Arcutis Announces Pricing of $100 Million Public Offering

October 20, 2023

WESTLAKE VILLAGE, Calif., Oct. 19, 2023 (GLOBE NEWSWIRE) -- Arcutis Biotherapeutics, Inc. (Nasdaq: ARQT) ("Arcutis"), an early commercial-stage biopharmaceutical company focused on developing meaningful innovations in immuno-dermatology, today announced the pricing of its underwritten public offering of common stock and, in lieu of common stock to certain investors, pre-funded warrants. Arcutis is selling 32,500,000 shares of common stock and, in lieu of common stock to certain investors, pre-funded warrants to purchase 7,500,000 shares of common stock in the offering. The shares of common stock are being sold at a public offering price of $2.50 per share and the pre-funded warrants are being sold at a public offering price of $2.4999 per pre-funded warrant, which represents the per share public offering price for each share of common stock less the $0.0001 per share exercise price for each pre-funded warrant. All shares of common stock and pre-funded warrants to be sold in the offering are being offered by Arcutis. In addition, Arcutis has granted the underwriters a 30-day option to purchase up to an additional 6,000,000 shares of its common stock at the public offering price per share, less underwriting discounts and commissions. The gross proceeds to Arcutis from the offering are expected to be approximately $100.0 million, before deducting underwriting discounts and commissions and estimated offering expenses payable by Arcutis, excluding the exercise of any pre-funded warrants and assuming no exercise of the underwriters' option to purchase additional shares. Subject to the satisfaction of customary conditions, the offering is expected to close on October 24, 2023.

Arcutis intends to use the net proceeds from this offering, together with its existing cash, cash equivalents, restricted cash, and marketable securities, to fund the continued development, approval and commercialization of its multiple programs, including for its potential launches in seborrheic dermatitis and atopic dermatitis and further patient expansion within psoriasis, with the remainder for working capital and other general corporate purposes.

Morgan Stanley, TD Cowen and Guggenheim Securities are acting as bookrunning managers for the offering.

The public offering is being made pursuant to an effective shelf registration statement on Form S-3 that was filed with the Securities and Exchange Commission (the "SEC") on February 1, 2021. A final prospectus supplement and accompanying prospectus relating to and describing the final terms of the offering will be filed with the SEC and will be available on the SEC's website located at http://www.sec.gov or may be obtained, when available, from Morgan Stanley & Co. LLC, Attention: Prospectus Department, 180 Varick Street, 2nd Floor, New York, NY 10014, or by email at prospectus@morganstanley.com; Cowen and Company, LLC, 599 Lexington Avenue, New York, NY 10022, by telephone at (833) 297-2926, or by email at Prospectus_ECM@cowen.com; or Guggenheim Securities, LLC Attention: Equity Syndicate Department, 330 Madison Avenue, 8th Floor, New York, NY 10017, by telephone at (212) 518-9544, or by email at GSEquityProspectusDelivery@guggenheimpartners.com.

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

About Arcutis
Arcutis Biotherapeutics, Inc. (Nasdaq: ARQT) is an early commercial-stage medical dermatology company that champions meaningful innovation to address the urgent needs of individuals living with immune-mediated dermatological diseases and conditions. With a commitment to solving the most persistent patient challenges in dermatology, Arcutis has a growing portfolio that harnesses our unique dermatology development platform coupled with our dermatology expertise to build differentiated therapies against biologically validated targets. Arcutis' dermatology development platform includes a robust pipeline with multiple clinical programs for a range of inflammatory dermatological conditions including scalp and body psoriasis, atopic dermatitis, seborrheic dermatitis, and alopecia areata.

Forward-Looking Statements
Statements in this press release may contain "forward-looking statements" that are subject to substantial risks and uncertainties. Forward-looking statements contained in this press release may be identified by the use of words such as "may," "will," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" or "continue" or the negative of these terms or other similar expressions, and include, but are not limited to, statements regarding the completion, timing and size of the public offering. Any forward-looking statements are based on Arcutis' current expectations, forecasts, and assumptions and are subject to a number of risks and uncertainties that could cause actual outcomes and results to differ materially and adversely from those set forth in or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, risks and uncertainties related to market conditions and satisfaction of customary closing conditions related to the proposed public offering. For a discussion of other risks and uncertainties, and other important factors, any of which could cause our actual results to differ from those contained in the forward-looking statements, see the section entitled "Risk Factors" in Arcutis' most recent Annual Report on Form 10-K, its other reports filed with the SEC, as well as in the preliminary prospectus supplement related to the public offering. Forward-looking statements contained in this announcement are based on information available to Arcutis as of the date hereof and are made only as of the date of this release. Arcutis undertakes no obligation to update such information except as required under applicable law. These forward-looking statements should not be relied upon as representing Arcutis' views as of any date subsequent to the date of this press release. In light of the foregoing, investors are urged not to rely on any forward-looking statement in reaching any conclusion or making any investment decision about any securities of Arcutis.

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