UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 21, 2023

Verrica Pharmaceuticals Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**001-38529**	**46-3137900**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

44 W. Gay St., Suite 400 West Chester, PA	**19380**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant's telephone number, including area code: (484) 453-3300

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock	VRCA	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☒

Item 7.01 Regulation FD Disclosure.

On July 21, 2023, Verrica Pharmaceuticals Inc. (the "***Company***") issued a press release announcing that the U.S. Food and Drug Administration (the "***FDA***") approved YCANTH™ for the treatment of Molluscum Contagiosum. A copy of this press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

On July 24, 2023, the Company will be posting a corporate presentation on its website. A copy of this presentation is furnished as Exhibit 99.2 to this Current Report on Form 8-K.

Also on July 24, 2023, the Company issued a press release announcing that it has entered into a non-binding term sheet for up to $125.0 million of debt financing. A copy of this press release is furnished as Exhibit 99.3 to this Current Report on Form 8-K.

In accordance with General Instruction B.2. of Form 8-K, the information in this Item 7.01 and Exhibits 99.1, 99.2 and 99.3 hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***"), or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any of the Company's filings under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any incorporation language in such a filing, except as expressly set forth by specific reference in such a filing.

Item 8.01 Other Events.

On July 21, 2023 the Company announced that the FDA approved YCANTH™ for the treatment of Molluscum Contagiosum and that the Company plans to make YCANTH™ available by September 2023.

Caution Concerning Forward Looking Statements

This Current Report on Form 8-K may contain forward-looking statements made in reliance upon the safe harbor provisions of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include all statements that do not relate solely to historical or current facts, and can be identified by the use of words such as "may," "will," "expect," "project," "estimate," "anticipate," "plan," "believe," "potential," "should," "continue" or the negative versions of those words or other comparable words. These forward-looking statements include statements about the availability of YCANTH™ by September 2023, the potential entry of the Company into the Loan Facility, the proposed terms of the Loan Facility and potential borrowings pursuant to the Loan Facility. These forward-looking statements are based on information currently available to the Company and its current plans or expectations, and are subject to a number of uncertainties and risks that could significantly affect current plans. Actual results and performance could differ materially from those projected in the forward-looking statements as a result of many factors, including the uncertainties related to market conditions. The Company's forward-looking statements also involve assumptions that, if they prove incorrect, would cause its results to differ materially from those expressed or implied by such forward-looking statements. These and other risks concerning the Company's business are described in additional detail in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 and in the Company's other Periodic and Current Reports filed with the Securities and Exchange Commission. The Company is under no obligation to (and expressly disclaims any such obligation to) update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Exhibit Description
99.1	Press Release, dated July 21, 2023.
99.2	Company Presentation, dated July 24, 2023.
99.3	Press Release, dated July 24, 2023.
104	Cover Page Interactive Data File (formatted as inline XBRL).

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 hereunto duly authorized.

Verrica Pharmaceuticals Inc.

Date: July 24, 2023

/s/ P. Terence Kohler Jr.
P. Terence Kohler Jr.
Chief Financial Officer

Verrica Pharmaceuticals Announces FDA Approval of YCANTH™ (cantharidin) topical solution as the First FDA approved Treatment of Pediatric and Adult Patients with Molluscum Contagiosum

- *Molluscum, is a highly contagious viral skin infection affecting approximately 6 million people annually in the United States, primarily children –*
  - *YCANTH™ is a drug-device combination product administered by a healthcare professional; Verrica plans to make YCANTH™ available by September 2023 –*
  - *Verrica to host investor conference call and webcast Monday at 8:30 a.m. ET –*

WEST CHESTER, PA –Jul 21, 2023 (GLOBE NEWSWIRE) – Verrica Pharmaceuticals Inc. ("Verrica") (Nasdaq: VRCA), a dermatology therapeutics company developing medications for skin diseases requiring medical interventions, today announced U.S. Food and Drug Administration (FDA) approval of YCANTH™ (cantharidin) topical solution for the treatment of molluscum contagiosum (molluscum) in adult and pediatric patients 2 years of age and older.

"We are proud to bring patients and caregivers the first FDA-approved treatment for molluscum, which is one of the largest unmet needs in medical dermatology," commented Ted White, Verrica's President and Chief Executive Officer. "Verrica is the first company to develop a proprietary applicator and GMP-formulation of cantharidin that allows a safe, effective and precise topical administration, and the first company to successfully gain FDA approval after conducting rigorous clinical trials to evaluate the safe and effective use of a cantharidin-based product for the treatment of molluscum. We wish to express our gratitude to the approximately 500 patients and their caregivers who participated in the pivotal Phase 3 trials as well as the investigators and health care professionals at more than 30 clinical sites. Our commercial team is vigorously preparing for commercial launch, and we look forward to working with healthcare providers to give patients and caregivers access to YCANTH™ by September 2023."

Mr. White continued: "Today's approval of YCANTH™ is a historic transformational moment in medical dermatology, as physicians, patients and caregivers have long sought a safe and effective FDA approved treatment for molluscum. Molluscum, which primarily affects children, is highly contagious and is commonly transmitted in households, schools, swimming pools and other extra-curricular settings. Since molluscum spreads through skin-to-skin contact and the sharing of contaminated objects with its viral lesions, a topical treatment with precise administration is essential towards preventing further transmission. Based on the results from Verrica's clinical trials, the FDA found that YCANTH™ is safe and effective for patients as young as two years old, providing an important treatment option for patients and caregivers struggling with this disease."

YCANTH is for topical use only. YCANTH is not for oral, mucosal, or ophthalmic use. Local skin reactions at the application site were observed in 97% of subjects treated with YCANTH during clinical trials. Local skin reactions included vesiculation, pruritus, pain, discoloration, and erythema.

YCANTH is a proprietary drug-device combination product containing a GMP-controlled formulation of cantharidin (0.7% w/v) delivered via a single-use applicator, allowing for precise topical dosing and targeted administration. Verrica plans to make YCANTH™ available by September 2023.

The approval is based on positive results from two identical Phase 3 randomized, double-blind, multicenter clinical trials (CAMP-1 and CAMP-2) that evaluated the safety and efficacy of VP-102 (YCANTH™) compared to placebo in patients two years of age and older diagnosed with molluscum.

In both trials, a clinically and statistically significant number of patients treated with VP-102 met the primary endpoint of complete clearance of all treatable molluscum lesions. In CAMP-1, 46% of participants treated with VP-102 achieved complete clearance of molluscum lesions compared to 18% of participants in the vehicle group ($p<0.0001$); in CAMP-2, 54% of participants treated with VP-102 achieved complete clearance of molluscum lesions compared to 13% of participants in the vehicle group ($p<0.0001$).

Additional post-hoc analyses of the CAMP trials showed that complete clearance of all lesions was statistically significantly higher in the VP-102 group than vehicle across all body regions, including areas deemed most sensitive. An additional post-hoc analysis demonstrated that the percentage of subjects with complete molluscum clearance at the end of the trial was statistically significantly higher across all age groups for VP-102-treated subjects compared to subjects treated with vehicle.

There were no serious adverse reactions reported in the trials. Adverse reactions were mostly mild to moderate. The discontinuation rate due to an adverse reaction was 2.3% among subjects treated with YCANTH and 0.5% among subjects treated with vehicle.

Conference Call and Webcast

The Company will host a conference call and live audio webcast Monday July 24, 2023, at 8:30 a.m. ET to discuss the FDA approval of YCANTH™. The conference call dial-in numbers are (877) 407-4018 (domestic) or (201) 689-8471 (international) and the access code is 13740240. The webcast can be accessed in the Investors/Presentations & Events section of the Verrica website at www.verrica.com. The webcast replay will be available shortly after conclusion of the event for 30 days.

About Molluscum Contagiosum (Molluscum)

Molluscum is a highly contagious viral skin disease that affects approximately six million people — primarily children — in the United States. Molluscum is caused by a pox virus that produces distinctive raised, skin-toned-to-pink-colored lesions that can cause pain, inflammation, itching and bacterial infection. It is easily transmitted through direct skin-to-skin contact or through fomites (objects that carry the disease like toys, towels or wet surfaces) and can spread to other parts of the body or to other people, including siblings. The lesions can be found on most areas of the body and may carry substantial social stigma. Without treatment, molluscum can last for an average of 13 months, and in some cases, up to several years.

About YCANTH™

YCANTH™ (cantharidin) topical solution is a proprietary drug-device combination product that contains a GMP-controlled formulation of cantharidin (0.7% w/v) delivered via a single-use applicator. YCANTH™ is the first and only U.S. FDA-approved treatment for molluscum contagiosum, which is primarily a pediatric disease. The use of YCANTH™ is supported by results from adequate and well-controlled trials in pediatric patients 2 years of age and older. The safety and efficacy in pediatric patients below the age of 2 years have not been established.

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

Indication

YCANTH (cantharidin) topical solution, 0.7% is indicated for the topical treatment of molluscum contagiosum in adult and pediatric patients 2 years of age and older.

Important Safety Information

CONTRAINDICATIONS:

None.

WARNINGS AND PRECAUTIONS:

- YCANTH is for topical use only. YCANTH is not for oral, mucosal, or ophthalmic use. Life threatening or fatal toxicities can occur if YCANTH is administered orally. Avoid contact with the treatment area, including oral contact, after treatment. Ocular toxicity can occur if YCANTH comes in contact with eyes. If YCANTH gets in eyes, flush eyes with water for at least 15 minutes.
- Local Skin Reactions: Reactions at the application site may occur, including vesiculation, pruritus, pain, discoloration, and erythema. Avoid application near eyes and mucosal tissue, and to healthy skin. If YCANTH contacts any unintended surface, or healthy skin, immediately remove. If severe local skin reactions occur, remove prior to the recommended 24 hours after treatment.
- YCANTH is flammable, even after drying. Avoid fire, flame or smoking near lesion(s) during treatment and after application until removed.

ADVERSE REACTIONS:

The most common (incidence ≥1%) reactions are the following local skin reactions at the application site: vesiculation, pain, pruritus, scabbing, erythema, discoloration, application site dryness, edema, and erosion. Local skin reactions at the application site were observed in 97% of subjects treated with YCANTH during clinical trials. These local skin reactions are expected and related to the anticipated blistering response of the skin to cantharidin.

DRUG INTERACTIONS:

No studies evaluating the drug interaction potential of cantharidin have been conducted.

USE IN SPECIFIC POPULATIONS:

Pregnancy: There are no available data with use of YCANTH in pregnant women to evaluate for a drug-associated risk of major birth defects, miscarriage or adverse maternal or fetal outcomes. Given that systemic exposure to cantharidin following topical administration is low, maternal use is not expected to result in fetal exposure to the drug.

Lactation: Avoid application of YCANTH topical solution to areas with increased risk for potential ingestion by or ocular exposure to the breastfeeding child.

OVERDOSAGE:

Oral ingestion of cantharidin has resulted in renal failure, blistering and severe damage to the gastrointestinal tract, coagulopathy, seizures, and flaccid paralysis.

Please see accompanying full Prescribing Information.

To report SUSPECTED ADVERSE REACTIONS, contact Verrica Pharmaceuticals Inc. at 1-877-VERRICA (1-877-837-7422), or FDA at 1-800-FDA-1088 or www.fda.gov/medwatch. Local skin reactions are expected and should be reported if they are severe.

About Verrica Pharmaceuticals Inc.

Verrica is a dermatology therapeutics company developing medications for skin diseases requiring medical interventions. On July 21, 2023, Verrica's lead product, YCANTH™ (cantharidin) (formerly known as VP-102), became the first treatment approved by the FDA to treat pediatric and adult patients with molluscum contagiosum, a highly contagious viral skin infection affecting approximately 6 million people in the United States, primarily children. VP-102 is also in development to treat common warts and external genital warts, two of the largest 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 dermatologic oncology conditions. 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 expectations regarding the

commercial launch of YCANTH, including the timing thereof, and the potential benefits of YCANTH and Verrica's product candidates to patients. 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 uncertainties inherent in the drug development process and the regulatory approval process, Verrica's reliance on third parties over which it may not always have full control and uncertainties that are described in Verrica's Annual Report on Form 10-K for the year ended December 31, 2022 and other filings Verrica makes with the U.S. Securities and Exchange Commission. 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.

FOR MORE INFORMATION, PLEASE CONTACT:

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VERRICA PHARMACEUTICALS
Reinventing Skin Science

YCANTH™
(cantharidin, 0.7%)
FDA Approval Call

July 24, 2023

Disclaimer

Certain information contained in this presentation and statements made orally during this presentation relates to or is based on studies, publications, surveys and other data obtained from third-party sources and Verrica's own internal estimates and research. While Verrica believes these third-party sources to be reliable as of the date of this presentation, it has not independently verified, and makes no representation as to the adequacy, fairness, accuracy or completeness of, any information obtained from third-party sources. While Verrica believes its internal research is reliable, such research has not been verified by any independent source.

This presentation contains forward-looking statements. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, our clinical results and other future conditions. All statements other than statements of historical facts contained in this presentation, including statements regarding future results of operations and financial position, business strategy, the commercial launch of YCANTH™, including the timing thereof, and the potential benefits of YCANTH™ and Verrica's product candidates to patients, degree of market acceptance of approved products, research and development costs, current and prospective collaborations, timing and likelihood of success, plans and objectives of management for future operations, future results of anticipated product candidates, and the potential payments and benefits to Verrica of the license agreement with Torii, are forward-looking statements. The words "may," "will," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "estimate," "believe," "predict," "potential" or "continue" or the negative of these terms or other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

The information in this presentation, including without limitation the forward-looking statements contained herein, represent our views as of the date of this presentation.

Although we believe the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Accordingly, readers are cautioned not to place undue reliance on these forward-looking statements. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise. No representations or warranties (expressed or implied) are made about the accuracy of any such forward-looking statements. The forward-looking statements in this presentation 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 uncertainties inherent in the drug development process and the regulatory approval process, our reliance on third parties over which we may not always have full control, and other risks and uncertainties that are described in our Annual Report on Form 10-K for the year ended December 31, 2022 filed with the U.S. Securities and Exchange Commission (SEC) on March 6, 2023, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 filed with SEC on May 9, 2023 and our other filings made with the SEC. New risk factors and uncertainties may emerge from time to time, and it is not possible to predict all risk factors and uncertainties. There can be no assurance that the opportunity will meet your investment objectives, that you will receive a return of all or part of such investment. Investment results may vary significantly over any given time period. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. We recommend that investors independently evaluate specific investments and strategies.

Today's discussions and presentation are intended for the investor community only; materials are not intended to promote the products referenced herein or otherwise influence healthcare prescribing decisions.

VERRICA PHARMACEUTICALS
Reinventing Skin Science

Ycanth (cantharidin) topical solution 0.7%
NOW APPROVED

Verrica is a dermatology therapeutics company developing medications for skin diseases requiring medical intervention

Reinventing dermatology therapeutics with a focus on development and commercialization

Focused on **Clinician-Administered** Therapies and **High Unmet** Needs

Focus on products with potential for reimbursement as a **Medical Benefit**

Providing meaningful benefit for people living with skin diseases

Our Product Candidate Portfolio:

[a] License excludes metastatic melanoma and metastatic Merkel cell carcinoma. Phase 2 study initiated in April 2022 for the treatment of Basal Cell Carcinoma.

[b] Timing for initiating clinical trials for Plantar Warts to be determined.

VERRICA PHARMACEUTICALS
Reinventing Skin Science

Ycanth (cantharidin) TOPICAL SOLUTION 0.7%
NOW APPROVED

Verrica: Striving to Change the Game in Medical Dermatology

- The only FDA-approved product to treat Molluscum Contagiosum
- Innovative distribution model to eliminate physician cost of acquiring YCANTH
  - Cloud technology allows physicians to pay for inventory only after the claim has been adjudicated and the patient agrees to treatment
- Enhanced physician revenue opportunity
  - Continued reimbursement under the CPT codes 11710 and 17111
  - Margin on sale of the product (typically 6%-10% of ASP dependent on health plan)
- HCP-administered procedure in office typically falls under the medical benefit with an assigned permanent J-Code

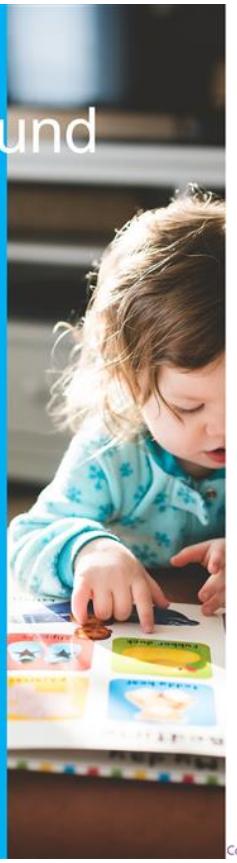
VERRICA PHARMACEUTICALS
Reinventing Skin Science

Ycanth (cantharidin) TOPICAL SOLUTION 0.7%
NOW APPROVED

Molluscum Background

Overview

- Caused by a pox virus
- Primarily infects children, with the highest incidence occurring in children <14 years old
- Highly contagious
- If untreated, lesions persist an average of 13 months, although in some people it can take up to five years
- Often leads to anxiety and social challenges for the patients and parents and negatively impacts quality of life



Etiology and Clinical Presentation

TRANSMISSION

- Skin to skin contact
- Sharing of contaminated objects (e.g., clothing, towels, swimming pool toys)

DIAGNOSIS & SYMPTOMS

- Typically 10 to 30 lesions
- 100+ lesions can be observed
- Lesions may be the only sign of infection and are often painless
- Can be diagnosed with skin biopsy to differentiate from other lesions

COMPLICATIONS

- Skin irritation, inflammation, and re-infection
- Follicular or papillary conjunctivitis if lesions on eyelids
- Cellulitis

Ycanth (cantharidin) 0.7% NOW APPROVED

Current Treatments for Molluscum are Not FDA-Approved and Have Many Limitations

- Broad use limited by unproven efficacy, scarring, lack of availability, safety concerns & pain
- Significantly undertreated patient population

Not For Promotional Use

	DESCRIPTION	LIMITATIONS
Cryotherapy	Freezing the lesions with liquid nitrogen	• Pain and scarring • May be unsuitable for use in children
Curettage	Using a curette or a surgical instrument with a scoop at the tip to scrape the lesions	• Pain and scarring • Unsuitable for use in children
Laser Surgery	Applying a laser to target and destroy the lesions	• Pain, cost and lack of availability • Unsuitable for use in children
Topical Products	Applying various acids (e.g. salicylic acid), creams or blistering solutions to destroy the lesions	• Unproven efficacy
Off-Label Drugs	Retinoids, antiviral medicines, or immune modulating therapies	• Limited efficacy • Side-effects
Natural Remedies	Applying natural oils (e.g. tea tree oil) with antimicrobial properties	• Unproven efficacy • Pain, irritation and allergic reactions

VERRICA PHARMACEUTICALS
Reinventing Skin Science

Ycanth (cantharidin) TOPICAL SOLUTION 0.7%
NOW APPROVED

Realizing the Molluscum Opportunity

US Prevalence of
~6 million in molluscum(1)
with **~1 million**
diagnosed annually(2)

85%
Not Diagnosed
5.1 million

15%
Diagnosed
0.9 million

(1) Prevalence in the US of 5.1% to 11.5% in children aged 0-16 years. (Fam Pract. 2014 Apr;31(2):130-6). US Census estimates ~69.4MM children aged 0 to 16 years in 2016.
(2) IQVIA projected dataset for 12 months ending October 2017

VERRICA PHARMACEUTICALS
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Ycanth (cantharidin) TOPICAL SOLUTION 0.7%
NOW APPROVED

YCANTH™ (cantharidin, 0.7%) Drug-device Combination Product Delivered Via a Single-use Applicator

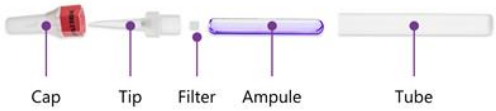
DESIGNED FOR RELIABLE, AND TARGETED ADMINISTRATION

Topical solution in a single-use applicator

- Active ingredient cantharidin (0.7%) in a proprietary topical formulation
- Single-use applicator to reduce cross-contamination and facilitate application of the topical solution
- Small opening allows for targeting of affected skin

GMP-controlled, shelf-stable, consistent topical formulation

- Allows for reliable dosing/administration
- Oral deterrent to help mitigate the risk of accidental ingestion
- Visualization agent to identify treated lesions



VERRICA PHARMACEUTICALS
Reinventing Skin Science

Ycanth (cantharidin) 0.7%
NOW APPROVED

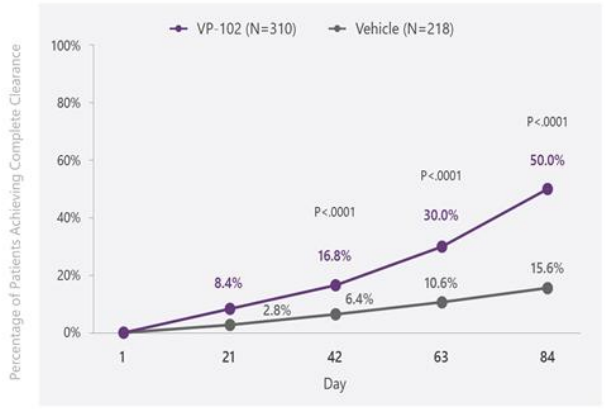
Methods in two Phase 3 Trials, CAMP-1 & CAMP-2, in Molluscum Contagiosum[1,2]

- YCANTH was studied in two randomized, double-blind, placebo-controlled phase 3 trials, Trial 1 and Trial 2 (n = 266, and n = 262, respectively) in subjects 2 years and older with molluscum contagiosum.
- Most patients received a single 24-hour dermal administration of YCANTH or vehicle for each lesion every 3 weeks for up to 4 treatments.
- Primary Endpoint
  - Percent of participants with complete clearance of Molluscum contagiosum at Day 84
  - Safety & Tolerability
- Secondary Endpoint
  - Percent of participants with complete clearance at Day 21, 42 and 63
  - If severe local skin reactions occurred, YCANTH was removed prior to 24 hours after treatment.

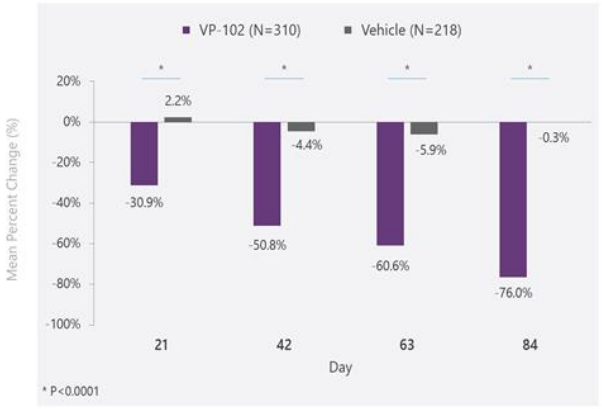
1. Eichenfield LF, Siegfried E, Kwong P, et al. Pooled results of two randomized phase III trials evaluating VP-102, a drug-device combination product Containing cantharidin 0.7% (w/v) for the treatment of molluscum contagiosum. *Am J Clin Dermatol.* 2021;22(2):257-265
2. ClinicalTrials .gov (Trial 1 [NCT03377790] and Trial 2 [NCT03377803])

Phase 3 Studies Demonstrated Favorable Activity in Complete Clearance and Reducing Lesions

Phase 3 Studies for Molluscum Demonstrate Statistically Significant Activity on Primary Endpoint of Percentage of Subjects with Complete Clearance of All Baseline and New Treatable MC lesions at Each Time Point (Pooled, ITT population)



Phase 3 Studies for Molluscum Demonstrate Statistically Significant Activity Mean Percent Change in Molluscum Contagiosum Lesion Count from Baseline to Day 84 At Each Time Point (Pooled, ITT population)



Note: slide reflects data from Phase 3 Molluscum Trials 1 and 2 (CAMP-1 and CAMP-2)
Note: No statistical significance reported at Day 21 in CAMP-2.

1. Eichenfield LF, Siegfried E, Kwong P, et al. Pooled results of two randomized phase III trials evaluating VP-102, a drug-device combination product containing cantharidin 0.7% (w/v) for the treatment of molluscum contagiosum. Am J Clin Dermatol. 2021;22(2):257-265.

Application Site Adverse Reactions Leading to Discontinuation of Study Drug (Pooled, Safety Population)[1]

N (%)	VP-102 (N=311)	Vehicle (N=216)
Application Site Vesicles	5 (1.6)	0 (0)
Application Site Pain	3 (1.0)	0 (0)
Application Site Pruritus	1 (0.3)	0 (0)
Contact Dermatitis	1 (0.3)	0 (0)
Infection	1 (0.3)	0 (0)
Gianotti-Crosti Syndrome*	0 (0)	1 (0.5)
Total Discontinuation Rate	**7 (2.3)**	**1 (0.5)**

Note: slide reflects pooled data from Phase 3 molluscum trials (CAMP-1 and CAMP-2)

* Considered not related to treatment

1. Eichenfield LF, Siegfried E, Kwong P, et al. Pooled results of two randomized phase III trials evaluating VP-102, a drug-device combination product containing cantharidin 0.7% (w/v) for the treatment of molluscum contagiosum. Am J Clin Dermatol. 2021;22(2):257-265.

YCANTH™ (cantharidin) topical solution 0.7%

US Prescribing Information

VERRICA PHARMACEUTICALS
Reinventing Skin Science

U.S. Prescribing Information

Highlights of YCANTH Prescribing Information and associated Important Safety Information shown in the table below

Highlights of Prescribing Information	
Indications and Usage	YCANTH is indicated for the topical treatment of molluscum contagiosum in adult and pediatric patients 2 years of age and older
Dosage and Administration	• All healthcare professionals should receive instructions and training prior to preparation and administration of YCANTH • For topical use only. Not for Oral, mucosal, or ophthalmic use • Apply a single application directly to each lesion every 3 weeks as needed • Do not use more than two applicators during a single treatment session • Remove with soap and water 24 hours after treatment. If severe blistering, pain or other severe side effect occur, wash off YCANTH immediately and report the adverse reaction.
Dosage Forms and Strengths	Topical solution: 0.7% cantharidin
Contraindications	None
Warnings and Precautions	• Toxicities Associated with Inappropriate Administration • Life threatening or fatal toxicities can occur if administered orally • Local Skin Reactions • Flammability
Adverse Reactions	YCANTH is a vesicant. Local skin reactions at the application site were observed in 97% of subjects treated with YCANTH during clinical trials. Local skin reactions included vesiculation, pruritus, pain, discoloration, and erythema.
Risk Evaluation and Mitigation Strategy	None
There are no restrictions on the number of treatment visits per patient	

Visit YCANTH.com for Important Safety Information and full Prescribing Information

YCANTH (topical solution 0.7%) is only approved in the U.S. by the FDA for the treatment of molluscum contagiosum in adults and pediatric patients two years of age and older.

NOW APPROVED

Warnings and Precautions

- Toxicities Associated with Inappropriate Administration: Life threatening or fatal toxicities can occur if administered orally. Avoid contact with the treatment area, including oral contact, after treatment. Ocular toxicity can occur if YCANTH comes in contact with eyes. If YCANTH gets in eyes, flush eyes with water for at least 15 minutes.

- Local Skin Reactions: Reactions at the application site have included vesiculation, pruritus, pain discoloration, and erythema. Avoid application near eyes and mucosal tissue, and to health skin. If YCANTH contacts any unintended surface, or health skin, immediately remove. If severe local skin reactions occur, remove prior to 24 hours after treatment.

- Flammability: YCANTH is flammable, even after drying. Avoid fire, flame or smoking near lesion(s) during treatment and after application until removed.

VERRICA PHARMACEUTICALS
Reinventing Skin Science

Ycanth (cantharidin) TOPICAL SOLUTION 0.7%
NOW APPROVED

Commercialization and Product Launch

VERRICA PHARMACEUTICALS
Reinventing Skin Science

Integrated Commercial Approach with Multiple Strategic Levers

COMMERCIAL STRATEGY

Brand Awareness

Drive YCANTH™ awareness through cost-efficient HCP and consumer advertising

KOL Engagement

Established relationships with industry leading Key Opinion Leaders

Specialized Sales Team

Targeting office-based and institutional Dermatologists, and select Pediatricians

Dedicated Institutional Team

Specialists to promote to dermatologists in academic settings and group practices

Buy-and-Bill / Specialty Pharmacy

Forward Deployed Inventory Available

Supportive HUB services

Dedicated field reimbursement Team

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Verrica has Cleared a **Critical Milestone** in Commercial Readiness

- Employment offers have been extended to 90% of Sales Organization
- 50 office-based representatives will join the organization August 7th

- **50 office-based representatives** calling on ~9K HCPs, covers 85% of the targets at launch
- **5 dedicated institutional representatives** focusing on the most important ~90 Health Systems
- **5 dedicated pediatric account managers** focusing on members of two pediatric buying groups and select other large groups.
- **5 field relations managers** providing billing and coding support for Buy and Bill Accounts
- National sales meeting scheduled for August 2023

VERRICA PHARMACEUTICALS
Reinventing Skin Science

Ycanth (cantharidin) TOPICAL SOLUTION 0.7%
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Launch of **Now Approved** Brand Awareness Campaigns

YCANTH will employ a multi-channel strategy to support physicians and patients along their disease journey to treatment

Full media launch will align with commercial supply (Q3 2023). Additional resources leading up to YCANTH's campaign launch be deployed throughout 2023

YCANTH.com and YCANTHPro.com will serve as digital engagement hubs for all "Now Approved" marketing

HCP WEBSITE

INTERACTIVE VISUAL AID

JOURNAL AD

IN-SERVICE KIT

CONSUMER WEBSITE

Physicians will have a choice of Distribution Model

	Buy-and-Bill	Specialty Pharmacy
HCP Reimbursement		
Permanent J-code	Yes (within 1-2 quarters post-launch); Reimbursed under miscellaneous J-code until permanent J-code assigned	No
Office visit fee	Yes	Yes
Lesion destruction (CPT 17110, 17111)	Yes	Yes
Margin on sale of product	Yes, typically 6%-10% of ASP (dependent on health plan)	No
Distribution	**Opportunity for Forward Deployed Inventory**	**Specialty Pharmacy Model**
	• Verrica sells product to distributor • Shelf-stable; no cold storage requirements • Distributor supplies product on forward deployed basis to physicians • Allows physicians to pay for inventory only after the claim has been adjudicated and the patient agrees to treatment	• RX filled by specialty pharmacy • The pharmacy will also support prior-authorizations, if applicable • Pharmacy adjudicates claim with patients and applies co-pay program • White bag delivery to physician

VERRICA PHARMACEUTICALS
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Ycanth (cantharidin) TOPICAL SOLUTION 0.7%
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Payer Research Suggests a **Favorable Reimbursement Landscape**[1,2]

Medical Directors, Pharmacy Directors, and IDN Stakeholders Research findings

- Payers recognize the unmet need for treatment of molluscum due to the lack of FDA approved therapies
- Based on market research and live meetings, we expect YCANTH™ to be predominantly covered under the medical benefit. YCANTH™ is an in-office administered therapy
- Payers have indicated that being a medical benefit covered product, YCANTH™ will have minimal contracts or rebates required for coverage

The Payer Organizations and Plans represented in research **Cover over 205 Million Commercial & Medicaid Lives**

1. ArtSci Health Solution, Qualitative research conducted for Verrica Pharmaceuticals Inc., 2020
2. Real Endpoints, Qualitative research conducted for Verrica Pharmaceuticals Inc., 2019

Ycanth (cantharidin) 0.7% NOW APPROVED

Medical Benefit Advantages Over Pharmacy Benefit

	Medical Benefit	Pharmacy Benefit
Reimbursement for products administered in office by HCP	More common	Less common
Reimbursed upon launch, prior to clinical review	More common	Less common
Subject to rebates and discounts in order to obtain formulary access	Less common	More common
Gross-to-Net Deductions	Typically, lower deductions than Pharmacy Benefit	Typically, higher deductions to meet rebate demands and costs of co-pay program
Review cycle timing	Shorter review cycle	Longer review cycle
Patient obligation	Typically, averages 20% co-insurance off list price, before manufacturer co-pay applied	Prescription co-pay varies by plan

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Ycanth (cantharidin) TOPICAL SOLUTION 0.7%
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Following FDA Approval of YCANTH™ for the Treatment of Molluscum Contagiosum Verrica Pharmaceuticals Enters into Non-Binding Term Sheet for up to $125 Million Debt Financing; Company to Host Conference Call and Webcast This Morning at 8:30 am ET

– Term loan facility would provide for up to $125M in non-dilutive capital; $50M immediately available to Company following close of the transaction, which is expected to occur by the end of this week –

– YCANTH™ is now the first FDA-approved treatment for molluscum, a highly contagious viral skin infection affecting approximately 6 million people annually in the United States, primarily children –

– Verrica to host investor conference call and webcast this morning at 8:30 a.m. ET –

WEST CHESTER, PA –Jul 24, 2023 (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 that the Company has entered into a non-binding term sheet for a term loan facility of up to $125 million, which the Company expects to close by the end of this week.

Under the terms of the term sheet, Verrica intends to borrow $50 million immediately following the close of the transaction, with additional capital available in tranches based on the achievement of certain revenue milestones. The facility is a five-year term loan that matures in July 2028. The term loan will bear interest at a rate based upon the secured overnight financing rate (SOFR), subject to a SOFR floor of 4%, in addition to a margin of 8% per annum. The Term Sheet also contemplates the issuance to the lender of a warrant to purchase $3.1 million of the Company’s common stock, with an exercise price equivalent to the trailing 10-day volume weight average price of the common stock. Upon close of the transaction, Verrica expects the $50 million upfront, plus the $60 million in cash and cash equivalents on-hand as of March 31, 2023, to extend the Company’s cash runway into the first quarter of 2025.

The term sheet does not represent a definitive loan agreement and there is no guarantee that the Company will enter into a definitive loan agreement, close the proposed loan facility with the lender or borrow any funds pursuant to the loan facility.

Later this morning, the Company will host a conference call and webcast at 8:30 a.m. ET to discuss the U.S. Food and Drug Administration (FDA) approval of YCANTH™ (cantharidin) topical solution for the treatment of molluscum contagiosum (molluscum) in adult and pediatric patients 2 years of age and older.

Conference Call and Webcast

The conference call dial-in numbers are (877) 407-4018 (domestic) or (201) 689-8471 (international) and the access code is 13740240. The webcast can be accessed in the Investors/Presentations & Events section of the Verrica website at www.verrica.com. The webcast replay will be available shortly after conclusion of the event for 30 days.

YCANTH™ is for topical use only. YCANTH™ is not for oral, mucosal, or ophthalmic use. Local skin reactions at the application site were observed in 97% of subjects treated with YCANTH during clinical trials. Local skin reactions included vesiculation, pruritus, pain, discoloration, and erythema.

YCANTH™ is a proprietary drug-device combination product containing a GMP-controlled formulation of cantharidin (0.7% w/v) delivered via a single-use applicator, allowing for precise topical dosing and targeted administration. Verrica plans to make YCANTH™ available to healthcare providers for their patients by September 2023.

The approval is based on positive results from two identical Phase 3 randomized, double-blind, multicenter clinical trials (CAMP-1 and CAMP-2) that evaluated the safety and efficacy of VP-102 (YCANTH™) compared to placebo in patients two years of age and older diagnosed with molluscum. CAMP-1 was conducted under a Special Protocol Assessment agreement (SPA) with the FDA.

In both trials, a clinically and statistically significant number of patients treated with VP-102 met the primary endpoint of complete clearance of all treatable molluscum lesions. In CAMP-1, 46% of participants treated with VP-102 achieved complete clearance of molluscum lesions compared to 18% of participants in the vehicle group ($p<0.0001$); in CAMP-2, 54% of participants treated with VP-102 achieved complete clearance of molluscum lesions compared to 13% of participants in the vehicle group ($p<0.0001$).

Additional post-hoc analyses of the CAMP trials showed that complete clearance of all lesions was statistically significantly higher in the VP-102 group than vehicle across all body regions, including areas deemed most sensitive. An additional post-hoc analysis demonstrated that the percentage of subjects with complete molluscum clearance at the end of the trial was statistically significantly higher across all age groups for VP-102-treated subjects compared to subjects treated with vehicle.

There were no serious adverse reactions reported in the trials. Adverse reactions were mostly mild to moderate. The discontinuation rate due to an adverse reaction was 2.3% among subjects treated with YCANTH™ and 0.5% among subjects treated with vehicle.

About Molluscum Contagiosum (Molluscum)

Molluscum is a highly contagious viral skin disease that affects approximately six million people — primarily children — in the United States. Molluscum is caused by a pox virus that produces distinctive raised, skin-toned-to-pink-colored lesions that can cause pain, inflammation, itching and bacterial infection. It is easily transmitted through direct skin-to-skin contact or through fomites (objects that carry the disease like toys, towels or wet surfaces) and can spread to other parts of the body or to other people, including siblings. The lesions can be found on most areas of the body and may carry substantial social stigma. Without treatment, molluscum can last for an average of 13 months, and in some cases, up to several years.

About YCANTH™

YCANTH™ (cantharidin) topical solution is a proprietary drug-device combination product that contains a GMP-controlled formulation of cantharidin (0.7% w/v) delivered via a single-use applicator. YCANTH™ is the first and only U.S. FDA-approved treatment for molluscum contagiosum, which is primarily a pediatric disease. The use of YCANTH™ is supported by results from adequate and well-controlled trials in pediatric patients 2 years of age and older. The safety and efficacy in pediatric patients below the age of 2 years have not been established.

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

Indication

YCANTH (cantharidin) topical solution, 0.7% is indicated for the topical treatment of molluscum contagiosum in adult and pediatric patients 2 years of age and older.

Important Safety Information

CONTRAINDICATIONS:

None.

WARNINGS AND PRECAUTIONS:

- YCANTH is for topical use only. YCANTH is not for oral, mucosal, or ophthalmic use. Life threatening or fatal toxicities can occur if YCANTH is administered orally. Avoid contact with the treatment area, including oral contact, after treatment. Ocular toxicity can occur if YCANTH comes in contact with eyes. If YCANTH gets in eyes, flush eyes with water for at least 15 minutes.
- Local Skin Reactions: Reactions at the application site may occur, including vesiculation, pruritus, pain, discoloration, and erythema. Avoid application near eyes and mucosal tissue, and to healthy skin. If YCANTH contacts any unintended surface, or healthy skin, immediately remove. If severe local skin reactions occur, remove prior to the recommended 24 hours after treatment.
- YCANTH is flammable, even after drying. Avoid fire, flame or smoking near lesion(s) during treatment and after application until removed.

ADVERSE REACTIONS:

The most common (incidence ≥1%) reactions are the following local skin reactions at the application site: vesiculation, pain, pruritus, scabbing, erythema, discoloration, application site dryness, edema, and erosion. Local skin reactions at the application site were observed in 97% of subjects treated with YCANTH during clinical trials. These local skin reactions are expected and related to the anticipated blistering response of the skin to cantharidin.

DRUG INTERACTIONS:

No studies evaluating the drug interaction potential of cantharidin have been conducted.

USE IN SPECIFIC POPULATIONS:

Pregnancy: There are no available data with use of YCANTH in pregnant women to evaluate for a drug-associated risk of major birth defects, miscarriage or adverse maternal or fetal outcomes. Given that systemic exposure to cantharidin following topical administration is low, maternal use is not expected to result in fetal exposure to the drug.

Lactation: Avoid application of YCANTH topical solution to areas with increased risk for potential ingestion by or ocular exposure to the breastfeeding child.

OVERDOSAGE:

Oral ingestion of cantharidin has resulted in renal failure, blistering and severe damage to the gastrointestinal tract, coagulopathy, seizures, and flaccid paralysis.

Please see accompanying full Prescribing Information.

To report SUSPECTED ADVERSE REACTIONS, contact Verrica Pharmaceuticals Inc. at 1-877-VERRICA (1-877-837-7422), or FDA at 1-800-FDA-1088 or www.fda.gov/medwatch. Local skin reactions are expected and should be reported if they are severe.

About Verrica Pharmaceuticals Inc.

Verrica is a dermatology therapeutics company developing medications for skin diseases requiring medical interventions. On July 21, 2023, Verrica's lead product, YCANTH™ (cantharidin) (formerly known as VP-102), became the first treatment approved by the FDA to treat pediatric and adult patients with molluscum contagiosum, a highly contagious viral skin infection affecting approximately 6 million people in the United States, primarily children. VP-102 is also in development to treat common warts and external genital warts, two of the largest 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 dermatologic oncology conditions. 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 expectations regarding the commercial launch of YCANTH, including the timing thereof, the potential entry of the Company into the loan facility by the end of this week, the proposed terms of the loan facility, potential borrowings pursuant to the Loan Facility, and the Company’s ability to fund its operations into the first quarter of 2025. 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 uncertainties inherent in the drug development process and the regulatory approval process, Verrica’s reliance on third parties over which it may not always have full control and uncertainties that are described in Verrica’s Annual Report on Form 10-K for the year ended December 31, 2022, and other filings Verrica makes with the U.S. Securities and Exchange Commission. 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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