Verrica Pharmaceuticals Announces Start of Phase 3 Trial of VP-102 for the Treatment of Molluscum Contagiosum by Torii Pharmaceutical Co., Ltd. in Japan

August 1, 2022

The Company earns $8 Million Phase 3 Milestone Payment

WEST CHESTER, Pa., Aug. 01, 2022 (GLOBE NEWSWIRE) -- Verrica Pharmaceuticals Inc. (“Verrica”) (Nasdaq: VRCA), a dermatology therapeutics company developing medications for skin diseases requiring medical interventions, today announced that Torii Pharmaceutical Co., Ltd. (“Torii”) dosed the first patient in its Phase 3 trial of VP-102 (referred to as TO-208 in Japan) for molluscum contagiosum in Japan, triggering an $8 million milestone payment from Torii to Verrica.

“We are pleased to see Torii dose the first patient in its Phase 3 trial of VP-102 for the treatment of molluscum contagiosum in Japan,” said Ted White, Verrica’s President and Chief Executive Officer. “The prevalence of molluscum contagiosum in Japan is estimated at 1.6 million cases annually, and we look forward to continuing our partnership with Torii in the Japanese market to potentially address this unmet need.”

In March 2021 Torii exercised its option to acquire the exclusive license to develop and commercialize Verrica’s product candidates for the treatment of molluscum contagiosum and common warts in Japan. Under the terms of the License Agreement, Torii made up-front payments of an aggregate of $12.0 million (including the original cost of acquiring the option) with up to an additional $58 million in aggregate payments contingent on achievement of specified development, regulatory, and sales milestones, in addition to tiered transfer price payments for supply of product in the percentage range of the mid-30s to the mid-40s of net sales. Torii is responsible for all development activities and costs in support of obtaining regulatory approval in Japan.

About VP-102

Verrica’s lead product candidate, VP-102, 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 that allows for precise topical dosing and targeted administration. VP-102 could potentially be the first product approved by the FDA to treat molluscum contagiosum — a common, highly contagious skin disease that affects an estimated six million people in the United States, primarily children. If approved, VP-102 will be marketed in the United States under the conditionally accepted brand name YCANTH™. In addition, Verrica has successfully completed a Phase 2 study of VP-102 for the treatment of common warts and a Phase 2 study of VP-102 for the treatment of external genital warts.

About Molluscum Contagiosum (Molluscum)

There are currently no FDA-approved treatments for molluscum, 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 Verrica Pharmaceuticals Inc.

Verrica is a dermatology therapeutics company developing medications for skin diseases requiring medical interventions. Verrica’s late-stage product candidate, VP-102, is in development to treat molluscum, common warts and external genital warts, three of the largest unmet needs in medical dermatology. Verrica is also developing VP-103, its second cantharidin-based product candidate, for the treatment of plantar warts. The Company has also entered a worldwide license agreement with Lytix Biopharma AS to develop and commercialize 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,” “look forward,” and similar expressions, and are based on Verrica’s current beliefs and expectations. These forward-looking statements include Verrica’s expectations with regard to the clinical development of VP-102 in Japan and potential payments under the agreement with Torii. 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, uncertainties related to

the COVID-19 pandemic and other risks and uncertainties that are described in Verrica's Annual Report on Form 10-K for the year ended December 31, 2021 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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