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): November 20, 2024

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 West Gay Street, 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 8.01 Other Events.

Announcement of Offering

On November 20, 2024, Verrica Pharmaceuticals Inc. (the "***Company***") issued a press release announcing that it had commenced an underwritten public offering of shares of its common stock (or pre-funded warrants to purchase shares of its common stock in lieu thereof) and accompanying warrants to purchase shares of its common stock (the "***Offering***") pursuant to an effective shelf registration statement on Form S-3 (File No. 333-268229) (the "***Registration Statement***") and a related prospectus and prospectus supplement, in each case filed with the Securities and Exchange Commission (the "***SEC***"). A copy of the press release is attached hereto as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

In connection with the Offering, the Company filed a preliminary prospectus supplement to the Registration Statement on November 20, 2024 pursuant to Rule 424(b) under the Securities Act of 1933, as amended (the "***Securities Act***"). The preliminary prospectus supplement described certain elements of the Company's business strategy, preclinical and clinical pipeline and risk factors, including those attached as Exhibit 99.2 and incorporated by reference herein.

The disclosures on this Current Report on Form 8-K shall not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. Any offers, solicitations, or offers to buy, or any sales of securities will be made in accordance with the registration requirements of the Securities Act.

Termination of ATM Prospectus

On November 20, 2024, the Company notified Jefferies LLC ("***Jefferies***") that it was suspending and terminating the prospectus related to the Company's common stock, $0.0001 par value per share (the "***ATM Prospectus***") issuable pursuant to the terms of the Open Market Sale Agreement[SM], dated November 7, 2022 (the "***Open Market Sales Agreement***"), by and between the Company and Jefferies. The Company has not issued or sold any shares of its common stock pursuant to the Open Market Sales Agreement. The Company will not make any sales of its securities pursuant to the Open Market Sales Agreement unless and until a new prospectus, prospectus supplement or a new registration statement is filed. Other than the termination of the ATM Prospectus, the Open Market Sales Agreement remains in full force and effect.

A copy of the Open Market Sales Agreement was filed as Exhibit 1.2 to the Company's Registration Statement on Form S-3 filed with the Securities and Exchange Commission on November 7, 2022.

Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "anticipates," "believes," "expects," "intends," "projects," "plans," and "future" or similar expressions are intended to identify forward-looking statements. Forward-looking statements include statements concerning the Company's anticipated public offering, including the uncertainties related to market conditions and the completion of the public offering on the anticipated terms, if at all. Forward-looking statements are based on management's current expectations and are subject to various risks and uncertainties that could cause actual results to differ materially and adversely from those expressed or implied by such forward-looking statements. Accordingly, these forward-looking statements do not constitute guarantees of future performance, and you are cautioned not to place undue reliance on these forward-looking statements. Risks regarding the Company's business are described in detail in its SEC filings, including in the Company's Annual Report on Form 10-K for the full-year ended December 31, 2023, and the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024, which are available on the SEC's website at www.sec.gov. Additional information will be made available in other filings that the Company makes from time to time with the SEC. These forward-looking statements speak only as of the date hereof, and the Company disclaims any obligation to update these statements except as may be required by law.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Exhibit Description
99.1	Press Release, dated November 20, 2024.
99.2	Additional Business Information and Risk Factors.
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the inline XBRL document).

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: November 20, 2024

/s/ John J. Kirby
John J. Kirby
Interim Chief Financial Officer

Verrica Announces Proposed Public Offering

WEST CHESTER, PA – November 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 that it intends to offer and sell shares of its common stock (or pre-funded warrants to purchase its common stock in lieu thereof) and in either case, accompanying warrants to purchase shares of its common stock, in an underwritten public offering. All of the securities in the proposed offering will be sold by Verrica. Verrica intends to grant the underwriter a 30-day option to purchase additional shares of its common stock and/or accompanying warrants to purchase shares of its common stock in an amount up to 15% of the securities offered in the public offering under the same terms and conditions. The proposed offering is subject to market conditions, and there can be no assurance as to whether or when the offering may be completed, or the actual size or terms of the offering.

Jefferies is acting as sole book-running manager for the offering.

A shelf registration statement relating to the shares of common stock, pre-funded warrants and accompanying warrants offered in the offering described above was filed with the Securities and Exchange Commission (SEC) on November 7, 2022 and declared effective by the SEC on December 19, 2022. The offering will be made only by means of a written prospectus and prospectus supplement that form a part of the registration statement. A preliminary prospectus supplement and accompanying prospectus relating to and describing the terms of the proposed offering will be filed with the SEC and will be available on the SEC's website at www.sec.gov. Copies of the preliminary prospectus supplement and the accompanying prospectus, when available, may also be obtained by contacting Jefferies LLC, Attention: Equity Syndicate Prospectus Department, 520 Madison Avenue, New York, NY 10022, or by telephone at (877) 821-7388, or by email at Prospectus_Department@Jefferies.com.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities being offered, nor shall there be any sale of the securities being offered in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state or other jurisdiction.

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.

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 Verrica's anticipated public offering, including the completion of the public offering on the anticipated terms, if at all. 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.

FOR MORE INFORMATION, PLEASE CONTACT:

Investors:

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Overview

We are a dermatology therapeutics company developing and selling medications for skin diseases requiring medical intervention. We are primarily focused on developing clinician administered therapies in areas of high unmet need. Our current product portfolio consists of one approved product with several potential follow-on indications, as well as two additional pipeline products. Our commercial product, YCANTH (formerly referred to as VP-102), was approved by the U.S. Food and Drug Administration, or FDA, in July 2023 for the treatment of molluscum contagiosum in adult and pediatric patients two years of age and older. YCANTH (VP-102) is a proprietary drug-device combination that contains a GMP-controlled formulation of cantharidin. We are also developing YCANTH for potential follow-on indications for the treatment of common warts and external genital warts. Our two additional product candidates are: (i) VP-315 an oncolytic peptide-based injectable therapy for the potential treatment of dermatology oncologic conditions, including basal cell carcinoma, and (ii) VP-103, a second cantharidin based drug device combination for the potential treatment of plantar warts.

YCANTH (VP-102) – Molluscum Commercialization Strategy Update

On July 21, 2023, YCANTH (cantharidin) 0.7% topical solution was the first product approved by the FDA for the treatment of molluscum contagiosum in adult and pediatric patients two years of age and older. We commercially launched YCANTH (VP-102) in August 2023 in the United States for the treatment of molluscum contagiosum.

We have reviewed and are implementing changes to our commercialization organization designed to balance sales growth and cost controls based upon distribution and reimbursement coverage for YCANTH (VP-102). To that end, on October 1, 2024, we reduced our workforce to reduce costs and optimize the efficiency of our field sales force. We are also reducing the number of sales territories from 80 to approximately 33 with a focus on those territories that have historically shown a high prevalence of molluscum and favorable medical and pharmacy benefit coverage.

In addition, while we intend to continue to maintain and grow our existing sales to hospitals and dermatologists, we are now expanding the focus of our sales efforts to pediatricians as well as medical professionals with historical use of compounded cantharidin. There are approximately 67,000 pediatricians in the United States. Pediatricians are typically the first point of contact with patients with molluscum, referring many of the six million molluscum patients in the U.S. to dermatologists. We believe pediatricians have historically not treated molluscum because there has been no FDA-approved solution and existing treatments can be painful without proven efficacy. Therefore, we believe YCANTH (VP-102) presents an incremental revenue opportunity and resolves an unmet need for pediatricians to treat children with molluscum.

We are also working to increase payor access to YCANTH (VP-102) and improve the clinician and patient experience. For example, we have reduced co-pays, and we are working to remove prior authorizations and generally reduce accessibility frictions for medical professionals and patients.

As a result of the reduction in expenses as well as the changes to our business and strategy described above, we are targeting to be operating cash flow break-even on a monthly basis in the second half of 2025.

YCANTH (VP-102) – Common Warts Update

We are developing YCANTH (VP-102) for the treatment of common warts. We are pursuing a global Phase 3 clinical trial of YCANTH (VP-102) for common warts with our collaboration partner, Torii Pharmaceuticals Co., Ltd., or Torri. We and Torii will equally split the cost of the global Phase 3 clinical trial, with Torii paying all the costs when due and treating our portion of the costs as an offset to Torii’s future payment obligations to us based on regulatory milestones and sales of YCANTH for molluscum and common warts in Japan. We anticipate that the Phase 3 clinical trial of YCANTH (VP-102) for the treatment of common warts will begin in the first half of 2025.

VP-315 – Basal Cell Carcinoma Update

We are developing VP-315 for basal cell carcinoma, or BCC. In August 2024, we announced preliminary positive results from Part 2 of our two-part Phase 2 multicenter, open-label, dose-escalation proof-of-concept trial of VP-315 for BCC. The data were based on 93 confirmed basal cell carcinoma lesions that were treated during Part 2 of the trial; however, for histologic reduction in tumor size and overall reduction in tumor size, data from three of the 93 lesions are pending. Based on the preliminary results, VP-315 was well tolerated with no reported treatment-related serious adverse events or dose-limiting toxicities (n=93). Most treatment-related adverse events were mild to moderate cutaneous reactions. The overall reduction in tumor size of 90 of the lesions treated in Part 2 of the trial was approximately 86%. Approximately 51% of all lesions treated in Part 2 of the trial achieved complete histological clearance, with no observation of residual tumor cells (n=90), and patients with residual tumor on average achieved an approximate 71% reduction in tumor size (n=90). We also observed a 97% calculated objective response rate, which we calculated as the total percentage of patients with no disease progression and that achieved greater than 30% reduction in lesion size or complete clearance. We expect genomic and T-cell (immune response) data from the trial in the first quarter of 2025 and expect to hold an End-of-Phase 2 meeting with the FDA to determine next steps for the development of VP-315 for the treatment of BCC in the first half of 2025.

Risks Related to Ownership of Our Common Stock and Our Status as a Public Company

We are subject to legal proceedings and claims from time to time that may seek material damages or otherwise may have a material adverse effect on our business. The costs we incur in defending ourselves or associated with settling any of these proceedings, as well as a material final judgment or decree against us, could materially adversely affect our financial condition.

We are subject to legal proceedings and claims from time to time that may seek material damages or otherwise may have a material adverse effect on our business. For example, in June 2022, we were named a defendant in a putative class action complaint against us and certain of our current and former officers and directors in the U.S. District Court for the Eastern District of Pennsylvania. The lawsuit seeks unspecified compensatory damages and other relief on behalf of Plaintiff and all other persons and entities which purchased or otherwise acquired our securities between May 19, 2021 and May 24, 2022. In addition, on October 21, 2024, a plaintiff filed a putative stockholder derivative lawsuit in the U.S. District Court for the Eastern District of Pennsylvania. The complaint names us as a nominal defendant and purports to bring claims on our behalf against certain of our current and former directors and officers for alleged violations of the federal securities laws and breaches of their fiduciary duties in relation to substantially the same factual allegations as the above-described putative class action lawsuit. See “Item 3—Legal Proceedings” and “Part II, Item 8, Note 7-Commitments and Contingencies” in our Annual Report on Form 10-K and “Part I, Item 2, Note 6-Commitments and Contingencies” and “Part II, Item 1—Legal Proceedings” in our Quarterly Report on Form 10-Q for more information.

Due to the inherent uncertainties in legal proceedings, we cannot accurately predict the ultimate outcome of any such proceedings. This or any future litigation, regardless of the merits of any such proceeding, could harm our reputation and result in substantial costs and diversion of management’s attention and resources, which could adversely impact our business. Although we have directors’ and officers’ liability insurance, it provides for a substantial retention of liability and is subject to limitations and may not cover a significant portion, or any, of the expenses or liabilities we may incur or be subject to in connection with these lawsuits or other litigation to which we are party. The costs we incur in defending ourselves or associated with settling such proceedings, as well as a material final judgment or decree against us, that are not covered by our directors’ and officers’ liability insurance could materially adversely affect our financial condition. In addition, additional lawsuits may be filed, the conclusion of which in a manner adverse to us and for which we incur substantial costs or damages not covered by our directors’ and officers’ liability insurance could have a material adverse effect on our financial condition and business.