Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objective and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Changes in Internal Control over Financial Reporting

During the three months ended September 30, 2023 March 31, 2024, there were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred with respect to the quarter ended September 30, 2023 March 31, 2024 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

See “Legal Proceedings” in Note 8. *Commitments and Contingencies* for information regarding legal proceedings.

Item 1A. Risk Factors

The risks and uncertainties discussed below update, supersede and replace the risks and uncertainties previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023, which was filed with the SEC on March 8, 2023, and previously disclosed in Part II, Item 1A of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, which was filed with the SEC on August 2, 2023 March 7, 2024. We do not believe any of the changes constitute material changes from the risk factors previously disclosed in such prior Annual Report on Form 10-K.

An investment in our company involves a high degree of risk. You should carefully consider the risks and uncertainties described below together with all the other information in this Quarterly Report on Form 10-Q, including Part I, Item 2 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and the notes thereto included in Part I, Item 1. If any of the following risks actually occurs, our business, reputation, financial condition, results of operations, revenue, and future prospects could be seriously harmed. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business. Unless otherwise indicated, references to our business being seriously harmed in these risk factors will include harm to our business, reputation, financial condition, results of operations, revenue and future prospects. In that event, the market price of our common stock could decline, and you could lose part or all of your investment.

Risks Related to Our Business and Strategy

We currently depend entirely on the successful commercialization of our only commercially available product, Jeuveau®. If we are unable to successfully market and sell Jeuveau®, we may not generate sufficient revenue to continue our business.

We currently have only one commercially available product, Jeuveau®, and our business presently depends entirely on our ability to successfully market and sell it in a timely manner. We commercially launched in the United States in May 2019 and through a distribution partner in Canada in October 2019. We commercially launched in Europe in September 2022, and as such, we have a limited history of generating revenue for Jeuveau® in those markets. Our near-term prospects, including our ability to generate revenue, as well as our future growth, depend entirely on the successful commercialization of Jeuveau®. The commercial success of Jeuveau® will depend on a number of factors, including our ability to successfully commercialize Jeuveau®, whether alone or in collaboration with others, including our ability to hire, retain and train sales representatives in the United States. Our ability to market and sell Jeuveau® is also dependent on the willingness of consumers to pay for Jeuveau® relative to other discretionary items, especially during economically challenging times. Additional factors necessary for the successful commercialization of Jeuveau® include the availability, perceived advantages, relative cost, relative safety of Jeuveau® and relative efficacy of competing products, the timing of new product introductions by our competitors, and the sales and marketing tactics of our competitors, including bundling of multiple products, in response to our launch of Jeuveau®. Each of these factors may vary on a country by country basis as we expand our operations.

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 issues commercializing Jeuveau®. Further, we may never be able to successfully market and sell Jeuveau® or any future product candidates. In addition, our experience as a commercial company is limited. Accordingly, we may not be able to generate sufficient revenue through the sale of Jeuveau® or any future product candidates to continue our business.

We have a limited operating history and have incurred significant losses since our inception and anticipate that we may incur losses in the future. We have only one product and limited commercial sales, which, together with our limited operating history, makes it difficult to assess our future viability.

We are a global performance beauty company with a limited operating history. To date, we have invested substantially all of our efforts and financial resources in the clinical development, regulatory approval, and commercial launch of Jeuveau®, which is currently our only

commercially available product. We began selling Jeuveau® in the United States in May 2019 and through a distribution partner in Canada in October 2019. We began selling Jeuveau® in Europe in September 2022 and, as such, have a limited history of generating revenue in those markets. We have incurred losses in each year since our inception in 2012. We have a limited operating history upon which you can evaluate our business and prospects. Consequently, any predictions about our future success, performance or viability may not be as accurate as they could be if we had a longer operating history or greater experience commercializing a product. 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

the medical aesthetics field. We continue to incur significant expenses related to the commercialization of Jeuveau®. We

recorded a net loss of \$49.9 million for the nine months ended September 30, 2023, and we recorded a net loss of \$74.4 million for the years ended December 31, 2022 and 2021, respectively. We had an accumulated deficit as of September 30, 2023 of \$547.1 million. Our ability to achieve revenue and profitability is dependent on our ability to successfully market and sell Jeuveau®. 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, if needed, our ability to raise capital to continue operations.

We are reliant on Symatse to achieve regulatory approval for the Evolysse™ product line in the United States. Failure to obtain approval or obtain approval on our estimated time frame for the Evolysse™ product line would negatively affect our ability to sell these products.

The FDA and European regulatory process for medical devices such as Evolysse™ is complex, time-consuming and subject to numerous inherent risks. Before Evolysse™ can be marketed in the United States or Europe, Symatse must submit and obtain regulator approval for the FDA must approve a Premarket Approval, or PMA. For the PMA approval process, the FDA dermal fillers. Regulators must determine that a proposed device is safe and effective for its intended use based, in part, on extensive data, including, but not limited to, technical, pre-clinical, clinical trial, manufacturing and labeling data. In addition, modifications to products that are approved through a PMA application by regulatory agencies generally need FDA approval.

We are substantially dependent on our relationship with Symatse for the regulatory approval process of the Evolysse™ dermal filler product candidates. While we have agreed to share certain costs associated with the regulatory approval process to provide our experience to Symatse, Symatse is ultimately responsible for obtaining regulatory approval of the Evolysse™ product line. If Symatse encounters difficulties or delays in obtaining regulatory approvals for these products, our ability to commercialize and generate revenue from these products could be materially and adversely affected. As a result, our reliance on Symatse for the regulatory approval process exposes us to risks associated with Symatse's ability to successfully navigate the complex regulatory landscape. If we are unable to manage these risks effectively, it could have a material adverse effect on our business, financial condition, and results of operations.

In addition, if Symatse fails to maintain compliance with applicable regulatory requirements or if regulatory authorities impose new requirements, the approval process could be delayed or approvals could be denied. This may result in additional costs, reduced revenue projections, and potential harm to our business, reputation and market position.

We may require additional financing to fund our future operations or execute corporate development activities, which could dilute the ownership interest of our existing stockholders, and a failure to obtain additional capital when so needed on acceptable terms, or at all, could force us to delay, limit, reduce or terminate our operations.

We have utilized substantial amounts of cash since our inception in order to conduct clinical development to support regulatory approval and launch of Jeuveau® in the United States, Europe, Canada, and Australia. We expect that we will continue to expend substantial resources for the

foreseeable future in order to continue to market and sell Jeuveau® and for the clinical development of Evolysse™ and any additional product candidates we may choose to pursue. While we believe that we currently have adequate capital resources, which consist of cash and cash equivalents and cash generated from operations, to operate our business until our business generates profits and positive cash flow, this belief is based upon certain financial assumptions including net revenue, gross margin, working capital and expense assumptions. If these assumptions are incorrect, or if we experience other risks or uncertainties set forth in this Quarterly Report on Form 10-Q, we may require additional capital to operate our business.

We expect to expend resources furthering the development and continuation of our marketing programs and commercialization infrastructure in connection with commercializing Jeuveau® within and outside of the United States. We have also agreed to reimburse Symatase for certain clinical trial expenses related to the Evolysse™ Lip and Eye products in the United States and for certain regulatory filing fees in Europe. In the long term, our expenditures will include costs associated with the continued commercialization of Jeuveau®, research and development, approval and commercialization of products and any of our future product candidates, including our proposed higher strength dose of Jeuveau® and the Evolysse™ line of dermal fillers, such as research and development, conducting preclinical studies and clinical trials and manufacturing and supplying as well as marketing and selling any products approved for sale. Because the commercialization expenditures needed to meet our sales objectives are highly uncertain, we cannot reasonably estimate the actual amounts necessary to successfully market and sell Jeuveau® or, if approved, the Evolysse™ line of dermal fillers. We may in the future, also, acquire other companies or products which may be costly and which may require additional capital to operate. In addition, other unanticipated costs may arise. Accordingly, our actual cash needs may exceed our expectations.

If we were to 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 or offerings of securities convertible into our equity, the ownership interest of our existing stockholders will be diluted and the terms of any such securities may have a preference over our common stock. Debt financing, receivables financing and royalty financing may also be coupled with an equity component, such as warrants to purchase our capital stock, which could also result in dilution of our existing stockholders' ownership, and such dilution may be material. Additionally, if we raise additional capital through debt financing, we will have increased fixed or variable payment obligations and may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt or making capital expenditures to meet specified financial ratios, and other operational restrictions, any of which could restrict our ability to market and sell Jeuveau® or any future product candidates or operate as a business and may result in liens being placed on our assets. If we were to default on any of our indebtedness, we could lose such assets.

In addition, the global economy, including the financial and credit markets, has recently experienced significant volatility and disruptions, including severely diminished liquidity and credit availability and rising interest rates. In the event we are unable to raise sufficient capital to fund our commercialization efforts to achieve specified minimum sales targets under the Daewoong Agreement, Symatase U.S. Agreement and the Symatase Europe Agreement, we will lose exclusivity of the license that we have been granted under the Daewoong Agreement and the Symatase Agreement. those respective agreements. In addition, if we are unable to raise additional capital when required or on acceptable terms, we will be required to take actions to address our liquidity needs which may include the following: significantly reduce operating expenses and delay, reduce the scope of or discontinue some of our development programs, commercialization efforts or other aspects of our business plan, out-license intellectual property rights to our product candidates and sell unsecured assets, or a combination of the above. As a result, our ability to achieve profitability or to respond to competitive pressures would be significantly limited and may have a material adverse effect on our business, results of operations, financial condition and/or our ability to fund our scheduled obligations on a timely basis or at all.

If we or our counterparties do not comply with the terms of our settlement agreement with Medytox, we may face litigation or lose our ability to market and sell Jeuveau®, which would materially and adversely affect our ability to carry out our business and our financial condition and ability to continue as a going concern.

Effective February 18, 2021, we entered into a Settlement and License Agreement with Medytox which we refer to as the Medytox Settlement Agreement.

Under the Medytox Settlement Agreement we obtained (i) a license to commercialize, manufacture and to have manufactured for us certain products identified in the Medytox Settlement Agreements, including Jeuveau® (the “Licensed Products”), in the United States and other territories where we license Jeuveau®, (ii) the dismissal of outstanding litigation against us, including the ITC Action, a rescission of the related remedial orders, and the dismissal of a civil case in the Superior Court of California against us, which we refer to together with any claims (including claims brought in Korean courts) with a common nexus of fact as the Medytox/Allergan Actions, and (iii) releases of claims against us for the Medytox/Allergan Actions. **Going forward Under the agreement,** we **are remain** obligated to pay to Medytox a mid-single digit royalty percentage on net sales of Jeuveau® in the United States and all territories we have licensed outside the United States until September 16, 2032. In addition, under the Medytox Settlement Agreement we made certain representations and warranties and agreed to certain customary positive and negative covenants.

In the event we fail to comply with the terms of the Medytox Settlement Agreement, subject to applicable cure periods, Medytox would have the ability to terminate the Medytox Settlement Agreement and thereby cancel the licenses granted to us and re-institute litigation against us. Any litigation may result in remedies against our products, resulting in either an injunction prohibiting our sales, or with respect to our sales, an obligation on our part to pay royalties and/or other forms of compensation to third parties, any of which would materially and adversely affect our ability to generate revenue from Jeuveau®, to carry out our business, and to continue as a going concern.

Additionally, if Medytox fails to comply with the terms of the Medytox Settlement Agreement and comply with the covenants and agreements under the Medytox Settlement Agreement, it could materially and adversely affect our ability to generate revenue from Jeuveau®, to carry out our business, and to continue as a going concern. For example, as required by the Medytox Settlement Agreement, in February 2021 Medytox filed a document with the Korean court that its litigation with Daewoong would not affect our right to have Jeuveau® manufactured by Daewoong or exported to us. If Medytox were to breach the Medytox Settlement Agreement and rescind this filing and the Korean court issued a ruling against Daewoong, our

supply of Jeuveau® could be hindered. We would also be required to engage in costly and time-consuming litigation in order to enforce our rights under the Medytox Settlement Agreement.

The terms of the Medytox Settlement Agreement will reduce our profitability until the royalty obligations expire, and may affect the extent of any discounts we may offer to our customers.

As a result of the royalty payments that we are required to pay under the Medytox Settlement Agreement, our profitability has and will be adversely impacted for the period that we are required to pay royalties. We may be able to offset a portion of the loss of profitability by decreasing any discount to customers on Jeuveau® as compared to discounts we provided to customers prior to the Medytox Settlement Agreement. If we reduce discounts for any customers, their volume of purchases may decrease which would have a material and adverse effect on our business and results of operations.

We are subject to risks associated with a public health crisis, including the COVID-19 pandemic and other outbreaks of contagious diseases.

We are subject to risks associated with public health crises, including relating to the COVID-19 pandemic. The COVID-19 pandemic had, and may continue to have, a material adverse effects on our business, financial condition, results of operations and cash flows. Other public health crises, including any future outbreaks of contagious diseases, could have a similar material adverse effect on our business. Financial and operational impacts that we experienced in connection with the COVID-19 pandemic, and may experience as a result of future COVID-19 outbreaks or other public health crises, include:

- a decline in the rates of elective procedures;
- difficulties in enrolling patients in clinical programs;
- changes in the availability of our key personnel;

- temporary closures of our facilities or the facilities of our business partners, customers, third party service providers or other vendors;
- interruptions to our supply chain and distribution channels; and
- downstream economic effects, including disruptions capital or financial markets, increased inflation and rising interest rates.

Depending on the severity of the financial and operational impacts, our business, financial condition, and results of operations may be materially adversely impacted. The extent to which any future public health crises may impact our business, results of operations, and financial condition depends on many factors which are highly uncertain and are difficult to predict. These factors include, but are not limited to, the duration and spread of any outbreak, its severity, the actions to contain or address the impact of the outbreak, the timing, distribution, and efficacy of vaccines and other treatments, United States and foreign government actions to respond to possible reductions in global economic activity, and how quickly and to what extent normal economic and operating conditions can resume.

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

Because we do not expect Jeuveau® for the treatment of glabellar lines or, subject to regulatory approval, the Evolysse™ line of dermal fillers to be reimbursed by any government or third-party payor, our **only product is and products** will continue to be paid for directly by the consumer. Demand for Jeuveau® and, subject to regulatory approval, the Evolysse™ line of dermal fillers, is accordingly tied to the discretionary spending levels of our targeted consumer population. A severe or prolonged economic downturn, instability or crises affecting banks or other financial institutions, or inflation in consumer prices, as we are currently experiencing, could result in a variety of risks to our business, including a decline in the discretionary spending of our target consumer population, which could lead to a weakened demand for Jeuveau®, Evolysse™, or any future product candidates. A severe or prolonged economic downturn may also affect our ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy, instability or crises affecting banks or other financial institutions, or political disruption or geopolitical conflicts, including the military conflict between Russia and Ukraine and the ongoing conflict in the Middle East, could also strain our suppliers, possibly resulting in supply disruption, or cause our customers to delay making payments for our products. Inflation in the markets we serve could similarly impact our revenues, as consumer spending power could decline. Any of the foregoing could harm our business.

In addition, our business strategy was developed based on a number of important assumptions about the **self-pay cash-pay** healthcare market. For example, we believe that the number of **self-pay cash-pay** healthcare procedures will increase in the future. However, these trends are uncertain and limited sources exist to obtain reliable market data. Therefore, sales of Jeuveau® or any of our future product candidates could differ materially from our projections if our assumptions are incorrect.

Adverse developments affecting the financial services industry, including events or concerns involving liquidity, defaults or non-performance by financial institutions, could adversely affect our business, financial condition or results of operations.

The funds in our operating accounts are held in banks or other financial institutions. Our cash held in non-interest bearing and interest-bearing accounts exceeds applicable Federal Deposit Insurance Corporation ("FDIC") insurance limits. Bank failures, events involving limited liquidity, defaults, non-performance or other adverse developments occur with respect to the banks or other financial institutions that hold our funds, or that affect financial institutions or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks may lead to widespread demands for customer withdrawals and liquidity constraints that may result in market-wide liquidity problems, which could adversely impact our liquidity. For example, on March 10, 2023, the FDIC announced that Silicon Valley Bank had been closed by the California Department of Financial Protection and Innovation. On March 26, 2023, the assets, deposits and loans of Silicon Valley Bank were acquired by First-Citizens Bank & Trust Company. Although we did not have any funds in Silicon Valley Bank or other institutions that have been closed, we cannot guarantee that the banks or other financial institutions that hold our funds will not experience similar issues.

In addition, investor concerns regarding the U.S. or international financial systems could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult for us to acquire financing on terms favorable to us, **or at all**, and could have material adverse impacts on our liquidity, our business, financial condition or results of operations, and our prospects. Our business may be adversely impacted by these

developments in ways that we cannot predict at this time, there may be additional risks that we have not yet identified, and we cannot guarantee that we will be able to avoid negative consequences.

Our products face significant competition and our failure to effectively compete may prevent us from achieving significant market penetration and expansion.

Jeuneau® is approved for use and Evolysse™ is being investigated for use in facial medical aesthetic medicine market. Regulatory approval has been received for the Evolysse™ nasolabial fold product in Europe and the remaining three products are anticipated to be approved in late 2024. The facial United States regulatory approval and commercial launch is expected in 2025 for the first two products with subsequent regulatory approval and product launches for the remaining products in 2026 and 2027. The medical aesthetic market is highly competitive and dynamic and is characterized by rapid and substantial technological development and product innovations. Our products face, and we anticipate that our future products will face, significant competition from other facial aesthetic products, such as other injectable and topical botulinum toxins and dermal fillers. Our products may also compete with unapproved and off-label treatments. Many of our potential competitors, including Allergan, and now AbbVie Inc., which acquired Allergan, who first launched BOTOX for cosmetic uses in 2002 and has since maintained the highest market share position in the aesthetic neurotoxin market with its BOTOX product, are large, experienced companies that enjoy significant competitive advantages, such as substantially greater financial resources enabling them to, among other things, market and discount aggressively. Within the dermal filler market we will also face large, experienced competitors such as AbbVie and Galderma. Competitors may also have greater brand recognition for their products, larger sales forces and larger aesthetic product portfolios allowing the companies to bundle products to provide customers more choices and to further discount their products. Additionally, our competitors have greater existing market share in the facial medical aesthetic medicine market and long-standing customer loyalty programs and sales contracts with large customers which creates established business and financial relationships with customers, aesthetic societies and universities.

These competitors may also try to compete with our aesthetic products on price both directly, through rebates and promotional programs to high volume physicians customers and coupons to consumers, and indirectly, through attractive product bundling with complimentary products, such as dermal fillers that offer convenience and an effectively lower price compared to the total price of purchasing each product separately. These companies may also seek to compete based on their longer operating history. Larger companies may be better capitalized than us and, accordingly, are able to offer greater customer loyalty benefits to encourage repeat use of their products and finance a sustained global advertising campaign to compete with our commercialization efforts at launch. A number of our larger competitors also have access to a significant number of studies and publications that they could use to compete with us.

In the long term, we expect to expand our focus to the broader self-pay cash-pay healthcare market. Competitors and other parties may seek to impact regulatory approval of our future product applications through the filing of citizen petitions or other similar documents, which could require costly and time-consuming responses to the regulatory agencies. Larger competitors could seek to prevent or delay our commercialization efforts via costly litigation which can be lengthy and expensive and serve to distract our management team's attention. We could face competition from other sources as well, including academic institutions, governmental agencies and public and private research institutions. In addition, we are aware of other companies also developing and/or marketing products in one or more of our target markets, including competing injectable botulinum toxin type A formulations that are currently in Phase III clinical development in North America for the treatment of glabellar lines. For example, Revance Therapeutics, Inc. obtained approval for an injectable botulinum toxin type A neurotoxin on September 8, 2022, called "Daxxify." "Daxxify" and Hugel, Inc. obtained approval for its injectable botulinum toxin type A neurotoxin on February 29, 2024. Additionally, Hugel both Galderma S.A. and Medytox, Inc., have submitted a BLA to the FDA for an injectable botulinum toxin type A neurotoxin and received a Complete Response Letter from the FDA in April 2023. neurotoxin. With the approval of the Revance Therapeutic's BLA and Hugel's BLAs and the potential approval of Hugel, Inc.'s BLA, additional BLAs, we expect the competition in the U.S. injectable botulinum toxin market to further increase. We would face similar risks with respect to any future product candidates that we may seek to develop or commercialize in the broader self-pay cash-pay healthcare market. Successful competitors in that market have the ability to effectively discover, obtain patents, develop, test and obtain regulatory approvals for products, as well as 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.

Our strategy of competing in the aesthetic neurotoxin market is dependent on the marketing and pricing flexibility that we believe is afforded to a company with a portfolio limited to self-pay cash-pay healthcare, comprised of products and procedures that are not reimbursed by third-party payors. In the event that regulations applicable to reimbursed products are changed to apply to self-pay cash-pay healthcare products, we would no longer have this flexibility and we may not be able to compete as effectively with our competitors which may have a material effect on our business, financial condition and results of operations. Additionally, as a result of the royalty payments that we are required to pay under the Medytox Settlement Agreement, we may not be able to discount Jeuveau® to the extent that we previously provided discounts to customers without impacting our gross profit margins. If we increase prices for any customers, their volume of purchases may decrease which would have a material and adverse effect on our business and results of operations.

In addition, competitors may develop new technologies within the medical aesthetic market that may be superior in safety and efficacy to our products or offer alternatives to the use of toxins or dermal fillers, including surgical and radio frequency techniques. To compete successfully in the medical aesthetic market, we will have to demonstrate that our products are at least as safe and effective as current products sold by our competitors. Competition in the medical aesthetic market could result in price-cutting and reduced profit margins, 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 international markets than are approved for use in the United States. There are also fewer limitations on the claims that our competitors in international markets can make about the effectiveness of their products and the manner in which they can market them. As a result, we expect to face more competition in these markets than in the United States.

Our commercial opportunity could also be reduced or eliminated if our competitors develop and commercialize products that are safer, are more effective, have fewer or less severe side effects, are more convenient or are less expensive than Jeuveau® or any other product that we may develop. Our competitors also may obtain FDA or other regulatory approval for these products more rapidly than we may obtain approval for our products, which could result in our competitors establishing a strong market position before we are able to enter the market, which may create additional barriers to successfully commercializing Jeuveau® and any future product candidates and attracting physician practitioners and consumer demand.

Our products may fail to continue to achieve the broad degree of physician aesthetic practitioner adoption and use or consumer demand necessary for continued commercial success.

Jeuveau® or, subject to regulatory approval, the Evolysse™ line of dermal fillers may fail to continue to gain or gain sufficient market acceptance by physicians, aesthetic practitioners, consumers and others in the medical aesthetics community to continue to grow our net revenues. The continued commercial success of Jeuveau® and any future product candidates, including a proposed higher strength dose of Jeuveau® and the Evolysse™ line of dermal fillers, will depend significantly on the broad adoption and use of the resulting product by physicians aesthetic practitioners for approved indications, including, in the case of Jeuveau®, the treatment of glabellar lines and other aesthetic indications that we may seek to pursue. We are aware that other companies are seeking to develop alternative products and treatments, any of which could impact the demand for our products.

The degree and rate of physician practitioner adoption of Jeuveau® and any product candidates depend on a number of factors, including the cost, profitability to our customers, consumer demand, characteristics and effectiveness of the product. Our success will also depend our ability to create compelling marketing programs, training of our customers and ability to overcome any biases physicians aesthetic practitioners or consumers may have toward the use, safety and efficacy of existing products over our products.

Moreover, our competitors may utilize negative selling efforts or offer more compelling marketing or discounting programs than we are able to offer, including by bundling multiple aesthetic products to provide a more comprehensive offering than we can so long as Jeuveau® remains our only commercially available product.

In addition, in its clinical trials, Jeuveau® was clinically tested and compared to BOTOX. Jeuveau® is the only known neurotoxin product in the United States with BOTOX, both of which contain a 900 kDa complex other than BOTOX complex. We believe that aesthetic physicians' practitioners' familiarity with the 900 kDa complex's handling, preparation and dosing will more easily facilitate incorporation of Jeuveau® into their practices. However, the ease of integration of Jeuveau® into a physician's an aesthetic practitioner's practice may not be as seamless as we anticipate.

With respect to consumer demand, the treatment of glabellar lines with Jeuveau® is an elective procedure, the cost of which must be borne by the consumer, and we do not expect costs related to the treatment to be reimbursable through any third-party payor, such as Medicaid, Medicare or commercial insurance. The decision by a consumer to undergo treatment with Jeuveau® for the treatment of glabellar lines or other aesthetic indications that we may pursue may be influenced by a number of factors, including the cost, efficacy, safety, perception, marketing programs for, and physician aesthetic practitioner recommendations of Jeuveau® versus competitive products or procedures. Moreover, consumer demand may fluctuate over time as a result of consumer sentiment about the benefits and risks of aesthetic procedures generally and Jeuveau® in particular, changes in demographics and social trends, rising inflation and general consumer confidence and consumer discretionary spending, which may be impacted by the COVID-19 outbreak, economic and political conditions.

If Jeuveau®, Evolysse™, or any product candidates fails to achieve the broad degree of physician aesthetic practitioner adoption necessary for commercial success or the requisite consumer demand, our operating results and financial condition will be adversely affected, which may delay, prevent or limit our ability to generate revenue and continue our business.

Our ability to market Jeuveau® is limited to use for the treatment of glabellar lines, and if we want to expand the indications for which we market Jeuveau®, we will need to obtain additional regulatory approvals, which will be expensive and may not be granted.

We have received regulatory approval for Jeuveau® in the United States for the treatment of moderate to severe glabellar lines. The terms of that approval restrict our ability to market or advertise Jeuveau® for other indications, which could limit physician aesthetic practitioner and consumer adoption. Under the U.S. Federal Food Drug and Cosmetic Act, we may generally only market Jeuveau® for approved indications. Many of our competitors have received approval of multiple aesthetic and therapeutic indications for their neurotoxin products and may be able to market such products for use in a way we cannot. For example, we are aware that one of our competitors, Allergan (now AbbVie), AbbVie, has obtained and plans to obtain additional indications for its neurotoxin product within medical aesthetics and, therefore, is able to market its product across a greater number of indications than Jeuveau®. If we are unable to obtain approval for indications in addition to our approval for glabellar lines, our marketing efforts for Jeuveau® will be severely limited. As a result, we may not generate physician aesthetic practitioner and consumer demand or approval of Jeuveau®.

We rely on our digital technology and applications and our business and operations would could suffer in the event of computer information system failures or breach, a cybersecurity incident.

We are reliant on our digital technology, including our Evolus Practice App, which allows customers to open a new account, order Jeuveau®, pay invoices and engage with our customer experience team and medical affairs representatives. In the event

that our digital technology is unable to function in the manner it was designed or at all, we would experience difficulty processing customer orders and requests in a timely manner or at all which would have a material adverse effect on our business, results of operations and financial condition.

The information systems underlying our digital technology may not be adequately designed or may not operate with the reliability and redundancy necessary to avoid performance delays or outages that could be harmful to our business. If our digital technology is unavailable when customers attempt to access them, or if they do not load as quickly as expected, users may not use our technology as often in the future,

or at all, and our ability to sell our products through a more limited sales force may be disrupted and we may not realize the efficiencies of leveraging our digital technology, any of which could adversely affect our business and financial performance. As the number of users of our digital technology continues to grow we will need an increasing amount of technical infrastructure, including network capacity and computing power, to continue to satisfy our needs. It is possible that we may fail to continue to effectively scale and grow our technical infrastructure to accommodate these increased demands, which may adversely affect our customers' experience with our digital technology which may decrease our revenue and harm our results of operations.

Despite the implementation of security measures, our internal computer systems, including our information systems, and those of third parties on which we rely, are vulnerable to disruption or damage from computer viruses, malware, natural disasters, terrorism, war, telecommunication and electrical failures, cyberattacks or cyber intrusions, cybersecurity incidents, insider threats, persons who access our information systems in an unauthorized manner, or inadvertent misconfiguration of our systems. The risk of a security incident or system disruption, particularly through cyberattacks or cyber intrusions, cybersecurity incidents, including by computer hackers, foreign governments and cybercriminals, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. Interruptions in our operations caused by such an event could result in a material disruption of our current or future product development programs. The costs to us to mitigate network security problems, bugs, viruses, worms, malicious software programs and security vulnerabilities could be significant, and while we have implemented security measures to protect our data security and information technology systems, our efforts to address these problems may not be successful, and these problems could result in unexpected interruptions, delays, cessation of service, government files or penalties and other harm to our business and our competitive position. Interruptions in our operations caused by such an event could also result in a material disruption in our relationship with our customers. For example, if our Evolus Practice App were rendered inoperable, we would have to process orders by telephone or otherwise which may result in slower processing times and harm to our reputation.

Moreover, a computer security cybersecurity incident that affects our information systems or results in the unauthorized access to financial information, personally identifiable information (PII), customer information or data, including credit card transaction data or other sensitive information, could materially damage our reputation. In addition, such a security incident may require notification to governmental agencies, the media or individuals pursuant to various international, federal and state privacy and security laws, including the General Data Protection Regulation (GDPR), the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Clinical Health Act of 2009, and its implementing rules and regulations, as well as regulations promulgated by the Federal Trade Commission and state breach notification laws. Additionally, the regulatory environment governing information, security and privacy laws is increasingly demanding and continues to evolve and a number of states have adopted laws and regulations that may affect our privacy and data security practices regarding the use, disclosure and protection of PII. For example, the California Consumer Privacy Act, among other things, has created new individual privacy rights and imposes increased obligations on companies handling PII. In the event of a security incident, we would also be exposed to the risk of litigation and potential liability, which could materially adversely affect our business, results of operations and financial condition. Our liability insurance may not be sufficient in type or amount to cover us against claims related to security breaches, cyberattacks cybersecurity incidents and other related security incidents.

Jeuveau® or any other product candidate for which we seek approval as a biologic may face competition sooner than anticipated.

With the enactment of the Biologics Price Competition and Innovation Act of 2009, or the BPCI Act, as part of the Patient Protection and Affordable Care Act, an abbreviated pathway for the approval of biosimilar or interchangeable biological products was created. The abbreviated regulatory pathway establishes legal authority for the FDA to review and approve biosimilar biologics. Under the BPCI Act, an application for a biosimilar product cannot be approved by the FDA until twelve years after the original branded product was approved under a Biologics License Application, or BLA. The law is complex and is still being interpreted and implemented by the FDA. For example, one company has filed a Citizen Petition requesting that the FDA not apply the BPCI Act to pre-enactment BLAs. As a result, its ultimate impact, implementation and meaning are subject to uncertainty. While it is uncertain when such processes intended to implement the BPCI Act may be fully adopted by the FDA, any such processes could have a material adverse effect on the future commercial prospects for our biological products.

We believe that Jeuveau® should qualify for the twelve-year period of exclusivity. However, there is a risk that this exclusivity could be shortened due to congressional action or otherwise, or that the FDA will not consider any of our product candidates to be a reference product for competing products, potentially creating the opportunity for competition sooner than anticipated. Moreover, the extent to which a biosimilar product, once

approved, will be substituted for any one of our reference products in a way that is similar to traditional generic substitution for non-biological products is not yet clear and will depend on a number of marketplace and regulatory factors that are still developing.

If we are found to have improperly promoted off-label uses, or if physicians customers 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, sanctions, or 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 pharmaceutical products, such as Jeuveau®. In particular, a product may not be promoted for uses or indications that are not

approved by the FDA or other similar regulatory authorities as reflected in the product's approved labeling. Physicians Customers could use Jeuveau® on their patients in a manner that is inconsistent with the approved label of the treatment of moderate to severe glabellar lines, potentially including for the treatment of other aesthetic or therapeutic indications. If we are found to have promoted such off-label uses, we may receive warning letters from and be subject to other enforcement actions by the FDA, the European Medicines Agency, or EMA, and other regulatory agencies, 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 required that companies enter into consent decrees or permanent injunctions under which specified promotional conduct is changed or curtailed in order to resolve FDA enforcement actions. 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 the FDA prohibitions or other restrictions on the sale or marketing of our products and other operations or significant fines and penalties, and the imposition of these sanctions could also affect our reputation and position within the industry. In addition, regulatory authorities outside the United States may impose similar fines, penalties or sanctions.

Physicians Customers may also misuse Jeuveau® or any future product we offer or use improper techniques, potentially leading to adverse results, side effects or injury, which may lead to product liability claims. If Jeuveau® or any future product candidates are misused or used with improper techniques or are determined to cause or contribute to consumer harm, 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, result in sizable damage awards against us that may not be covered by insurance and subject us to negative publicity resulting in reduced sales of our products. Furthermore, the use of Jeuveau® or any future product candidates 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 customers and consumers. Any of these events could harm our business and results of operations and cause our stock price to decline.

Our products may cause serious or undesirable side effects or possess other unexpected properties that could delay or prevent their regulatory approval, limit the commercial profile of approved labeling, result in post-approval regulatory action or in product liability lawsuits.

Unforeseen side effects from Jeuveau®, Evolysse™, or any product we may offer in the future could arise either during clinical development or after marketing such product. Undesirable side effects caused by product candidates could cause us or regulatory authorities to interrupt, modify, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA, the EMA or similar regulatory authorities. Results of clinical trials could reveal a high and unacceptable severity and prevalence of side effects. In such an event, trials could be suspended or terminated and the FDA, the EMA or similar regulatory authorities could order us to cease further development of or deny approval of product candidates for any or all targeted indications. The drug or device-related side effects could affect patient recruitment or the ability of enrolled patients to complete the trial or result in product liability claims. Any of these occurrences may harm our business, financial condition, operating results and prospects.

Additionally, if we or others identify undesirable side effects, or other previously unknown problems, caused by Jeuveau®, or

any of our future product candidates, after obtaining regulatory approval in the United States or other jurisdictions, a number of potentially negative consequences could result, including regulatory authorities withdrawing approval or limiting the marketing of our products, requiring a recall of the product, requiring additional warnings on our product labeling or medication guides or instituting Risk Evaluation and Mitigation Strategies, or REMS. In order to mitigate these risks, regulatory authorities may require additional costly clinical trials or costly post-marketing testing and surveillance to monitor the safety or efficacy of the product. As a result of any of these actions our sales of the product may decrease significantly, we may be required to expend material amounts to comply with any requirements of the regulatory authorities, we could be sued in a product liability lawsuit and held liable for harm caused to patients, and our brand and reputation may suffer.

We face an inherent risk of product liability as a result of the commercialization of Jeuveau®, Evolysse™, and any of our future product candidates. For example, we may be sued if any product we develop allegedly causes injury or is found to be otherwise unsuitable during product testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability and a breach of warranties. Claims could also be asserted against us 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 and result in decreased demand for Jeuveau®, Evolysse™ or any future product candidates or products we may develop, termination of clinical trial sites or entire trial programs, injury to our reputation and significant negative media attention, withdrawal of clinical trial participants or cancellation of clinical trials and significant costs and diversion management's time to defend the related litigation.

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 Jeuveau®, Evolysse™, or any future products that we develop. We currently carry product liability insurance covering our clinical trials. Although we maintain such insurance, any claim that may be brought against us could result in a court judgment or settlement in an amount that is not covered, in whole or in part, by our insurance or that is in excess of the limits of our insurance coverage. Our insurance policies also have various exclusions and deductibles, and we may be subject to a product liability claim for which we have no coverage. We will have to pay any amounts awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not covered by our insurance, and we may not have, or be able to obtain, sufficient capital to pay such amounts. Moreover, in the future, we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses.

Any of the above events could prevent us from achieving or maintaining market acceptance of the affected product, negatively impact our revenues and could substantially increase the costs of commercializing our products. The demand for our products could also be negatively impacted by any adverse effects of a competitor's product or treatment.

Our failure to successfully in-license, acquire, develop and market additional product candidates or approved products would impair our ability to grow our business.

Although most of our effort is focused on the commercialization of Jeuveau®, a key element of our long-term strategy is to in-license, acquire, develop, market and commercialize a portfolio of products to serve the self-pay cash-pay aesthetic market. Jeuveau® is currently our sole commercially available product and Evolysse™ has not yet been approved for use by the FDA. Our competitors are currently able to bundle multiple aesthetic products to provide a more comprehensive offering than we can as a single product company. Because our internal research and development capabilities are limited, we may be dependent upon pharmaceutical and other companies, academic scientists and other researchers to sell or license products or technology to us. The success of this strategy depends partly upon our ability to identify and select

promising aesthetic product candidates and products, negotiate licensing or acquisition agreements with their current owners and finance these arrangements.

The process of proposing, negotiating and implementing a license or acquisition of a product candidate or approved product is lengthy and complex. Other companies, including some with substantially greater financial, marketing, sales and other resources, may compete with us for the license or acquisition of product candidates and approved products. We have limited resources to identify and execute the acquisition or in-licensing of third-party products, businesses and technologies and integrate them into our current infrastructure. Moreover, we may devote resources to potential acquisitions or licensing opportunities that are never completed, or we may fail to realize the anticipated benefits of such efforts. We may not be able to acquire the rights to additional product candidates on terms that we find acceptable, or at all.

Further, any product candidates that we acquire may require additional development efforts prior to commercial sale,

including preclinical or clinical testing and approval by the FDA, the EMA and other similar regulatory authorities. All product candidates are prone to risks of failure during product development, including the possibility that a product candidate will not be shown to be sufficiently safe and effective for approval by regulatory authorities. In addition, any approved products that we acquire may not be manufactured or sold profitably or achieve market acceptance.

We may need to increase the size of our organization, including our sales and marketing capabilities, in order to further market and sell Jeuveau® and we may experience difficulties in managing this growth.

As of **September 30, 2023** **March 31, 2024**, we had **246** **279** employees, all of whom were full-time employees. Our management and personnel, systems and facilities currently in place may not be adequate to support future growth. Our need to effectively execute our growth strategy requires that we identify, recruit, retain, incentivize and integrate any additional employees to effectively manage any future clinical trials, 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.

We face risks in building and managing a sales organization whether internally or by utilizing third parties, including our ability to retain and incentivize qualified individuals, provide adequate training to sales and marketing personnel, generate sufficient sales leads, effectively manage a geographically dispersed sales and marketing team, adequately provide complementary products to be offered by sales personnel, which may otherwise put us at a competitive disadvantage relative to companies with more extensive product lines, and handle any unforeseen costs and expenses. Any failure or delay in the development of our internal sales, marketing and distribution capabilities would adversely impact the commercialization of these products.

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.

Our business may be materially adversely affected by the impact of geopolitical tensions, including the ongoing military conflict between Russia and Ukraine and the conflict in the Middle East, on the global economy and capital markets.

U.S. and global markets are experiencing volatility and disruption following the escalation of geopolitical tensions, including the ongoing military conflict between Russia and Ukraine and the ongoing conflict in the Middle East. Although the length and impact of the ongoing military conflict in Ukraine is highly unpredictable, the conflict has led to market disruptions, including significant volatility in commodity prices, credit and capital markets, as well as supply chain interruptions, which could continue. The ongoing conflict in the Middle East or other such geopolitical conflicts, particularly in the regions in which we operate or seek to expand, could have a similar impact.

Additionally, the military conflict in Ukraine has led to the imposition of sanctions and other penalties by the U.S., EU and other countries against Russia. Russian military actions and the resulting sanctions have adversely affected the global economy and financial markets and could lead to further instability and lack of liquidity in capital markets, which could make it more difficult for us to obtain additional funds at terms favorable to us, or at all.

Although our business has not been materially impacted by the ongoing military conflicts, it is impossible to predict the extent to which our operations, or those of our suppliers and manufacturers, will be impacted in the short and long term, or the ways in which the conflict may impact our business. The extent and duration of the military action, sanctions and resulting market disruptions are impossible to predict, but could be substantial.

Our international operations will expose us to risks, and failure to manage these risks may adversely affect our operating results and financial condition.

We currently have operations in the United States, Canada, and Europe. International operations are subject to a number of inherent risks, and our future results could be adversely affected by a number of factors, including differences in demand for our products due to local requirements or preferences, the difficulty of hiring and managing employees with cultural and geographic differences and the costs of complying with differing regulatory requirements. Additionally, we may experience difficulties and increased costs due to differences in laws related to enforcing contracts, protecting intellectual property, taxes, tariffs and export regulations. The current conflict between Ukraine and Russia may also impact European economies and consumer discretionary spending negatively, and the conflict in the Middle East may have similar regional impacts. We

do not have significant international operations in Russia, Ukraine, Israel, Palestine or the surrounding regions that have been impacted by the conflicts directly.

Our international operations will also subject us to risks related to multiple, conflicting and changing laws and regulations such as privacy regulations, including the GDPR, tax laws, export and import restrictions, employment laws, immigration laws, labor laws, regulatory requirements and other governmental approvals, permits and licenses. Additionally, we will face heightened risk of unfair or corrupt business practices in certain geographies and of improper or fraudulent sales arrangements that may impact financial results and result in restatements of, or irregularities in, financial statements. These and other factors could harm our ability to gain future revenue and, consequently, materially impact our business, operating results and financial condition.

Fluctuations in currency exchange rates may negatively affect our financial condition and results of operations.

Exchange rate fluctuations may affect the costs that we incur in our operations. The main currencies to which we are exposed to such fluctuations are the British pound and the EU euro. The exchange rates between these currencies and the U.S. dollar in recent years have fluctuated significantly and may continue to do so in the future. A depreciation of these currencies against the U.S. dollar will decrease the U.S. dollar equivalent of the amounts derived from foreign operations reported in our consolidated financial statements, and an appreciation of these currencies will result in a corresponding increase in such amounts. The cost of certain items, such as raw materials, manufacturing, employee salaries and transportation and freight, required by our operations may be affected by changes in the value of the relevant currencies. To the extent that we are required to pay for goods or services in foreign currencies, such as under our Symatase **U.S. Agreement and Symatase Europe Agreement**, which has payments denominated in Euros, the appreciation of such currencies against the U.S. dollar will tend to negatively affect our business. There can be no assurance that foreign currency fluctuations will not have a material adverse effect on our business, financial condition and results of operations.

If we fail to attract and keep senior management and key scientific personnel, we may be unable to market and sell Jeuveau® successfully, or any future products we develop.

Our success depends in part on our continued ability to attract, retain and motivate highly qualified management. We believe that our future success is highly dependent upon the contributions of our senior management, particularly David Moatazedi, our President, Chief Executive Officer and member of our Board of Directors, Sandra Beaver, our Chief Financial Officer, Rui Avelar, our Chief Medical Officer and Head of R&D, and Tomoko Yamagishi-Dressler, our Chief Marketing Officer, as well as 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, completion of our planned clinical trials or the commercialization of Jeuveau®, Evolysse™ or any future products we develop.

In addition, we could experience difficulties attracting and retaining qualified employees in the future. For example, competition for qualified personnel in the pharmaceuticals and medical aesthetic field is intense due to the limited number of individuals who possess the skills and experience required by our industry. 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 research output.

Our strategy of focusing exclusively on the self-pay cash-pay healthcare market may limit our ability to increase sales or achieve profitability.

Our strategy is to focus exclusively on the self-pay cash-pay healthcare market. This focus may limit our ability to increase sales or achieve profitability. For example, to maintain our business model, we have chosen not to offer products or services available in the broader healthcare market that are reimbursed by third-party payors such as Medicare, Medicaid or commercial insurance. This eliminates our ability to offer a substantial number of products and indications for Jeuveau® or any future products, such as Evolysse™.

For example, under the Daewoong Agreement our rights to market and sell Jeuveau® are limited to cosmetic indications and under the Symatse U.S. Agreement and Symatse Europe Agreement our rights are limited to aesthetic and dermatologic uses. Daewoong has subsequently licensed the rights to the therapeutic indications for Jeuveau® to a third party. As a result, we do not have the ability to expand the permitted uses of our products for therapeutic indications.

Jeuveau® is the only U.S. neurotoxin without a therapeutic indication, although other companies may seek to develop a similar product in the future. We believe pursuing an aesthetic-only non-reimbursed product strategy allows for meaningful strategic advantages in the United States, including pricing and marketing flexibility. However, physicians customers may choose to not pass any cost benefits received by them due to such pricing flexibility to their patients. In addition, companies offering aesthetic products competitive to Jeuveau®, whether they pursue an aesthetic-only non-reimbursed product strategy or not, may nonetheless try to compete with Jeuveau® on price both directly through rebates, promotional programs and coupons and indirectly through attractive product bundling and customer loyalty programs. Our business, financial results and future prospects will be materially harmed if we cannot generate sufficient consumer demand for Jeuveau®.

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

Our research and development and manufacturing activities in the future may, and our licensors' manufacturing and supplying activities presently do, involve the controlled storage, use and disposal of hazardous materials, including botulinum toxin type A, a key component of Jeuveau®, and other hazardous compounds. We and our licensors are subject to laws and regulations governing the use, manufacture, storage, handling and disposal of these hazardous materials. In some cases, these hazardous materials and various wastes resulting from their use are stored at our licensors' facilities pending their use and disposal. We and our licensors cannot eliminate the risk of contamination, which could cause an interruption of any of our licensor's licensors' manufacturing processes, our commercialization efforts, business operations and environmental damage resulting

in costly clean-up and liabilities under applicable laws and regulations governing the use, manufacture, storage, handling and disposal of these materials and specified waste products. Although we believe that the safety procedures utilized by our licensors for handling and disposing of these materials generally comply with the standards prescribed by these laws and regulations, this may not 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 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 Jevveau®, Evolysse™, and any future product candidates. In any third-party collaboration, we would be dependent upon the success of the collaborators in performing their responsibilities and their continued cooperation. Our collaborators may not cooperate with us or perform their obligations 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.

In addition, we may face significant competition in seeking appropriate collaborators. Whether we reach a definitive agreement for a collaboration will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of a number of factors. Those factors may include the design or results of clinical trials, the likelihood of approval by the FDA or similar regulatory authorities outside the United States, the potential market for the subject product candidate, the costs and complexities of manufacturing and delivering such product candidate to consumers, the potential of competing products, the existence of uncertainty with respect to our ownership of technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge and industry and market conditions generally. The collaborator may also consider alternative product candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with us for our product candidate. Collaborations are complex and time-consuming to negotiate and document.

We may not be able to negotiate collaborations on a timely basis, on acceptable terms, or at all. If we are unable to do so, we may have to curtail the development of such product candidate, reduce or delay its development program or one or more of

our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to increase our expenditures to fund development or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms or at all. If we do not have sufficient funds, we may not be able to further develop our product candidates or bring them to market and generate revenue.

Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.

We have incurred substantial losses during our history and we may never achieve profitability. To the extent that we continue to generate taxable losses, unused losses will carry forward to offset future taxable income, if any, until such unused losses expire. Under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, if a corporation undergoes an "ownership change," generally defined as a greater than 50% change (by value) in its equity ownership over a three-year period, the corporation's ability to use its pre-change net operating loss carryforwards, or NOLs, and other pre-change tax attributes, such as research tax credits, to offset its post-change income may be limited. As of December 31, 2022 December 31, 2023, we had \$318.8 million \$317.7 million of federal NOLs and \$214.3 million \$227.3 million of state NOLs available to offset our future taxable income, if any. As of December 31, 2022 December 31, 2023, we had federal research and development credit carryforwards of \$2.9 million. These federal and state NOLs and federal research and development tax credit carryforwards expire at various dates beginning in 2034. We may experience ownership changes in the future as a result of subsequent shifts in our stock ownership. As a result, if we earn net taxable income, our ability to use our pre-change NOLs to offset U.S. federal taxable income may be subject to limitations, which could potentially result in increased future tax liability to us. In addition, at the state level, there may be periods during which the use of NOLs is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed.

Increases in interest rates would increase the cost of servicing our debt and could reduce our profitability and limit our cash available to fund our growth strategy.

The Pharmakon Term Loans have, and any additional debt we subsequently incur may have, a variable rate of interest. Higher interest rates could increase debt service requirements on our current variable rate indebtedness (even though the amount borrowed remains the same) and on any debt we subsequently incur, and could reduce funds available for operations, future business opportunities or other purposes and materially and adversely affect our profitability, cash flows and results of operations.

On May 9, 2023, we and Pharmakon entered into the Third Amendment to the Loan Agreement. Among other changes, the Third Amendment implements the transition from a London Interbank Offered Rate ("LIBOR") based interest rate to a Secured Overnight Financing Rate ("SOFR") based interest rate. SOFR is calculated differently from LIBOR and since the initial publication of SOFR, daily changes in the rate have, on occasion, been more volatile than daily changes in comparable benchmark or market rates. It is possible that SOFR over time may bear little or no relation to the historical actual or historical indicative data. It is possible that the volatility of and uncertainty around SOFR as a LIBOR replacement rate and the applicable credit adjustment would result in higher borrowing costs for us, and could adversely affect our liquidity, financial condition, and earnings. The consequences of these developments with respect to LIBOR cannot be entirely predicted and span multiple future periods but could result in an increase in the cost of our variable rate debt which may negatively impact our financial results.

Risks Related to Our Relationship with Our Licensors

We rely on the Daewoong Agreement, the Symatase U.S. Agreement and the Symatase Europe Agreement and any termination or loss of significant rights, including exclusivity, under these agreements would materially and adversely affect our business.

Our ability to exclusively commercialize Jueveau® and Evolysse™ are completely dependent on the Daewoong Agreement, and the Symatase U.S. Agreement and Symatase Europe Agreement, respectively. Under each agreement we have numerous obligations, including minimum product purchases, milestone payments and commercialization and development obligations. If we breach any material obligation, our partners may terminate or decrease our rights under the agreements. If we were to lose rights under the Daewoong Agreement, or either agreement of the Symatase Agreements, we would experience an immediate reduction in our revenues and future business opportunities. We believe it would be difficult to find an alternative supplier of these products. In addition, to the extent the alternative supplier has not secured regulatory approvals in a jurisdiction, we would have to expend significant resources to obtain regulatory approvals that may never be obtained or require several years to obtain, which could significantly delay commercialization. We may be unable to raise additional capital to fund our operations during this extended time on terms acceptable to us or at all. Additionally, if we experience delays as a result of a dispute with either of our partners the demand for our products could be materially and adversely affected.

We currently rely solely on Daewoong to manufacture Jueveau® and on Symatase to manufacture Evolysse™ and as such, any production or other problems with either licensor could adversely affect us.

We depend solely upon Daewoong for the manufacturing of Jueveau® and on Symatase to manufacture Evolysse™. Although alternative sources of supply may exist, the number of third-party suppliers with the necessary manufacturing and regulatory expertise and facilities is limited, and it could be expensive and take a significant amount of time to arrange for and qualify alternative suppliers, which could have a material adverse effect on our business. Suppliers of any new product candidate would be required to qualify under applicable regulatory requirements and would need to have sufficient rights under applicable intellectual property laws to the method of manufacturing the product candidate. Obtaining the necessary FDA approvals or other qualifications under applicable regulatory requirements and ensuring non-infringement of third-party intellectual property rights could result in a significant interruption of supply and could require the new manufacturer to bear significant additional costs which may be passed on to us.

In addition, our reliance on Daewoong and Symatase entails additional risks, including reliance on our partners for regulatory compliance and quality assurance, the possible breach of either the Daewoong Agreement by Daewoong or the Symatase U.S. Agreement and Symatase Europe Agreement by Symatase, and the possible termination or nonrenewal of either agreement at a time that is costly or inconvenient for us. Our failure, or the failure of our partners, to comply with applicable regulations could result in sanctions being imposed on us, including fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of products, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of our products. Our dependence on our partners also subjects us to all of the risks related to our partner's business, which are all generally beyond our control. Our partners' ability to perform their obligations under their respective agreements is dependent on their operational and financial health, which could be negatively

impacted by several factors, including changes in the economic, political and legislative conditions in their home countries and the broader region in general and the ability of our partners to continue to successfully attract customers and compete in its market.

Additionally, we are dependent on our licensors for day-to-day compliance with cGMP for production of our products. Facilities used by our licensors to produce the drug substance, devices and materials or finished products for commercial sale must pass inspection and be approved by the FDA and other relevant regulatory authorities. If the safety of our products is compromised due to a failure to adhere to applicable laws or for other reasons, we may not be able to successfully commercialize our product and we may be held liable for injuries sustained as a result. In addition, the manufacturing facilities of certain of our suppliers are located outside of the United States. This may give rise to difficulties in importing our product into the United States or other countries as a result of, among other things, regulatory agency approval requirements, taxes, tariffs, local import requirements such as import duties or inspections, incomplete or inaccurate import documentation or defective packaging. Any of these factors could adversely impact our ability to effectively market and sell our products.

Any failure or refusal by our licensors or any other third party to supply our products that we may develop could delay, prevent or impair our clinical development or commercialization efforts.

Moreover, our licensors developed the manufacturing process for our products in facilities outside the United States. If these facilities were to be damaged, destroyed or otherwise unable to operate or comply with regulatory requirements, whether due to earthquakes, fire, floods, hurricanes, storms, tornadoes, other natural disasters, public health emergencies, (such as the COVID-19 outbreak) employee malfeasance, terrorist acts, power outages or otherwise, or if operations at the facility is disrupted for any other reason, such an event could jeopardize our licensors' ability to manufacture our products as promptly as we or our customers expect or possibly at all. If our licensors are unable to manufacture our products within a timeframe that meets our and our customers' expectations, our business, prospects, financial results and reputation could be materially harmed. Any disaster recovery and business continuity plans that we and our licensors may have in place or put in place may not be adequate in the event of a serious disaster or similar event. We may incur substantial expenses as a result of our or our licensors' lack of disaster recovery and business continuity plans, or the adequacy thereof, which could have a material adverse effect on our business.

We forecast the demand for commercial quantities of our products, and if our forecasts are inaccurate, we may experience delays in shipments, increased inventory costs or inventory levels, and reduced cash flow.

We purchase our products from our licensors, Daewoong and, subject to regulatory approval, Symatase. Pursuant to our agreements with our licensors, we are obligated to submit forecasts of anticipated product orders and may, from time to time, submit purchase orders on the basis of these forecasting requirements. Our limited historical experience For a variety of reasons we may not provide us with enough data be able to accurately predict future demand. In addition, we expect our licensors to manufacture our products for other markets in which we do not have exclusive rights. If our business significantly expands, our demand for commercial products would increase and our licensors may be unable to meet our increased demand. In addition, our product will products have fixed future expiration dates. If we overestimate requirements demand for our products, we will have excess inventory, which may have to be disposed of if such inventory exceeds approved expiration dates, which would result in lost revenues and increase our expenses. If we underestimate requirements for our products, we may have inadequate inventory, which could interrupt, delay or prevent delivery of our products to our customers. Any of these occurrences would negatively affect our financial performance.

Risks Related to Intellectual Property

Third-party claims of intellectual property infringement may prevent or delay our commercialization efforts and interrupt our supply of products.

Our commercial success depends in part on our avoiding infringement of the proprietary rights of third parties. Competitors in the field of dermatology, medical aesthetic and neurotoxins have developed large portfolios of patents and patent applications in fields relating to our business. In particular, there are patents held by third parties that relate to the treatment with neurotoxin-based products for the indication we are currently marketing. There may also be patent applications that have been filed but not published that, when issued as patents, could be asserted against us. There is a substantial amount of litigation, both within and outside the United States, involving patent and other intellectual property rights in the technology, medical device and pharmaceutical industries, including patent infringement lawsuits, interferences, oppositions and inter-party reexamination proceedings before the U.S. Patent and Trademark Office, or USPTO. Numerous U.S. and foreign

issued patents and pending patent applications, which are owned by third parties, exist in the fields in which we are developing Jeuveau®. As the technology, medical device and pharmaceutical industries expand and more patents are issued, the risk increases that our product candidates may be subject to claims of infringement of the patent rights of third parties.

Third parties may assert that we or any of our current or future licensors, including Daewoong, are employing their proprietary technology without authorization. There may be third-party patents or patent applications with claims to

materials, methods of manufacture or methods for treatment related to the use or manufacture of Jeuveau® or any future product candidates. Because patent applications can take many years to issue, there may be currently pending patent applications that may later result in issued patents that Jeuveau® or any future product candidates may infringe. In addition, third parties may obtain patents in the future and claim that use of our technologies infringes upon these patents. If any third-party patents were held by a court of competent jurisdiction to cover the manufacturing process of Jeuveau® or any future product candidates, the holders of any such patents may be able to block our ability to commercialize such product candidate unless we obtain a license under the applicable patents or until such patents expire. Similarly, if any third-party patent were held by a court of competent jurisdiction to cover aspects of our methods of use, the holders of any such patent may be able to block our ability to develop and commercialize the applicable product candidate unless we obtain a license or until such patent expires. In either case, such a license may not be available on commercially reasonable terms or at all.

In addition to claims of patent infringement, third parties may bring claims against us asserting misappropriation of proprietary technology or other information in the development, manufacture and commercialization of Jeuveau® or any of our future product candidates. Defense of such a claim would require dedicated time and resources, which time and resources could otherwise be used by us toward the maintenance of our own intellectual property and the development and commercialization of Jeuveau® and any of our future product candidates or by any of our current or future licensors for operational upkeep and manufacturing of our products. For example, prior to entering into the Medytox Settlement Agreement, we were a defendant in a lawsuit brought by Medytox in the Superior Court of the State of California, or the Medytox Litigation, and a respondent in an action filed by Allergan and Medytox in the U.S. International Trade Commission, each alleging, among other things, that Daewoong stole Medytox's botulinum toxin bacterial strain, or the BTX strain, that Daewoong misappropriated certain trade secrets of Medytox, including the process used to manufacture Jeuveau® (which Medytox claims is similar to its biopharmaceutical drug, Meditoxin) using the BTX strain, and that Daewoong thereby interfered with Medytox's plan to license Meditoxin to us, or the Medytox Litigation. Each of the Medytox Litigation and the ITC Action diverted the attention of our senior management and were costly, in terms of legal costs and the ultimate payments and royalties to be paid under the Medytox Settlement Agreement.

Additionally, we are aware that multiple entrants into the **United States** dermal filler market have faced litigation related to allegations of intellectual property infringement and have either expended large amounts of money to defend these claims, attempted to invalidate a third-party's intellectual property as a defense, or have entered into settlement and license agreements in order to commercialize their dermal filler products. As the importer of record and commercial distributor of Evolysse™, we may be required to defend these cases, which may result in increased legal costs and royalty costs.

Parties making claims against us or any of our current or future licensors may request and obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize one or more of our product candidates. Defense of these claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of employee resources from our business. In the event of a successful claim of infringement, we or any of our current or future licensors may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement, obtain one or more licenses from third parties which may not be commercially or more available, pay royalties or redesign our infringing products or manufacturing processes, which may be impossible or require substantial time and monetary expenditure. Furthermore, even in the absence of litigation, we may need to obtain licenses from third parties to advance our research, manufacture clinical trial supplies or allow commercialization of our products or any future product candidates. We may fail to obtain any of these

licenses at a reasonable cost or on reasonable terms, if at all. In that event, we would be unable to further develop and commercialize one or more of our product candidates, which could harm our business significantly. Similarly, third-party patents could exist that might be enforced against our products, resulting in either an injunction prohibiting our sales, or with respect to our sales, an obligation on our part to pay royalties and/or other forms of compensation to third parties.

If we or any of our current or future licensors, including Daewoong and Symatase, are unable to maintain, obtain or protect intellectual property rights related to our products, we may not be able to compete effectively in our market.

We and our current licensors, Daewoong and Symatase, currently rely upon a combination of trademarks, trade secret protection, confidentiality agreements and proprietary know-how. Botulinum toxin cannot be patented, as it is produced by *Clostridium botulinum*, a gram-positive, rod-shaped, anaerobic, spore-forming, motile bacterium with the ability to produce the neurotoxin botulinum. Only the manufacturing process for botulinum toxin can be patented, for which Daewoong has obtained a U.S. patent. Our trade secrets and other confidential proprietary information and those of our licensors could be disclosed or competitors could otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. Further, the laws of some foreign countries do not protect proprietary rights to the same extent or in the same manner as the laws of the United States. As a result, we or any of our current or future licensors may encounter

significant problems in protecting and defending our or their intellectual property both in the United States and internationally. If we or any of our current or future licensors are unable to prevent material disclosure of the non-patented intellectual property related to our products to third parties, we may not be able to establish or maintain a competitive advantage in our market, which could adversely affect our business.

In addition to the protection afforded by trademarks, confidentiality agreements and proprietary know-how, we may in the future rely upon in-licensed patents for any future product offerings. The strength of patents we may in-license in the technology and healthcare fields involves complex legal and scientific questions and can be uncertain. The patent applications that we may in-license may fail to result in issued patents with claims that cover any of our future product candidates in the United States or in other foreign countries, and the issued patents that we may in-license may be declared invalid or unenforceable.

We are reliant on the ability of our licensors, to maintain their intellectual property and protect their intellectual property against misappropriation, infringement or other violation. We may not have primary control over our future licensors' patent prosecution activities. Furthermore, we may not be allowed to comment on prosecution strategies, and patent applications may be abandoned by the patent owner without our knowledge or consent. With respect to patents that are issued to our licensors, or patents that may be issued on patent applications, third parties may challenge their validity, enforceability or scope, which may result in such patents being narrowed or invalidated. As a licensee, we are reliant on Daewoong, Symatase, and our future licensors to defend any third-party claims. Our licensors may not defend or prosecute such actions as vigorously or in the manner that we would have if entitled to do so, and we will be subject to any judgment or settlement resulting from such actions. Also, a third-party may challenge the validity of our in-licensing transactions. Furthermore, even if they are unchallenged, any of our future in-licensed patents and patent applications may not adequately protect the licensors or our intellectual property or prevent others from designing around their or our claims.

We may become involved in lawsuits to protect or enforce our intellectual property or the patents and other intellectual property of our licensors, which could be expensive and time-consuming.

Competitors may infringe our intellectual property, including any future patents we may acquire, or the patents and other intellectual property of our licensors, including Daewoong or Symatase. As a result, we or any of our current or future licensors 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 or any of our current or future licensors 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 such patents at risk of being invalidated or interpreted narrowly. Interference, derivation or other proceedings brought at the USPTO may be necessary to determine the priority or patentability of inventions with respect to any of our future patent applications or those of our licensors or collaborators. Litigation or USPTO proceedings brought by us or any of our current or future licensors may fail or may be invoked against us or our licensors 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 or the management of any of our current or future licensors, including Daewoong or Symatase. We may not be able, alone or with any of our current or future 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.

Most of our competitors are larger than we are and have substantially greater resources. They are, therefore, likely to be able to sustain the costs of complex patent litigation longer than we could. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. In addition, the uncertainties associated with litigation could compromise our ability to raise the funds necessary to continue our clinical trials, continue our internal research programs, or in-license needed technology or other product candidates. There could also be public announcements of the results of the hearing, motions, or other interim proceedings or developments. If securities analysts or investors perceive those results to be negative, it could cause the price of shares of our common stock to decline.

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 using 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 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 biopharmaceuticals, 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.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

In addition to seeking patents for our product candidates, we also rely on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position.

We seek to protect our trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, collaborators, consultants, advisors and other third parties. We expect to enter into confidentiality and invention assignment agreements with our employees and consultants. Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is

unpredictable. In addition, some courts within and outside the United States are less willing or unwilling to protect trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them, or those to whom they communicate it, from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor, our competitive position would be harmed.

We may be subject to claims that our employees, consultants or independent contractors have wrongfully used or disclosed confidential information of third parties.

We employ individuals who were previously employed at other pharmaceutical or medical aesthetic companies. We may be subject to claims that we or our employees, consultants or independent contractors have inadvertently or otherwise used or disclosed confidential information of our employees' former employers or other third parties. We may also be subject to claims that former employers or other third parties have an ownership interest in our patents. Litigation may be necessary to defend against these claims. We may not be successful in defending these claims, and even if we are successful, litigation could result in substantial cost and be a distraction to our management and other employees. Any litigation or the threat thereof may adversely affect our ability to hire employees. A loss of key personnel or their work product could diminish or prevent our ability to commercialize product candidates, which could have an adverse effect on our business, results of operations and financial condition.

We may need to license intellectual property from third parties, and such licenses may not be available or may not be available on commercially reasonable terms.

A third party may hold intellectual property, including patent rights that are important or necessary to the development of Evolysse™ or our future product candidates including certain formulations and methods of production of these products. It may be necessary for us to use the patented or proprietary technology of third parties to commercialize our product candidates, in which case we would be required to obtain a license from these third parties on commercially reasonable terms, or our business could be harmed, possibly materially.

If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets of interest and our business may be adversely affected.

Our registered or unregistered trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition by potential partners or customers in our markets of interest. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively, and our business may be adversely affected.

Third parties may assert that we are using trademarks or trade names that are confusingly similar to their marks. If any third party were able to establish that our trademarks or trade names were infringing their marks, that third party may be able to block our ability to use the infringing trademark or trade name. In addition, if a third party were to bring such a claim, we would be required to dedicate time and resources to fight the claim, which time and resources could otherwise be used toward the maintenance of our own intellectual property.

Parties making claims against us may request and obtain injunctive or other equitable relief, which could prevent our ability to use the subject trademarks or trade names. Defense of these claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of employee resources from our business. In the event of a successful claim of infringement against us, we may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement. We may be required to re-brand one or more of our products, product candidates, or services offered under the infringing trademark or trade name, which may require substantial time and monetary expenditure. Third parties could claim senior rights in marks which might be enforced against our use of trademarks or trade names, resulting in either an injunction prohibiting our sales under those trademarks or trade names.

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, the EU, Canada and other countries, principally by the FDA, the U.S. Drug Enforcement Administration, the Centers for Disease Control and Prevention, the EMA and other similar regulatory authorities. Our partners Daewoong and Symatase are also subject to extensive regulation by the FDA and

their own country's regulatory authorities as well as other regulatory authorities. Our failure to comply with all applicable regulatory requirements, or our partner's failure to comply with applicable regulatory requirements, including those promulgated under the Federal Food, Drug, and Cosmetic Act, the Public Health Service Act, and the Controlled Substances Act, may subject us to operating restrictions and criminal prosecution, monetary penalties and other enforcement or administrative actions, including, sanctions, warnings, product seizures, recalls, fines, injunctions, suspension, revocation of approvals, or exclusion from future participation in the Medicare and Medicaid programs.

Following regulatory approval, we, and our direct and indirect suppliers, including Daewoong and Symatase, 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 requirements that we implement REMS programs, requirements that we complete government mandated clinical trials, and government enforcement actions including those relating to labeling, advertising, marketing and promotion, as well as regulations governing manufacturing controls.

If we experience delays in obtaining approval or if we fail to obtain approval of our product candidates, the commercial prospects for our product candidates may be harmed and our ability to generate revenue will be materially impaired.

We may not obtain regulatory approval for the commercialization of any future product candidates.

The research, testing, manufacturing, labeling, approval, selling, import, export, marketing and distribution of drug and biologic products, such as our neurotoxin product, and medical devices, such as our dermal filler product candidates, are subject to extensive regulation by the FDA and other regulatory authorities in the United States and other countries, with regulations differing from country to country. If we, our products or the manufacturing facilities for our products fail to comply with applicable regulatory requirements, a regulatory agency may:

- impose restrictions on the marketing or manufacturing of the product, suspend or withdraw product approvals or revoke necessary licenses;
 - issue warning letters, show cause notices or untitled letters describing alleged violations, which may be publicly available;
 - mandate modifications to promotional materials or require us to provide corrective information to healthcare aesthetic practitioners;
 - require us to enter into a consent decree, which can include imposition of various fines, reimbursements for inspection costs, required due dates for specific actions and penalties for noncompliance;
 - commence criminal investigations and prosecutions;
 - impose injunctions;
 - impose other civil or criminal penalties;
 - suspend any ongoing clinical trials;
 - delay or refuse to approve pending applications or supplements to approved applications filed by us;
-
- refuse to permit drugs or active ingredients to be imported or exported;
 - suspend or impose restrictions on operations, including costly new manufacturing requirements; or
 - seize or detain products or require us to initiate a product recall.

Any of the foregoing could materially harm our business and reputation. 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, the EMA or other similar foreign regulatory authorities, 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 collaborators believe the preclinical or clinical data for our product candidates are promising, such data may not be sufficient to support approval by the FDA, the EMA and other similar 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, the EMA or other similar regulatory authorities delaying or denying approval of a product candidate for any or all targeted indications.

Regulatory approval of a BLA or BLA supplement, PMA, marketing authorization application, or MAA, or other product approval is not guaranteed, and the approval process is expensive and may take several years. The FDA, the EMA and other regulatory authorities have 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, modify 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 the FDA, the EMA or other regulatory approval varies depending on the product candidate, the disease or condition that the product candidate is designed to address and the regulations applicable to any particular product candidate. The FDA, the EMA and other regulatory authorities 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, pure or potent;
- the data from preclinical studies and clinical trials may not be deemed sufficient;
- the FDA or other regulatory authorities might not approve our third-party manufacturers' processes or facilities;
- deficiencies in the formulation, quality control, labeling, or specifications of a product candidate or in response to citizen petitions or similar documents filed in connection with the product candidate;
- general requirements intended to address risks associated with a class of drugs, such as a new REMS requirement for neurotoxins, dermal fillers or other aesthetic products;
- the enactment of new laws or promulgation of new regulations that change the approval requirements; or
- the FDA or other regulatory authorities may change their approval policies or adopt new regulations.

If 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.

We are subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense, limit or delay regulatory approval and subject us to penalties if we fail to comply with applicable regulatory requirements.

Jeuneau® and, subject to regulatory approval, Evolysse™ and any other approved products are subject to continual regulatory review by the FDA, the EMA and other similar regulatory authorities.

Any regulatory approvals that we or our collaborators receive for 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 IV clinical trials, and surveillance to monitor the safety and efficacy of the product. In addition, the

manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion and recordkeeping for Jeuveau® and any other future product candidates, such as Evolysse™, 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 requirements and compliance with good clinical practice, or GCP, requirements, for any clinical trials that we conduct post-approval. Later discovery of previously unknown problems with Jeuveau® 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, the EMA or other similar regulatory authorities to approve pending applications or supplements to approved applications filed 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. 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 Jeuveau® 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 are and 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, and 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 necessary approvals to commercialize our products in markets outside of the United States.

Jeuveau® or any future 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 Jeuveau®. If we are successful in commercializing Jeuveau® or any other product candidate, including Evolysse™, the FDA and other 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 that 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, the EMA or other similar regulatory authorities 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 health care 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 Jeuveau® or Evolysse™ will subject us to the various U.S. federal and most state laws intended to prevent health care fraud and abuse, we may in the future become subject to such laws. The 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 health care 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 health care programs as well as private payors. Violations of anti-kickback and other applicable laws can result in exclusion from federal health care programs and 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 health care program. The FCA has been used to prosecute persons submitting claims for payment that are inaccurate or fraudulent, that are 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. Some state law equivalents of the above federal laws, such as the Anti-Kickback Statute and FCA, apply to items or services regardless of whether the good or service was reimbursed by a government program, so called all-payor laws. These all-payor laws could apply to our sales and marketing activities even if the Anti-Kickback Statute and FCA laws are inapplicable.

If our marketing or other arrangements were determined to violate anti-kickback or related laws, including the FCA or an all-payor law, then we could be subject to penalties, including administrative, civil and criminal penalties, damages, fines, disgorgement, the exclusion from participation in federal and state healthcare programs, individual imprisonment or the curtailment or restructuring of our operations, any of which could materially and adversely affect our ability to operate our business and our financial results.

State and federal authorities have aggressively targeted pharmaceutical companies for alleged violations of these anti-fraud statutes, based on improper research or consulting contracts with doctors, certain marketing arrangements with pharmacies and other healthcare providers that rely on volume-based pricing, off-label marketing schemes, and other improper promotional practices. Companies targeted in such prosecutions have paid substantial fines, have been ordered to implement extensive corrective action plans, and have in many cases become subject to consent decrees severely restricting the manner in which they conduct their business, among other consequences. Additionally, federal and state regulators have brought criminal actions against individual employees responsible for alleged violations. 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 FCPA 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. Our internal control policies and procedures may not 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 and other countries may make it more difficult and costly for us to obtain regulatory clearance or approval of 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 the U.S. Congress or other countries 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, regulations and guidance are often revised or reinterpreted by the FDA and other regulatory authorities in ways that may significantly affect our business and our products. Any new regulations or revisions or reinterpretations of existing regulations may impose additional costs or lengthen review times of any future product candidates. Such changes could, among other things, require changes to manufacturing or marketing methods, changes to product labeling or promotional materials, 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 Our Common Stock

Medytox and Daewoong each own a significant portion of our common stock and may exert significant control over our business.

We had 57,092,480 shares of common stock issued and outstanding as of September 30, 2023. As of September 30, 2023, Medytox owned 8.9% of our outstanding shares of common stock and Daewoong owned 5.5% of our outstanding shares of common stock.

This concentrated ownership position may provide Medytox or Daewoong with influence in determining the outcome of corporate actions requiring stockholder approval, including the election and removal of directors. The significant stock ownership by Medytox and Daewoong may also discourage transactions involving a change-of-control of our company, including transactions in which you as a holder of our common stock might otherwise receive a premium for your shares.

Securities class action and derivative lawsuits have been filed against us and certain of our officers and directors, which could result in substantial costs and could divert management attention.

As disclosed in Part II, Item 1. “Legal Proceedings” we and certain of our officers have been named as defendants in a securities class action lawsuit and we are a nominal defendant in derivative lawsuits filed against certain of our officers and directors. We maintain director and officer’s insurance coverage and continue to engage in vigorous defense of such litigation. If we are not successful in our defense of such litigation, we could be forced to make significant payments to or other settlements with our stockholders and their lawyers outside of our insurance coverage, and such payments or settlement arrangements could have a material adverse effect on our business, operating results or financial condition. We may also be the target of this type of litigation in the future, as companies that have experienced volatility in the market price of their stock have been subject to securities act litigation. Even if the claims asserted in these lawsuits are not successful, the litigation could result in substantial costs and significant adverse impact on our reputation and divert management’s attention and resources, which could have a material adverse effect on our business, operating results or financial condition.

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

Our stock price is volatile. For example, the closing price of our common stock during the **nine** **three** months ended **September 30, 2023** **March 31, 2024** has ranged from a low of **\$7.15** **\$9.99** to a high of **\$11.05** **\$14.91**. The stock market in general and the market for earlier stage pharmaceutical and medical aesthetic companies in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. The market price for our common stock may be influenced by many factors, some of which are beyond our control, including:

- changes in financial estimates or guidance, including our ability to meet our future revenue and operating profit or loss estimates or guidance;
- the public’s reaction to our earnings releases, other public announcements and filings with the SEC or those of companies that are perceived to be similar to us;
- variations in our financial results or those of companies that are perceived to be similar to us;
- any termination or loss of rights under the Daewoong Agreement, **the Symatense U.S. Agreement** or the Symatense **Europe** Agreement;
- adverse developments in the regulatory approval process for Evolisys™;
- the FDA or other U.S. or foreign regulatory or legal actions or changes affecting us or our industry;
- adverse developments concerning our manufacturer or any future strategic partnerships;

- adverse developments affecting our compliance with the Medytox Settlement Agreement;
 - adverse developments concerning litigation pending against us;
 - introductions and announcements of new technologies and products by us, any commercialization partners or our competitors, and the timing of these introductions and announcements;
 - success or failure of competitive products or medical aesthetic products generally;
 - announcements of results of clinical trials or regulatory approval or disapproval of product candidates;
 - unanticipated safety concerns related to the use of Jouveau® or any of our future products;
 - changes in the structure of healthcare payment systems;
 - announcements by us or our competitors of significant acquisitions, licenses, strategic partnerships, new product approvals and introductions, joint ventures or capital commitments;
-
- overall financial market conditions for the pharmaceutical and biopharmaceutical sectors and issuance of securities analysts' reports or recommendations;
 - rumors and market speculation involving us or other companies in our industry;
 - short selling of our common stock or the publication of opinions regarding our business prospects in a manner that is designed to create negative market momentum;
 - sales of substantial amounts of our stock by Medytox and Daewoong or other significant stockholders or our insiders, or the expectation that such sales might occur;
 - news reports relating to trends, concerns and other issues in medical aesthetics market or the pharmaceutical or biopharmaceutical industry;
 - operating and stock performance of other companies that investors deem comparable to us and overall performance of the equity markets;
 - additions or departures of key personnel, including our Chief Executive Officer, Chief Financial Officer, Chief Medical Officer and Chief Marketing Officer;
 - intellectual property, product liability or other litigation against us, our manufacturer or other parties on which we rely or litigation against our general industry;
 - changes in our capital structure, such as future issuances of securities and the incurrence of additional debt;
 - changes in accounting standards, policies, guidelines, interpretations or principles;
 - economic conditions in the markets in which we operate, including those related to COVID-19 and ongoing geopolitical conflicts; and
 - other factors described in this "Risk Factors" section.

In addition, the stock market in general, and the market for pharmaceutical, biotechnology and medical aesthetics companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors may affect the market price of our common stock, regardless of our actual operating performance.

In the past, following periods of volatility in the overall market and the market prices of a particular company's securities, securities class action litigation has often been instituted against that company. We may become the target of this type of litigation in the future. Securities litigation, if instituted against us, could result in substantial costs and divert our management's attention and resources from our business.

Future sales of our common stock by us Medytox, Daewoong or others, or the perception that such sales may occur, could depress the market price of our common stock.

Sales by us of a substantial number of shares of our common stock in the public market, or the perception that these sales might occur, could significantly reduce the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities.

Additionally, as discussed above, each of Medytox and Daewoong owns a significant portion of our outstanding shares of common stock. Additionally, the shares of common stock held by Medytox are subject to contractual restrictions on transfer that, subject to certain limited exceptions such as transfers to affiliates prohibit Medytox from transferring more than 50% of the shares it was issued in connection with the Medytox Settlement holds prior to September 16, 2024 and more than 75% of the shares it was issued in connection with the Medytox Settlement holds prior to September 16, 2025, with such contractual restrictions terminating on September 16, 2025. The Subject to the restrictions described above, the sale by Medytox or Daewoong of a substantial number of shares of our common stock, or a perception that such sales could occur, could significantly reduce the market price of our common stock.

We have filed a registration statement on Form S-8 with the SEC covering shares of our common stock available for future issuance under our 2017 Omnibus Incentive Plan and 2023 Inducement Incentive Plan and may file future registration statements covering shares of our common stock for future issuance under any future plans. Upon effectiveness of such registration statements, any shares subsequently issued under such plans will be eligible for sale in the public market, except to the extent that they are restricted by the contractual arrangements discussed above and subject to compliance with Rule 144 in the case of our affiliates. We have also filed a registration statement on Form S-3 covering the offering and sale from time to time of shares of our common stock and certain other securities, which we used to complete our March 2024 follow-on offering as well as to register the sale of shares of our common stock pursuant to our ATM Program. Sales of a large number of the shares issued under these plans in the public market, or a perception that such sales could occur, could significantly reduce the market price of our common stock.

Anti-takeover provisions in our certificate of incorporation and bylaws, as well as Delaware law, could discourage a takeover.

Our certificate of incorporation, bylaws and Delaware law contain provisions that might enable our management to resist a takeover and might make it more difficult for an investor to acquire a substantial block of our common stock. These include the following provisions:

- permit our Board of Directors to issue shares of preferred stock, with any rights, preferences and privileges as they may designate, without stockholder approval, which could be used to dilute the ownership of a hostile bidder significantly;
- provide that the authorized number of directors may be changed only by resolution of our Board of Directors and that a director may only be removed for cause by the affirmative vote of the holders of at least 66 2/3% of our voting stock;
- provide that all vacancies, including newly created directorships, may, except as otherwise required by law, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;
- divide our Board of Directors into three classes, with each class serving staggered three-year terms, which may delay the ability of stockholders to change the membership of a majority of our Board of Directors;
- require that any action to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and not be taken by written consent;
- provide that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide notice in writing in a timely manner and also specify requirements as to the form and content of a stockholder's notice, which may discourage or deter a potential acquiror from conducting a solicitation of proxies to elect the acquiror's own slate of directors or otherwise attempting to obtain control of our company;

- prohibit cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates; and
- provide that special meetings of our stockholders may be called only by the chairman of the Board of Directors, our Chief Executive Officer or by our Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors, which may delay the ability of our stockholders to force consideration by our company of a take-over proposal or to take certain corporate actions, including the removal of directors.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our Board of Directors, which is responsible for appointing the members of our management. In addition, we are subject to Section 203 of the General Corporation Law of the State of Delaware, or the DGCL, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with an interested stockholder who owns in excess of 15% of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner. This provision could have the effect of delaying or preventing a change-of-control, whether or not it is desired by or beneficial to our stockholders. Further, other provisions of Delaware law may also discourage, delay or prevent someone from acquiring us or merging with us.

Our certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or agents.

Our certificate of incorporation provides that, unless we consent in writing to an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for all "internal corporate claims." "Internal corporate claims" are claims that are based upon a violation of a duty by a current or former director, officer or stockholder in such capacity, or as to which Title 8 of the DGCL confers jurisdiction upon the Court of Chancery of the State of Delaware, or the Court of Chancery, in each case subject to the Court of Chancery having personal jurisdiction over the indispensable parties named as defendants and the claim not being one which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, or for which the Court of Chancery does not have subject matter jurisdiction. For example, this choice of forum provision would not apply to claims brought pursuant to the Exchange Act or the Securities Act of 1933, as amended, or any other claim for which the federal courts have exclusive jurisdiction. Any person purchasing or otherwise acquiring any interest in any shares of our capital stock shall be deemed to have notice of and to have consented to this provision of our certificate of incorporation. The choice of forum provision in our certificate of incorporation will not relieve us of our duties to comply with the federal securities laws and the rules and regulations thereunder, and our stockholders will not be deemed to have waived our compliance with these laws, rules and regulations.

This choice of forum provision may limit our stockholders' ability to bring a claim in a judicial forum that they find favorable for disputes with us or our directors, officers, employees or agents, which may discourage such lawsuits against us and our directors, officers, employees and agents even though an action, if successful, might benefit our stockholders. Stockholders who do bring a claim in the Court of Chancery could face additional litigation costs in pursuing any such claim, particularly if they do not reside in or near Delaware. The Court of Chancery may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments or results may be more favorable to us than to our stockholders. Alternatively, if a court were to find this provision of our certificate of incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could have a material adverse effect on our business, financial condition or results of operations.

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 certificate of incorporation and bylaws provide that we can indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law. Separate indemnity agreements have been issued with each director and executive officer.

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

- We have indemnified our directors and officers for serving us in those capacities, or for serving as a director, officer, employee or agent of other business enterprises at our request, to the fullest extent permitted by Delaware law. Delaware law provides that we 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 our best interest 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 will be 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.
- The rights conferred in our bylaws will not be exclusive. We may not retroactively amend our bylaw provisions to reduce our indemnification obligations to directors, officers, employees and agents.

As a result, 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.

We are an "emerging growth company," and the reduced reporting requirements available to emerging growth companies could make our common stock less attractive to investors.

We qualify as an "emerging growth company," as defined in the JOBS Act. For as long as we remain an emerging growth company or a smaller reporting company, we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies. These provisions include, but are not limited to:

- being permitted to have only two years of audited financial statements and only two years of related selected financial data and management's discussion and analysis of financial condition and results of operations disclosure;
- an exemption from compliance with the auditor attestation requirement in the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act;
- reduced disclosure about executive compensation arrangements in our periodic reports, registration statements and proxy statements; and
- exemptions from the requirements to seek non-binding advisory votes on executive compensation or golden parachute arrangements.

As a result of the availability of these exemptions, the information that we provide stockholders may be different than what is available with respect to other public companies. Investors may find our common stock less attractive because we will rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

We will cease being an emerging growth company and a smaller reporting company on December 31, 2023.

General Risk Factors

Our business could be negatively affected as a result of actions of activist stockholders, and such activism could impact the trading value of our securities.

Stockholders may, from time to time, engage in proxy solicitations or advance stockholder proposals, or otherwise attempt to effect changes and assert influence on our Board of Directors and management. Activist campaigns that contest or conflict with our strategic direction or seek changes in the composition of our Board of Directors could have an adverse effect on our operating results and financial condition. A proxy contest would require us to incur significant legal and advisory fees, proxy solicitation expenses and administrative and associated costs and

require significant time and attention by our Board of Directors and management, diverting their attention from the pursuit of our business strategy. Any perceived uncertainties as to our future direction and control, our ability to execute on our strategy, or changes to the composition of our Board of

Directors or senior management team arising from a proxy contest could lead to the perception of a change in the direction of our business or instability which may result in the loss of potential business opportunities, make it more difficult to pursue our strategic initiatives, or limit our ability to attract and retain qualified personnel and business partners, any of which could adversely affect our business and operating results. If individuals are ultimately elected to our Board of Directors with a specific agenda, it may adversely affect our ability to effectively implement our business strategy and create additional value for our stockholders. We may choose to initiate, or may become subject to, litigation as a result of the proxy contest or matters arising from the proxy contest, which would serve as a further distraction to our Board of Directors and management and would require us to incur significant additional costs. In addition, actions such as those described above could cause significant fluctuations in our stock price based upon temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business.

If securities or industry analysts publish unfavorable research about our business or decrease the frequency or cease to provide coverage of our company, our stock price and trading volume could decline.

The trading market for our common stock depends in part on the research and reports that equity research analysts publish about us and our business. If one or more of the equity research analysts who cover us downgrades our common stock or issues other unfavorable commentary or research the price of our common stock may decline. If one or more equity research analysts ceases coverage of our company or fails to publish reports on us regularly, demand for our common stock could decrease, which in turn could cause the trading price or trading volume of our common stock to decline.

We have not paid dividends in the past and do not expect to pay dividends in the future, and any return on investment may be limited to the value of our stock.

We have never paid cash dividends on our common stock and do not anticipate paying cash dividends on our common stock in the foreseeable future, and the payment of dividends is also restricted under our credit facility. The payment of dividends on our common stock will depend on our earnings, financial condition and other business and economic factors affecting us at such time as our Board of Directors may consider relevant. If we do not pay dividends, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future.

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

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Nasdaq Marketplace Rules and other applicable securities rules and regulations. Complying with these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources, particularly **after since** we are no longer an "emerging growth company," as defined in the JOBS Act, or a "smaller reporting company" as defined by the Exchange Act. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and operating results. 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 adversely affect our business and operating results. We may need to hire more employees in the future or engage outside consultants to assist us in complying with these requirements, 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 selling, general and administrative expenses and a diversion of our 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 their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be adversely affected.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds and Issuer Purchases of Equity Securities

None.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits.

EXHIBIT INDEX

Exhibit Number	Exhibit Title	Incorporated by Reference				Filed Herewith (x)
		Form	File No.	Exhibit	Filing Date	
3.1	Amended and Restated Certificate of Incorporation	8-K	001-38381	3.1	2/12/18	
3.2	Certificate of Amendment to Amended and Restated Certificate of Incorporation, dated June 12, 2023	8-K	001-38381	3.1	6/14/23	
3.3	Amended and Restated Bylaws	8-K	001-38381	3.2	2/12/18	
10.1	2023 Inducement Incentive Plan	S-8	333-274906	99.3	10/6/23	
10.2+	Employment Agreement, dated August 21, 2023, by and between Tomoko Yamagishi-Dressler and the Registrant.					X

31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.	X
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.	X
32.1#	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X
101.INS	Inline XBRL Instance Document.	X
101.SCH	Inline XBRL Taxonomy Extension Schema Document.	X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.	X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.	X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.	X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	

Exhibit Number	Exhibit Title	Incorporated by Reference				Filed Herewith (x)
		Form	File No.	Exhibit	Filing Date	
1.1	Underwriting Agreement, dated March 11, 2024, by and between Evolus, Inc. and Leerink Partners, LLC and Stifel, Nicolaus & Company, Incorporated.	8-K	001-38381	1.1	3/13/24	
3.1	Amended and Restated Certificate of Incorporation	8-K	001-38381	3.1	2/12/18	
3.2	Certificate of Amendment to Amended and Restated Certificate of Incorporation, dated June 12, 2023	8-K	001-38381	3.1	6/14/23	
3.3	Amended and Restated Bylaws	8-K	001-38381	3.2	2/12/18	
10.1†	Sixth Amendment to Supply Agreement, dated as of February 22, 2024, by and between Daewoong Pharmaceutical Co. Ltd. and Evolus, Inc.					X
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.					X
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.					X

32.1#	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X
101.INS	Inline XBRL Instance Document.	X
101.SCH	Inline XBRL Taxonomy Extension Schema Document.	X
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101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.	X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.	X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	

+ † Indicates management contract Portions of this exhibit have been omitted pursuant to Rule 601(b)(10) of Regulation S-K. The omitted information is not material and is the type that the Company treats as private or compensatory plan, confidential.

The information in Exhibit 32.1 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act (including this Quarterly Report on Form 10-Q), unless the Registrant specifically incorporates the foregoing information into those documents 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.

Evolus, Inc.

Date: November 7, 2023 2024

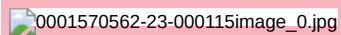
By: /s/ David Moatazedi

David Moatazedi
President and Chief Executive Officer
(Principal Executive Officer)

Date: November 7, 2023 2024

By: /s/ Sandra Beaver

Sandra Beaver
Chief Financial Officer
(Principal Financial Officer)



CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED. SUCH EXCLUDED INFORMATION HAS BEEN MARKED WITH "[***]".

EMPLOYMENT AGREEMENT SIXTH AMENDMENT

This Employment Agreement is between Evolus, Inc., SIXTH AMENDMENT a Delaware corporation (the "Company Sixth Amendment") is made and entered into on February __, 2024 ("Sixth Amendment Effective Date") by and between Daewoong Pharmaceutical Co., Ltd. ("DAEWOONG") and Evolus, Inc. ("EVOLUS") and amends that certain License & Supply Agreement between the Parties dated September 30, 2013, as amended by that certain First Amendment dated February 26, 2014, that certain Second Amendment dated July 15, 2014, that certain Third Amendment dated March 23, 2021, that certain fourth Amendment dated December 12, 2022, and Tomoko Yamagishi-Dressler, an individual ("Employee"). This Agreement is entered into effective as of August 21, 2023 (the that certain 5th Amendment dated April 20, 2023 (collectively, the "Effective Date Original Agreement").

1. WHEREAS POSITION AND RESPONSIBILITIES, DAEWOONG and EVOLUS desire to amend the Original Agreement as set forth herein.

a. NOW, THEREFORE Position, in consideration of the mutual promises hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. CAPITALIZED TERMS. Employee shall be employed by the Company to render services to the Company in the position of Chief Marketing Officer of the Company on the Capitalized terms set forth in this Employment Agreement (the period of time Employee is employed with the Company on used herein and after the Effective Date is referred to as the "Period of Employment"). During the Period of Employment, Employee shall report directly to the Company's President and Chief Executive Officer (the "CEO") and Employee shall use Employee's good faith efforts to perform Employee's duties and responsibilities to the Company and such additional responsibilities (consistent with Employee's position with the Company) as the CEO now

or hereafter assigns to Employee. The principal place of Employee's employment during the Period of Employment shall be the Company's executive offices (currently located in Orange County, California) ("**Company Offices**").

b. **Other Activities.** During the Period of Employment, Employee shall (i) devote substantially all of Employee's business time and energy to the performance of Employee's duties for the Company and (ii) hold no other employment. Employee's service on the boards of directors (or similar body) of other business entities is subject to the prior written approval of the CEO, provided, however, the Company acknowledges and approves of Employee's service on the Advisory Board of the Harvard Business School Women's Student Association. The Company **not otherwise defined herein** shall have the **right** **respective meanings assigned to** require Employee to resign from any board or similar body (including, without limitation, any association, corporate, civic or charitable board or similar body) which Employee may then serve if **them in** the CEO reasonably determines that Employee's service on such board or body interferes with the effective discharge of Employee's duties and responsibilities **Original Agreement**. All references to the Company or that any business related to such service is then in direct or indirect competition with any business of the Company or any of its affiliates, successors or assigns.

c. **No Breach of Contract.** Employee hereby represents to the Company and agrees that: (i) the execution and delivery of this Agreement by Employee and the Company and the performance by Employee of Employee's duties and responsibilities to the Company do not and shall not constitute a breach of, conflict with, or otherwise contravene or cause a default under, the terms of any other agreement or policy to which Employee is a party or otherwise bound or any judgment, order or decree to which Employee is subject; (ii) Employee is not bound by any employment, consulting, non-compete, non-solicitation, confidentiality, trade secret or similar agreement (other than this Employment Agreement) with any other person (other than ongoing, customary confidentiality obligations as to confidential information obtained from prior employers **term "Agreement"** in the course of Employee's prior employment with them); (iii) to the extent Employee has any confidential or similar information that Employee is not free to disclose to the Company, Employee will not disclose or bring on to the Company's premises, computer networks, communications or systems, computers or any other devices or accounts, any such information to the extent such disclosure or transmission would violate applicable law or any other agreement or policy to which Employee is a party or by which Employee is otherwise bound; and (iv) Employee understands the Company will rely upon the accuracy and truth of the representations and warranties of Employee set forth herein and Employee consents to such reliance.

2. **COMPENSATION AND BENEFITS**

a. **Base Salary.** The Company shall pay Employee a salary during the Period of Employment at the rate of Four Hundred and Fifteen Thousand dollars (\$415,000) per year ("**Base Salary**"). The Base Salary **Original Agreement** shall be paid in accordance with the Company's regularly established payroll practices as in effect from time **deemed to** time. Employee's Base Salary shall be reviewed from time to time (not less frequently than annually commencing in 2024) in accordance with the established procedures **include all** of the Company for adjusting salaries for similarly situated employees and may be increased, but not decreased, in the sole discretion of the Company's board of directors or a committee thereof (the "**Board**").

b. **Sign-On Bonus.** Employee will be eligible to receive a sign-on bonus of Thirty-Five Thousand Dollars (\$35,000) (the "**Sign-On Bonus**") on the terms and conditions set forth in this **Section 2(b)**. The Sign-On Bonus will be paid within 60 days of Employee's start date, provided Employee is employed with the Company at the time of such payment. If Employee satisfies the foregoing conditions and Employee remains employed by the Company for one year after Employee's first day of employment by the Company, then 50% of the Sign-On Bonus will be considered earned

and vested. If Employee satisfies the foregoing conditions and Employee remains employed by the Company for two years after Employee's first day of employment by the Company, then 100% of the Sign-On Bonus will be considered earned and vested. If Employee ceases to be employed by the Company for any reason before the second anniversary of Employee's first day of employment with the Company (other than a termination described in **Section 5(c)** below), Employee agrees to pay to the Company (not later than sixty (60) days after the last day of Employment with the Company) any portion of the Sign-On Bonus that is not earned and vested (as set forth above) as of such last day of Employee's employment with the Company.

c. **Relocation and Housing Benefits.** Employee agrees to relocate within a year to a residence that is proximate to the Company Offices. The Company agrees to pay or reimburse Employee for the reasonable costs of such relocation, up to \$150,000 (net of any withholding taxes and grossed-up such that Employee realizes up to \$150,000 of benefits after such taxes) and subject to the terms and conditions of a Relocation Agreement to be entered into between Employee and the Company (the "Relocation Agreement") **this Sixth Amendment.**

2. **DEFINITION OF TERRITORY.** Such Relocation Agreement will also provide a corporate housing allowance for Employee, such housing allowance and any tax gross-up to be excluded when counting relocation costs against the \$150,000 maximum, and such housing allowance to commence on the first day. The definition of "Territory" in Section 1.36 of the Period of Employment Original Agreement is hereby amended to remove all references to CIS, and end on the first all rights to occur distribution of the last day Product in CIS shall hereby revert to DAEWOONG. All references to "Australia" in the Original Agreement shall now refer to "ANZ" which shall now mean, collectively, the countries of both Australia and New Zealand and their respective territories and possessions.

3. **AMENDMENT TO ANNEX B. Annex B** of the Period of Employment, six months after the first day of the Period of Employment, or when Employee relocates Original Agreement is hereby amended to a permanent residence that is proximate remove all references to CIS.

4. **TRANSFER OF NEW ZEALAND RELATED REGULATORY APPROVAL APPLICATION.** DAEWOONG shall [***] transfer all regulatory materials related to the Company Offices. The Relocation Agreement will include a provision that, (i) should Employee fail Regulatory Approval and Marketing Authorization developed by DAEWOONG for the New Zealand territory and all material necessary and useful for Evolus to promptly relocate to a residence that is proximate to the Company Offices within one year after the first day of the Period of Employment, or (ii) should the Employee's employment with the Company terminate within two years after the first day of the Period of Employment for any reason other than a termination described obtain Regulatory Approval and Marketing Authorization in **Section 5(c)** below, Employee will promptly repay to the Company the Company's costs incurred in providing such relocation benefits and housing allowance to Employee. Employee agrees to reasonably cooperate with the Company in finalizing and entering into the Relocation Agreement and in connection with the Company's provision of the relocation and housing benefits, and with any third party provider retained by the Company to provide any such benefits. **New Zealand.**

d.5. **Annual Bonus AMENDMENT OF PRODUCT PRICE AND MINIMUM ANNUAL PURCHASES FOR ANZ IN ANNEX B.** During the Period of Employment, Employee shall be eligible to participate in the Company's annual discretionary incentive plan, under which Employee shall be eligible to receive an annual incentive bonus, as determined by the Board in its reasonable discretion (the "**Annual Bonus**"), with a target annual bonus opportunity equal to forty-five

percent (45%) of the Base Salary (with an agreed proration of 75% for the year 2023) based on and subject to 100% achievement of key performance indicators for Employee and the Company as determined by the Board. The terms of any written Annual Bonus plan developed by the Board shall govern any Annual Bonus that may be paid. Any Annual Bonus shall be paid in all events within two and one-half months after the end **Annex B** of the year in which such Original

Agreement related to Product Price and Minimum Annual Bonus becomes earned, *provided* that no Annual Bonus shall be considered earned or payable unless, subject to **Section 5(c)**, Employee has remained continuously employed through the payment date of the Annual Bonus.

e. **Equity.** From time to time the Board may grant long-term incentive awards (in the form of stock options, restricted stock units, performance stock units or other form of equity-based or other long-term incentive compensation) to Employee.

In connection with Employee's commencement of employment with the Company, the Company will grant Employee (i) an option (the "**Option**") ANZ are hereby amended and Restricted Stock Units ("**RSUs**"). The Option will be to purchase a number of shares of Company Common Stock equal to \$600,000 divided by the Black-Scholes value of such an option (as determined by the Company using its regular stock option valuation methodology and assumptions, and subject to any value floor established by the Board for Company equity awards in that year generally) as of the first day of Employee's employment with the Company. The number of shares of Company Common Stock issued pursuant to your RSUs shall be equal to \$600,000 divided by the 30-day average price of shares of the Company's Common Stock (as determined by the Company using its regular restricted stock unit methodology and assumptions, and subject to any value floor established by the Board for Company equity awards in that year generally). The number of shares subject to each of the Option and the RSUs will be subject to customary adjustments for stock splits, reverse splits, stock dividends and similar events after the date of grant. The per share exercise price of the Option will equal the Nasdaq closing price (in regular trading) of a share of Company Common Stock on the date of grant of the Option (or as of the last Nasdaq trading day preceding the date of grant of the Option if such date of grant is not a Nasdaq trading day). The Option will have a maximum term of ten (10) years, subject to earlier termination as provided in the applicable option award agreement.

The Option and RSUs will each be granted on or promptly after Employee's first day of employment with the Company in accordance with the Company's standard practice, and such award will be scheduled to vest in equal annual installments over four years commencing with the date of grant of the award, subject in each case to Employee's continuing employment with the Company through the applicable date of grant of the award (as to the grant of the award) or applicable vesting date (as to the vesting of the award). The Option and the RSUs will each be granted under an inducement equity incentive award and will be subject to such further terms and conditions restated as set forth in a written option award agreement and restricted stock unit agreement, to be entered into by the Company and Employee to evidence the awards. The inducement equity incentive awards will be on terms consistent with the Company's 2017 Omnibus Incentive Plan (the "**2017 Plan**") except that the terms of the award will limit eligibility to new hire awards designed to qualify for the Nasdaq shareholder approval exception for inducement grants, and the form of option award agreement or restricted stock unit award used for option under the inducement grant will be consistent with the Company's standard form of option award agreement and restricted stock unit award agreement used to grant employee such equity awards under the 2017 Plan. Please note that future equity awards, if any, will be subject to Board approval, and Employee will not be considered for an additional equity award before January 2024.

f. **Benefits.** During the Period of Employment, Employee shall be eligible to participate in the benefits made generally available by the Company to its other senior

executives, in accordance with and subject to the terms and conditions of the applicable benefit plans as they may be amended from time to time in the Company's sole discretion.

g. Vacation. Employee's vacation and other paid time off shall be governed by the Company's usual policies applicable to senior management employees, as they may be amended from time to time in the Company's sole discretion.

h. Expenses. The Company shall reimburse Employee for reasonable business expenses incurred, and for any other approved expenses incurred, in the performance of Employee's duties hereunder in accordance with and subject to the Company's customary expense reimbursement guidelines, as they may be amended from time to time in the Company's sole discretion.

i. Employment Policy. As an employee of the Company, Employee shall be subject to and abide by the Company's policies, procedures, practices, rules and regulations as adopted or as amended from time to time in the Company's sole discretion.

j. Indemnification. On or promptly after the date hereof and to the extent Employee is not already a party to such an agreement with the Company, the Company shall offer Employee the opportunity to enter into an Indemnification Agreement with the Company, on the form of Indemnification Agreement offered by the Company to its directors and other senior executives. In addition, Employee shall be covered under a directors' and officers' liability insurance policy paid for by the Company both during and after (while there remains any potential liability to Employee) the termination of Employee's employment to the extent that the Company maintains such a liability insurance policy at the applicable time for its active officers and directors and with the terms of such coverage to be consistent with the terms then in place as to the Company's other senior executives or former senior executives, as the case may be.

3. AT-WILL EMPLOYMENT; TERMINATION BY COMPANY

a. Termination for Cause. Employee's employment under this Agreement have no specific term. The Company may terminate Employee's employment with the Company at will at any time upon written notice, with or without Cause or advance notice, for any reason or no reason at all, notwithstanding anything to the contrary contained in or arising from any statements, policies or practices of the Company relating to the employment, discipline or termination of its employees. For purposes of this Agreement, "Cause" shall mean any of the following: (a) the commission of any act of willful dishonesty by Employee in connection with the Company's business or any act of fraud or embezzlement by Employee; (b) a breach of the Company's Employee Proprietary Information and Invention Agreement or a breach in any material respect by the Executive of any other contract the Employee is a party to with the Company; (c) the refusal or omission by Employee to perform any lawful duties properly required Employee, provided that any such failure or refusal has been communicated to Employee in writing and Employee has been provided a reasonable opportunity to correct it, if correction is possible; (d) any act or omission by Employee involving malfeasance or gross negligence in the performance of Employee's duties to, or material deviation from any of the policies or directives of, the Company, provided, however, that in the case of deviations from policies or directives if a cure is not reasonably possible in the circumstances, (i) the Company must give Employee notice of such deviations within thirty (30) days of the Board becoming aware of such an occurrence, (ii) Employee must be given thirty (30) days to cure or correct the deviation, if curable, and (iii) Employee may only be terminated for Cause if the deviation remains uncured after thirty (30) days, if curable, following written notice and upon the approval of the Board; (e) conduct on the part of Employee which constitutes the breach of any statutory or common law duty of loyalty to the Company; or (f) any illegal act by Employee which the

Board determines adversely affects the business of the Company, or any felony committed by Employee.

b. Termination upon Death or Disability. Employee's employment under this Agreement shall terminate automatically upon Employee's death or in the event that the Board determines in good faith that the Employee has a Disability. As used herein, "**Disability**" shall mean a physical or mental impairment which, as reasonably determined by the Board, renders the Employee unable to perform the essential functions of their employment with the Company, even with reasonable accommodation that does not impose an undue hardship on the Company, for more than ninety (90) days in any 180-day period, unless a longer period is required by federal or state law, in which case that longer period would apply. The Employee agrees to reasonably cooperate with the Board in making any such determination as to the existence of a Disability.

4. TERMINATION BY EMPLOYEE

Employee may terminate employment with the Company at any time upon written notice for any reason or no reason at all, with or without Good Reason. For purposes of this Agreement, "**Good Reason**" shall mean any of the following which is not corrected by the Company within thirty (30) days after the Company has received written notice from Employee referring to this **Section 4 Annex B** and specifying the circumstances purportedly constituting Good Reason and the correction sought (such notice to be given within thirty (30) days after the occurrence of such circumstance): (a) a material diminution in Employee's title, duties, authorities, or responsibilities; (b) a material reduction in Employee's Base Salary or target level of Annual Bonus; or (c) a material breach by the Company of any provision of this Agreement or any hereto. No other agreement between the Company and Employee. Notwithstanding the foregoing, a termination of Employee's employment with the Company shall not constitute a termination for Good Reason unless such termination occurs not more than ninety (90) days following the initial existence of the condition claimed to constitute good reason.

5. TERMINATION OBLIGATIONS

a. Termination of Employment. Employee's right to compensation and benefits under this Agreement, if any, upon termination of employment shall be determined in accordance with this **Section 5**.

b. All Terminations of Employment. Upon any termination of employment, Employee shall be entitled to prompt and full payment of all earned but unpaid Base Salary and accrued but unused vacation (collectively, the "**Accrued Benefits**"). Except as provided in **Section 5(c)**, Employee's rights following a termination of employment with respect to any benefits, incentives or awards provided to Employee pursuant to the terms of any plan, program or arrangement sponsored or maintained by the Company, whether tax-qualified or not (but excluding any severance plan, program or arrangement), which are not specifically addressed herein, shall be subject to the terms of such plan, program or arrangement, and this Agreement shall have no effect upon such terms except as specifically provided herein. Employee's rights following a termination of employment with respect to any stock option, restricted stock unit, performance stock unit or other equity-based award that may be granted to Employee by the Company shall be governed by the applicable award agreement except as otherwise expressly provided in **Section 5(c)**. Company acknowledges that any rights Employee may have to indemnification for actions taken as an officer or director under Company's charter, other arrangements and its insurance policies shall not be forfeited or terminated upon a termination of Employee's employment.

c. Termination of Employment by Company without Cause or by Employee for Good Reason. If the Company terminates Employee's employment under this Agreement for any reason other than Cause (other than due to the Employee's death or Disability), or Employee terminates Employee's employment under this Agreement for Good Reason, and Employee satisfies the release requirements of **Section 5(e)** (a "**Qualified Termination**"), then in addition to the Accrued Benefits, Employee shall be entitled to:

(i) a gross amount equal to (a) in the case of a Qualified Termination that occurs within three (3) months prior to, upon, or within twelve (12) months after a Change in Control (as such term is defined in the 2017 Plan), eighteen (18) months of Employee's Base Salary (as in effect immediately prior to such termination of employment), or (b) in the case of any other Qualified Termination, twelve (12) months of Employee's Base Salary (at the rate in effect immediately prior to the Severance Date), in each case payable in a lump sum on (or within ten (10) days after) the sixtieth (60th) day following the Employee's last day of employment with the Company (the "**Severance Date**") (provided that in the event of a Qualified Termination that occurs prior to a Change in Control and as to which the provisions of clause (a) above apply, the provisions of clause (a) above shall control but the payment to be made pursuant to clause (a) shall be made on the later of the date otherwise provided in clause (a) or the date of the Change in Control and such payment shall be reduced by any payments made, prior to the date of such payment pursuant to clause (a), pursuant to clause (b));

(ii) (a) in the case of a Qualified Termination that occurs within three (3) months prior to, upon, or within twelve (12) months after a Change in Control, one times Employee's target Annual Bonus amount (at the rate in effect immediately prior to the Severance Date), payable in a lump sum on (or within ten (10) days after) the sixtieth (60th) day following the Severance Date, or (b) in the case of any other Qualified Termination, Employee shall be entitled to the Annual Bonus (if any) that Employee would have earned for the calendar year in which the Severance Date occurs (based on actual performance for such year), pro-rated based on the number of full months Employee was employed by the Company in that calendar year, payable at the time the Company normally pays Annual Bonuses after the close of the calendar year in which the Severance Date occurs (and in all events not later than two and one-half (2 ½) months after the end of such year) (provided that in the event of a Qualified Termination that occurs prior to a Change in Control and as to which the provisions of clause (a) above apply, the provisions of clause (a) above shall control but the payment to be made pursuant to clause (a) shall be made on the later of the date otherwise provided in clause (a) or the date of the Change in Control and such payment shall be reduced by any payments made, prior to the date of such payment pursuant to clause (a), pursuant to clause (b));

(iii) payment (at the time such Annual Bonus would otherwise be paid) of the Annual Bonus (if any) that Employee earned for the calendar year preceding the year in which the Severance Date occurs, to the extent not previously paid and disregarding the usual requirement to be employed on the bonus payment date;

(iv) a lump sum payment of Fifteen Thousand Dollars (\$15,000) as outplacement assistance, payable on (or within ten (10) days after) the sixtieth (60th) day following the Severance Date;

(v) a lump sum payment, payable on (or within ten (10) days after) the sixtieth (60th) day following the Severance Date, of the amount Employee would be expected to pay in order to continue medical coverage pursuant to the Consolidated Omnibus Budget

Reconciliation Act ("**COBRA**"), at the same or reasonably equivalent medical coverage for Employee (and, if applicable, Employee's eligible dependents) as in effect immediately prior to the Severance Date, for twelve (12) months following the Severance Date (or, if clause (i)(a) above applies, eighteen (18) months following the Severance Date) as calculated by the Company in good faith (provided that in the event of a Qualified Termination that occurs prior to a Change in Control, any additional amount due to Employee pursuant to this clause (iv) as a result of such Change in Control shall be paid on the date of the Change in Control); and

(vi) in the case of a Qualified Termination that occurs within three (3) months prior to, upon or in connection with or within twelve (12) months after Change in Control, as to each stock option, restricted stock unit and other equity-based award granted by the Company to Employee that is outstanding immediately prior to the Severance Date, Employee shall fully vest in any time and service-based vesting conditions applicable to the award, with any performance-based vesting requirements to be treated as provided for in the applicable award agreement.

Notwithstanding the foregoing provisions of this **Section 5(c)**, if Employee breaches their obligations under the Company's Employee Proprietary Information and Invention Agreement at any time, from and after the date of such breach and not in any way in limitation of any right or remedy otherwise available to the Company, the Employee will no longer be entitled to, and the Company will no longer be obligated to pay, any remaining unpaid portion of the severance benefits provided herein or to any continued Company-paid or reimbursed coverage pursuant **changes to Section 5(c)(i)**; provided that, if the Employee provides the release contemplated by **Section 5(e)**, in no event shall the Employee be entitled to benefits pursuant to this **Section 5(c)** of less than \$5,000, which amount the parties agree is good and adequate consideration, in and of itself, for the Employee's release contemplated by **Section 5(e)**.

d. **Other Terminations.** Upon termination of Employee's employment by Company for Cause, due to the Employee's death or Disability, or by Employee for any reason other than Good Reason, Employee shall be entitled only to the compensation and benefits provided in **Section 5(b) Annex B** and no severance compensation and benefits.

e. **Release.** Any and all amounts payable and benefits **are contemplated** or additional rights provided pursuant to **made by** this Agreement upon a termination of employment (including the benefits provided for in **Section 5(c)**) beyond the Accrued Benefits shall only be payable if, and are subject to the condition precedent that, Employee delivers to the Company and does not revoke a general release of claims in favor of the Company in the form acceptable to the Company, *provided* such release does not purport to: (i) revoke any of the rights provided pursuant to **Section 5** of this Agreement or rights to continued indemnification for actions taken as an officer or director prior to the termination of employment; or (ii) impose upon Employee any new or additional restrictive covenants (such as new confidentiality, non-competition or non-solicitation obligations) that do not otherwise survive the termination of Employee's employment. Such release must be executed by Employee on or after the Severance Date and delivered by Employee to the Company so that it is received by the Company no later than forty-five (45) days following the Severance Date (or such longer period to the extent required by law), and Employee must not revoke such release (or any portion thereof).

f. **Resignation and Cooperation.** Upon any termination of employment, Employee agrees to resign, and hereby does resign, from all offices and directorships Employee then holds with the Company, including any such positions with its subsidiaries. Following a termination of employment, Employee shall cooperate reasonably in the orderly transfer of Employee's duties to other employees. Employee shall also reasonably (after taking into account Employee's post-

termination responsibilities and obligations) cooperate with the Company in the defense of any action brought by any third party against the Company that relates to Employee's employment by the Company. The Company shall reimburse the Executive for reasonable expenses incurred in connection with such cooperation and, to the extent that Employee is required to spend greater than eight (8) hours on such matters, the Company shall compensate Employee at an hourly rate based on the Employee's Base Salary on the date of termination.

g. **Continuing Obligations.** Employee understands and agrees that Employee's obligations under **Sections 5, 6, and 7** herein (including the exhibits and schedules described therein) shall survive a termination of Employee's

employment and any termination of this Agreement.

h. Administrative Leave. In the event that the Company provides the Employee notice of termination without Cause pursuant to **Section 3(a)** or the Employee provides the Company notice of termination pursuant to **Section 4**, the Company will have the option to place the Employee on paid administrative leave during the notice period. **Sixth Amendment**.

6. INVENTIONS AND PROPRIETARY INFORMATION AMENDMENT OF COMMERCIALIZATION PLAN OF PRODUCT FOR ANZ IN ANNEX C.

Employee agrees to sign and be bound by the The terms of Annex C of the Company's standard employee proprietary information Original Agreement related to Commercialization Plan of Product to ANZ are hereby amended and invention assignment agreement added as set forth on **Annex C** hereto. No other changes to **Annex C** are contemplated or made by this **Sixth Amendment**.

7. ARBITRATION

Employee agrees to sign and be bound by the terms of the Company's standard employee Arbitration Agreement.

8. COUNTERPARTS. ATTORNEYS' FEES AND COSTS

In any dispute arising from or relating to this Agreement or Employee's hiring, employment, compensation, benefits, or termination, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs.

9. AMENDMENTS; WAIVERS; REMEDIES

This Agreement may not be amended or waived except by a writing signed by Employee and by a duty authorized officer of the Company other than Employee. Failure to exercise any right under this Agreement shall not constitute a waiver of such right. Any waiver of any breach of this Agreement shall not operate as a waiver of any subsequent breaches. All rights or remedies specified for a party herein shall be cumulative and in addition to all other rights and remedies of the party hereunder or under applicable law.

10. ASSIGNMENT; BINDING EFFECT

a. Assignment. The performance of Employee is personal hereunder, and Employee agrees that Employee shall have no right to assign and shall not assign or purport to assign any rights or obligations under this Agreement. This Agreement may be assigned or transferred by the Company; and nothing in this Agreement shall prevent the consolidation, merger or sale of the Company or a sale of any or all or substantially all of its assets.

b. Binding Effect. Subject to the foregoing restriction on assignment by Employee, this Agreement shall inure to the benefit of and be binding upon each of the parties; the affiliates,

officers, directors, agents, successors and assigns of the Company; and the heirs, devisees, spouses, legal representatives and successors of Employee.

11. NOTICES

All notices or other communications required or permitted hereunder shall be made in writing and shall be deemed to have been duly given if delivered: (a) by hand; (b) by a nationally recognized overnight courier service; or (c) by United States first class registered or certified mail, return receipt requested, to the principal address of the other party, as set forth below. The date of notice shall be deemed to be the earlier of (i) actual receipt of notice by any permitted means, or (ii) five (5) business days following dispatch by overnight delivery service or the United States Mail. Employee shall be obligated to notify the Company in writing of any change in Employee's address. Notice of change of address shall be effective only when done in accordance with this paragraph.

Company's Notice Address:

Evolus, Inc.
520 Newport Center Dr., Suite 1200
Newport Beach, California 92660
Attention: Legal

Employee's Notice: to Employee at Employee's address on file in the Company's payroll records

12. SEVERABILITY

If any provision of this Agreement shall be held by a court or arbitrator to be invalid, unenforceable or void, such provision shall be enforced to the fullest extent permitted by law, and the remainder of this Agreement shall remain in full force and effect. In the event that the time period or scope of any provision is declared by a court or arbitrator of competent jurisdiction to exceed the maximum time period or scope that such court or arbitrator deems enforceable, then such court or arbitrator shall reduce the time period or scope to the maximum time period or scope permitted by law.

13. TAX MATTERS

a. **Withholding.** Any and all amounts payable under this Agreement or otherwise shall be subject to, and the Company may withhold from such amounts, any federal, state, local or other taxes as may be required to be withheld pursuant to any applicable law or regulation.

b. **Section 409A Compliance.**

(i) The intent of the parties hereto is that payments and benefits under this Agreement be exempt from (to the extent possible) Section 409A ("**Section 409A**") of the Internal Revenue Code of 1986 and the regulations and guidance promulgated thereunder, as amended (collectively, the "**Code**") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. To the extent that any provision hereof is modified in order to comply with Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to the parties hereto of the applicable provision without violating the provisions of Section 409A.

(ii) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits that constitute "nonqualified deferred compensation" under Section 409A upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Section 409A and, for purposes of any such provision of this

Agreement, references to a “termination,” “termination of employment” or like terms shall mean “separation from service.”

(iii) To the extent that reimbursements or other in-kind benefits under this Agreement constitute “nonqualified deferred compensation” for purposes of Section 409A, (A) all expenses or other reimbursements hereunder shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by Employee, (B) any right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit and (C) no such reimbursement, expenses eligible for reimbursement or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

(iv) For purposes of Section 409A, Employee’s right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be at the sole discretion of the Board.

(v) Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment under this Agreement that constitutes “nonqualified deferred compensation” for purposes of Section 409A be subject to offset by any other amount unless otherwise permitted by Section 409A.

(vi) Notwithstanding any other provision of this Agreement, to the extent required to avoid the imposition of tax, penalties or interest under Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided under this Agreement during the six- (6)-month period immediately following a termination of employment shall instead be paid on the first payroll date after the six (6)-month anniversary of the termination of employment (or Employee’s death, if earlier).

c. Section 280G.

(i) Notwithstanding anything contained in this Agreement to the contrary, to the extent that the payments and benefits provided under this Agreement and benefits provided to, or for the benefit of, Employee under any other Company plan or agreement (such payments or benefits are collectively referred to as the “**Benefits**”) would be subject to the excise tax (the “**Excise Tax**”) imposed under Section 4999 of the Code, the Benefits shall be reduced (but not below zero) if and to the extent that a reduction in the Benefits would result in Employee retaining a larger amount, on an after-tax basis (taking into account federal, state and local income taxes and the Excise Tax), than if Employee received all of the Benefits (such reduced amount is referred to hereinafter as the “**Limited Benefit Amount**”). Unless Employee shall have given prior written notice specifying a different order to the Company to effectuate the Limited Benefit Amount, any such notice consistent with the requirements of Section 409A of the Code to avoid the imputation of any tax, penalty or interest thereunder, the Company shall reduce or eliminate the Benefits by first reducing or eliminating amounts which are payable from any cash severance, then from any payment in respect of an equity award that is not

covered by Treas. Reg. Section 1.280G-1 Q/A-24(b) or (c), then from any payment in respect of an equity award that is covered by Treas. Reg. Section 1.280G-1 Q/A-24(c), in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time from the Determination (as defined below). Any notice given by Employee pursuant to the preceding sentence shall take precedence over the provisions of any

other plan, arrangement or agreement governing Employee's rights and entitlements to any benefits or compensation.

(ii) A determination as to whether the Benefits shall be reduced to the Limited Benefit Amount pursuant to this Agreement and the amount of such Limited Benefit Amount shall be made by the Company's independent public accountants or another certified public accounting firm or executive compensation consulting firm of national reputation designated by the Company and acceptable to Employee (the "**Firm**") at the Company's expense. The Firm shall provide its determination (the "**Determination**"), together with detailed supporting calculations and documentation to the Company and Employee within ten (10) business days of the date of termination of Employee's employment, if applicable, or such other time as reasonably requested by the Company or Employee.

14. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

15. INTERPRETATION

This Agreement shall be construed as a whole, according to its fair meaning, and not in favor of or against any party. Sections and section headings contained in this Agreement are for reference purposes only and shall not affect in any manner the meaning or interpretation of this Agreement. Whenever the context requires, references to the singular shall include the plural and the plural the singular.

16. OBLIGATIONS SURVIVE TERMINATION OF EMPLOYMENT

Each party agrees that any and all of such party's obligations under this Agreement, including any agreement contemplated hereby, shall survive a termination of employment.

17. COUNTERPARTS

This Agreement **Sixth Amendment** may be executed in **any number of two (2) or more** counterparts, and the signature pages may be transmitted by pdf or electronic means, each of which shall be deemed an original of this Agreement, but all of which **taken** together shall constitute one and the same instrument.

18. AUTHORITY **Signatures to this Sixth Amendment transmitted by facsimile, email, portable document**

Each party represents

format (.pdf) or by any other electronic means intended to preserve the original graphic and warrants that such party has the right, power and authority to enter into and execute pictorial appearance of this Agreement and to perform and discharge all shall have the same effect as the physical delivery of the obligations hereunder; paper document bearing original signatures.

8. **NO OTHER AMENDMENTS.** Except as herein set forth, the Original Agreement has not been modified and, that as amended by this Agreement constitutes the valid Sixth Amendment, remains in full force and legally binding agreement and obligation of such party and is enforceable in accordance with its terms.

19. **ENTIRE AGREEMENT**

This Agreement is intended to be the final, complete and exclusive statement of the terms of Employee's employment by the Company and may not be contradicted by evidence of any prior or contemporaneous statements or agreements, except for agreements specifically referenced herein (including the agreements referenced in **Sections 6 and 7** above). effect. To the extent that there are any inconsistencies or conflicts between the practices, policies or procedures specific subject matter of this Sixth Amendment and the Company, now or in the future, apply to Employee and are inconsistent with Original Agreement, the terms of this Agreement, Sixth Amendment shall supersede the provisions of this Agreement shall control. Any subsequent change in Employee's duties, position or compensation shall not affect the validity or scope of this Original Agreement.

20. **IN WITNESS WHEREOF, EMPLOYEE ACKNOWLEDGEMENT** the duly authorized representatives of the Parties have executed this Sixth Amendment effective as of the Sixth Amendment Effective Date.

EMPLOYEE ACKNOWLEDGES THAT EMPLOYEE HAS HAD THE OPPORTUNITY TO CONSULT LEGAL COUNSEL CONCERNING THIS AGREEMENT, THAT EMPLOYEE HAS READ AND UNDERSTANDS THE AGREEMENT, THAT EMPLOYEE IS FULLY AWARE OF ITS LEGAL EFFECT AND THAT EMPLOYEE HAS ENTERED INTO IT FREELY BASED ON EMPLOYEE'S OWN JUDGMENT AND NOT ON ANY REPRESENTATIONS OR PROMISES OTHER THAN THOSE CONTAINED IN THIS AGREEMENT.

DAEWOONG PHARMACEUTICAL CO., LTD.

EVOLUS, INC.

By: /s/ Seng-Ho Jeon
Name: Seng-Ho Jeon
Title: CEO & President

By: /s/ David Moatazedi
Name: David Moatazedi
Title: CEO

Page 2

Annex B

Product Price and Minimum Annual Purchases

(Amendments to ANZ Portion of Territory Only)

[The remainder ***]

Page 3

ANNEX C

Commercialization Plan of this page has intentionally been left blank. The signature page follows on the next page. Product
(Amendments to ANZ Portion of Territory Only)

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By signing below, each of the parties hereto acknowledges and agrees to all of the terms of this Employment Agreement, effective as of the Effective Date.

Tomoko Yamagishi-Dressler ("Employee")

Sign name: /s/ Tomoko Yamagishi-Dressler

EVOLUS, INC., a Delaware Corporation (the "Company")

Sign name: /s/ David Moatazedi

Print name: David Moatazedi

Title: President and Chief Executive Officer

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Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David Moatazedi, certify that:

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

Date: November 7, 2023 May 7, 2024

/s/ David Moatazedi

David Moatazedi

President, Chief Executive Officer and Director

(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Sandra Beaver, certify that:

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

Date: November 7, 2023 May 7, 2024

/s/ Sandra Beaver

Sandra Beaver

Chief Financial Officer

(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER AND
CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. § 1350 AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Each of the undersigned hereby certifies, in accordance with 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in his or her capacity as an officer of Evolus, Inc., that, to his or her knowledge:

(1) the Quarterly Report on Form 10-Q of Evolus, Inc. for the quarter ended September 30, 2023 March 31, 2024 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Evolus, Inc.

Date: November 7, 2023 May 7, 2024

By: /s/ David Moatazedi

David Moatazedi

President and Chief Executive Officer

(Principal Executive Officer)

Date: November 7, 2023 May 7, 2024

By: /s/ Sandra Beaver

Sandra Beaver

Chief Financial Officer

(Principal Financial Officer)

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