Verrica Provides Business and Operational Update

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-- Dispensed applicator units in the fourth quarter of 2024 have exceeded the complete prior quarter even with significant cost reductions in sales and operational infrastructure

-- Observed significant reduction in YCANTH distributor inventory levels

-- New single applicator configuration for YCANTH® expected to be available in the first quarter of 2025 to help meet growing product demand, reduce acquisition costs for physician practices and expand distribution and patient access

-- Continue to advance pipeline of product candidates in common warts and basal cell carcinoma

WEST CHESTER, Pa., Dec. 20, 2024 (GLOBE NEWSWIRE) -- Verrica Pharmaceuticals Inc. ("Verrica" or the "Company") (Nasdaq: VRCA), a dermatology therapeutics company developing medications for skin diseases requiring medical interventions, today announced a business and operational update outlining the significant progress being made with respect to the new commercial strategy for YCANTH, Verrica's lead product for the treatment of molluscum contagiosum ("molluscum").

"Over the last several weeks since our November common stock offering, we have made significant progress across a number of key initiatives to help drive demand for YCANTH," said Jayson Rieger, PhD MBA, President and Chief Executive Officer of Verrica. "First and foremost, we are executing effectively on our previously announced commercial strategy for YCANTH, as evidenced by achievement of fourth quarter dispensed applicator units already surpassing dispensed applicator units in the prior quarter. We are growing the YCANTH business while implementing highly targeted cost management initiatives to prioritize spend that creates value and reducing or eliminating inefficient and unnecessary expenses. We are also pleased to note a significant reduction in YCANTH inventory levels from our distribution partners."

Dr. Rieger continued, "We are responding to the growing patient demand for YCANTH by increasing our distribution capabilities, making YCANTH available to more dermatologists and pediatricians through our previous distribution channels as well as through local independent pharmacies. Furthermore, we expect to provide a single applicator packaging configuration for YCANTH in the first quarter of 2025, which we anticipate will provide an added level of convenience for our independent and specialty pharmacy network. We also expect that the single applicator packaging will facilitate initial purchases of the product by health care providers who prefer same day treatment for patients by requiring significantly less cash outlay under our buy-and-bill distribution model. Finally, we expect this new packaging may increase patient access by providing added optionality to buying groups, hospitals and government entities for including YCANTH on formulary to service their patients.

"As we enter 2025, we are excited about the opportunities that lie ahead for our company. As noted, we are already seeing favorable changes in the demand dynamics for YCANTH in response to our more focused and disciplined commercial strategy. Our recent financing also helped strengthen our balance sheet, while our ongoing efforts to improve Verrica's operational efficiencies will help preserve our capital resources."

Dr. Rieger concluded, "We also believe that our pipeline opportunities provide a tremendous source of potential upside for our company. Together with our development partner, Torii Pharmaceutical, we continue to advance YCANTH (referred to as TO-208 in Japan) for the treatment of common warts, which represents the opportunity to address the single largest unmet medical need in dermatology. Additionally, encouraging preliminary data from our Phase 2 study suggests that our oncolytic peptide, VP-315, may have the potential to become a new and differentiated treatment approach for basal cell carcinoma. In summary, we have made significant progress over a short period of time, and Verrica is becoming a more focused and efficient commercial-stage company."

About YCANTH® (VP-102)
YCANTH® is a proprietary drug-device combination product that contains a GMP-controlled formulation of cantharidin delivered via a single-use applicator that allows for precise topical dosing and targeted administration for the treatment of molluscum. YCANTH® is the first and only commercially available product approved by the FDA to treat adult and pediatric patients two years of age and older with molluscum contagiosum — a common, highly contagious skin disease that affects an estimated six million people in the United States, primarily children. Approval of YCANTH® was based upon the positive results from two Phase 3 clinical trials in approximately 500 patients which demonstrated that YCANTH® was a safe and effective therapeutic for the treatment of molluscum. Approximately 228 million lives are eligible to receive YCANTH® covered by insurance. YCANTH® is available to all patients with and without insurance coverage for $25 per treatment, and further financial assistance is available for patients in need. Please visit YCANTHPro.com for additional information.

YCANTH® should only be administered by a trained healthcare professional. YCANTH® is not for home use.

About Verrica Pharmaceuticals Inc.

Verrica is a dermatology therapeutics company developing medications for skin diseases requiring medical interventions. Verrica's product YCANTH® (VP-102) (cantharidin), is the first and only commercially available treatment approved by the FDA to treat adult and pediatric patients two years of age and older with molluscum contagiosum, a highly contagious viral skin infection affecting approximately 6 million people in the United States, primarily children. YCANTH® (VP-102) is also in development to treat common warts and external genital warts, two of the largest remaining unmet needs in medical dermatology. Verrica is developing VP-103, its second cantharidin-based product candidate, for the treatment of plantar warts. Verrica has also entered a worldwide license agreement with Lytix Biopharma AS to develop and commercialize VP-315 (formerly LTX-315 and VP-LTX-315) for non-melanoma skin cancers including basal cell carcinoma and squamous cell carcinoma. For more information, visit www.verrica.com.

Forward-Looking Statements

Any statements contained in this press release that do not describe historical facts may constitute forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements may be identified by words such as "believe," "expect," "may," "plan," "potential," "will," and similar expressions, and are based on Verrica's current beliefs and expectations. These forward-looking statements include statements about the availability of Verrica's single applicator packaging configuration and the benefits of such configuration, the commercialization of YCANTH, cost management initiatives and preservation of capital resources, and the clinical development and benefits of Verrica's product candidates, including YCANTH (VP-102). These statements involve risks and uncertainties that could cause actual results to differ materially from those reflected in such statements. Risks and uncertainties that may cause actual results to differ materially include risks and uncertainties related to market conditions, satisfaction of customary closing conditions related to the proposed public offering and other risks and uncertainties that are described in Verrica's Annual Report on Form 10-K for the year ended December 31, 2023, Verrica's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 and other filings Verrica makes with the SEC. Any forward-looking statements speak only as of the date of this press release and are based on information available to Verrica as of the date of this release, and Verrica assumes no obligation to, and does not intend to, update any forward-looking statements, whether as a result of new information, future events or otherwise.

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