Verrica Pharmaceuticals Announces Exclusive Licensing Agreement With Torii Pharmaceutical Co., Ltd. To Develop and Commercialize VP-102 For Molluscum and Common Warts in Japan

- Torii to make upfront payment of $11.5 million to Verrica in addition to other potential milestone payments of up to $58 million and, if marketed in Japan, tiered transfer price payments as a percentage of net sales -

WEST CHESTER, Pa., March 17, 2021 (GLOBE NEWSWIRE) -- Verrica Pharmaceuticals Inc. (Verrica) (NASDAQ: VRCA), a dermatology therapeutics company developing medications for skin diseases requiring medical interventions, announced today that it has entered into a License Agreement with Torii Pharmaceutical Co., Ltd. (Torii) granting Torii an exclusive license to develop and commercialize Verrica's product candidates for the treatment of molluscum contagiosum and common warts in Japan, including Verrica's lead product candidate VP-102, which is currently under U.S. Food and Drug Administration (FDA) review for the treatment of molluscum, with a PDUFA goal date of June 23, 2021.

"We are pleased to partner with Torii and expand VP-102, which could potentially be the first product approved in the United States to treat molluscum, to global markets. The prevalence of molluscum contagiosum alone in Japan was approximately 1.6 million cases in 2017," said Ted White, Verrica's President and Chief Executive Officer. "We believe Torii has the expertise and commercial infrastructure to develop and commercialize VP-102 in Japan and successfully bring VP-102 to patients with molluscum and common warts. We look forward to embarking on this partnership."

"We are excited to partner with Verrica and add VP-102 to Torii's growing portfolio of products to treat dermatologic skin diseases with significant unmet need," said Goichi Matsuda, Torii's Representative Director, President and Chief Executive Officer. "VP-102 has the potential to alleviate the burden of molluscum and common warts for patients in Japan. We look forward to partnering with Verrica and developing VP-102 for the Japanese market."

In August 2020 Verrica entered into an Option Agreement with Torii granting Torii an exclusive option to acquire an exclusive license to develop and commercialize Verrica's product candidates for the treatment of molluscum and common warts in Japan, including VP-102. Torii exercised its option to acquire the exclusive license on March 2, 2021. Under the terms of the License Agreement, Torii will make an up-front payment of $11.5 million and 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 is currently under U.S. Food and Drug Administration (FDA) review and 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 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 Statement

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 Company's expectations with regard to the potential approval of the NDA for VP-102 and the potential benefits and potential commercialization of VP-102 for the treatment of molluscum, if approved, the clinical development of Verrica's VP-102 for additional indications and Verrica's other product candidates, and the potential payments and benefits to Verrica of the license 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, 2019, Verrica's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, 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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