

Corporate Overview

August 2020



Ar**CUTIS**
BIOTHERAPEUTICS

Bioscience ... Applied to the Skin

Legal Disclaimers

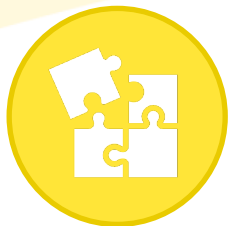
This presentation and the accompanying oral presentation contain “forward-looking” statements that are based on our management’s beliefs and assumptions and on information currently available to management. Forward-looking statements include all statements other than statements of historical fact contained in this presentation, including information concerning our current and future financial performance, business plans and objectives, current and future clinical and preclinical development activities, timing and success of our ongoing and planned clinical trials and related data, the timing of announcements, updates and results of our clinical trials and related data, our ability to obtain and maintain regulatory approval, the potential therapeutic benefits and economic value of our product candidates, competitive position, industry environment and potential market opportunities.

Forward-looking statements are subject to known and unknown risks, uncertainties, assumptions and other factors including, but not limited to, those related to the success, cost and timing of our product candidate development activities and ongoing and planned clinical trials; our plans to develop and commercialize targeted therapeutics, including our lead product candidates ARQ-151 and ARQ-154; the progress of patient enrollment and dosing in our clinical trials; the ability of our product candidates to achieve applicable endpoints in the clinical trials; the safety profile of our product candidates; the potential for data from our clinical trials to support a marketing application, as well as the timing of these events; our ability to obtain funding for our operations, development and commercialization of our product candidates; the timing of and our ability to obtain and maintain regulatory approvals; the rate and degree of market acceptance and clinical utility of our product candidates; the size and growth potential of the markets for our product candidates, and our ability to serve those markets; our commercialization, marketing and manufacturing capabilities and strategy; future agreements with third parties in connection with the commercialization of our product candidates; our expectations regarding our ability to obtain and maintain intellectual property protection; our dependence on third party manufacturers; the success of competing therapies that are or may become available; our ability to attract and retain key scientific or management personnel; our ability to identify additional product candidates with significant commercial potential consistent with our commercial objectives; and our estimates regarding expenses, future revenue, capital requirements and needs for additional financing.

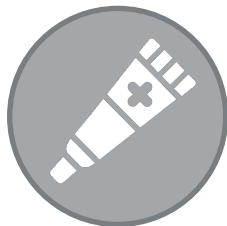
Moreover, we operate in a very competitive and rapidly changing environment, and new risks may emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed herein may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Further information on these and other factors that could affect these forward-looking statements is contained in our our Form 10-Q filed with U.S. Securities and Exchange Commission (SEC) on May 12, 2020, and other reports filed with the SEC from time to time. You should not rely upon forward-looking statements as predictions of future events. Although our management believes that the expectations reflected in our forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances described in the forward-looking statements will be achieved or occur. We undertake no obligation to publicly update any forward-looking statements, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

This presentation also contains estimates and other statistical data made by independent parties and by us relating to market size and growth and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Neither we nor any other person makes any representation as to the accuracy or completeness of such data or undertakes any obligation to update such data after the date of this presentation. In addition, projections, assumptions and estimates of our future performance and the future performance of the markets in which we operate are necessarily subject to a high degree of uncertainty and risk.

A Unique Approach to Dermatology Drug Development



Filling the **innovation gap** in the dermatology drug sector



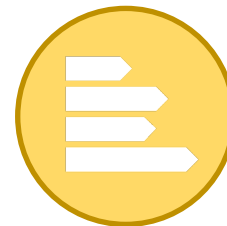
Developing potential **best-in-class** and innovative topical dermatology therapies against **validated biological targets**



Elevating the standard of care to **simplify disease management** and **eliminate the need to compromise** between drug safety, tolerability and efficacy



Led by a **world-class leadership team** (>50 FDA-approved products)



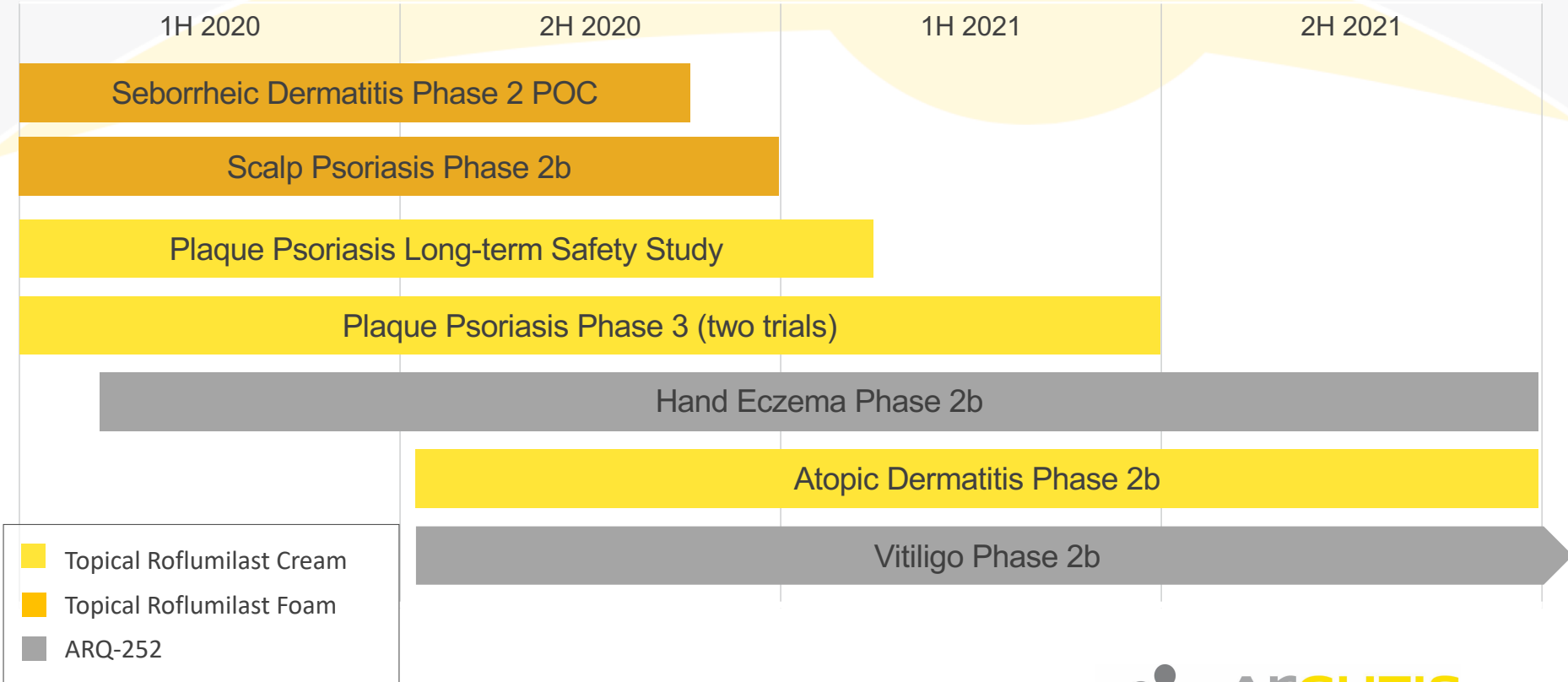
Rapidly advancing an **innovative pipeline** with **strong IP** protection for clinical assets

Arcutis is Building a Robust Dermatology Pipeline

Multiple “Pipeline in a Molecule” Opportunities

	Preclinical	Phase 1	Phase 2	Phase 3	Commercial Rights
Topical Roflumilast Cream (ARQ-151)	Plaque Psoriasis				Worldwide
	Atopic Dermatitis				Worldwide
Topical Roflumilast Foam (ARQ-154)	Seborrheic Dermatitis				Worldwide
	Scalp Psoriasis				Worldwide
ARQ-252 Cream (JAK1 Inhibitor)	Hand Eczema				U.S., EU, Japan, Canada
	Vitiligo				U.S., EU, Japan, Canada
ARQ-255 Suspension (JAK1 Inhibitor)	Alopecia Areata				U.S., EU, Japan, Canada

Steady Flow of Significant Clinical Catalysts



Significant Unmet Needs in Plaque Psoriasis

- > 90% of US patients treated with topical drugs
- Existing topical therapies have numerous shortcomings
 - High potency steroids
 - Effective but limited treatment duration (2 to 8 weeks)
 - Risk of HPA suppression, stretch marks, skin thinning, spider veins, etc.
 - Can't be used in thin skinned areas like face/intertriginous
 - Vitamin D analogs (e.g., calcipotriene)
 - Less efficacious than high potency steroids
 - Frequently irritating, contraindicated for sensitive areas like face/intertriginous
- Ideal topical: efficacy of high potency steroids, ability to use chronically, and ability to use in all body areas

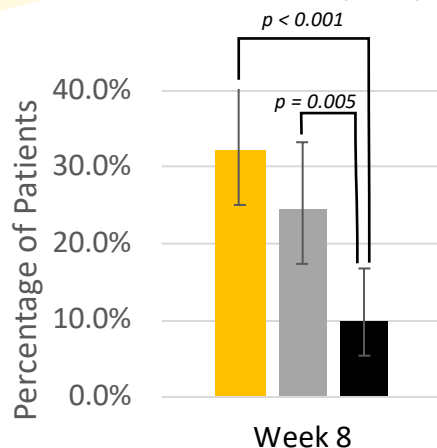


Topical Roflumilast May Address Unmet Needs in Plaque Psoriasis

- Efficacy:
 - Symptomatic improvements similar to high potency steroids or Otezla
 - In treating plaque psoriasis across multiple endpoints
 - In treating plaques in intertriginous areas
 - In treating itch associated with psoriasis
 - As early as week 2 – rapid onset
- Well tolerated
- Simple, easy to use once-a-day cream or foam

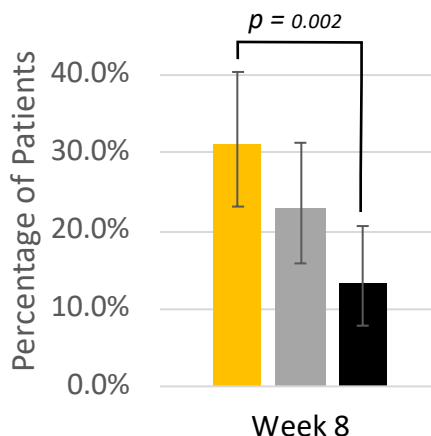
Statistically Significant Separation from Vehicle on Key Psoriasis Efficacy Endpoints

IGA Success (ITT)



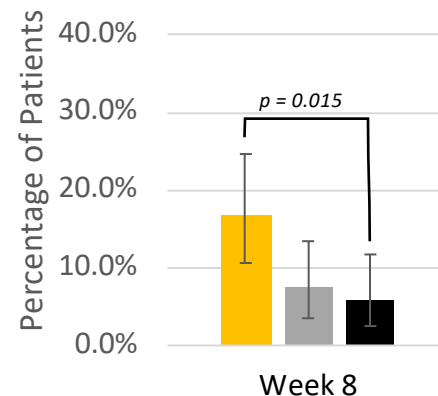
■ 0.3% ARQ-151
■ 0.15% ARQ-151
■ Vehicle

PASI-75 (ITT)



■ 0.3% ARQ-151
■ 0.15% ARQ-151
■ Vehicle

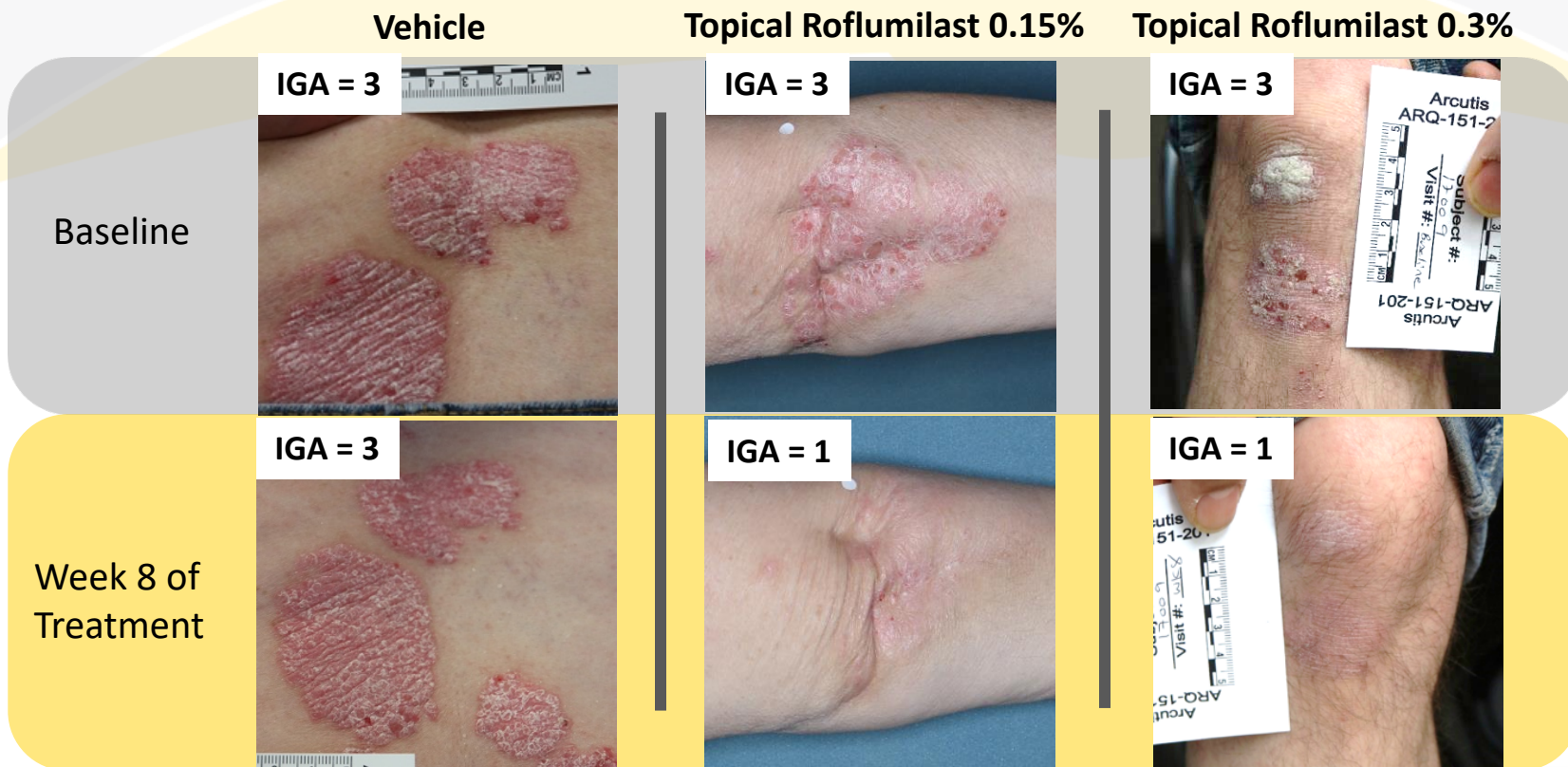
PASI-90 (ITT)



■ 0.3% ARQ-151
■ 0.15% ARQ-151
■ Vehicle

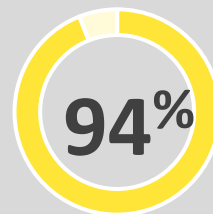
ITT = Intent to treat

Phase 2b Psoriasis Study



Low Rates of Adverse Events in Plaque Psoriasis

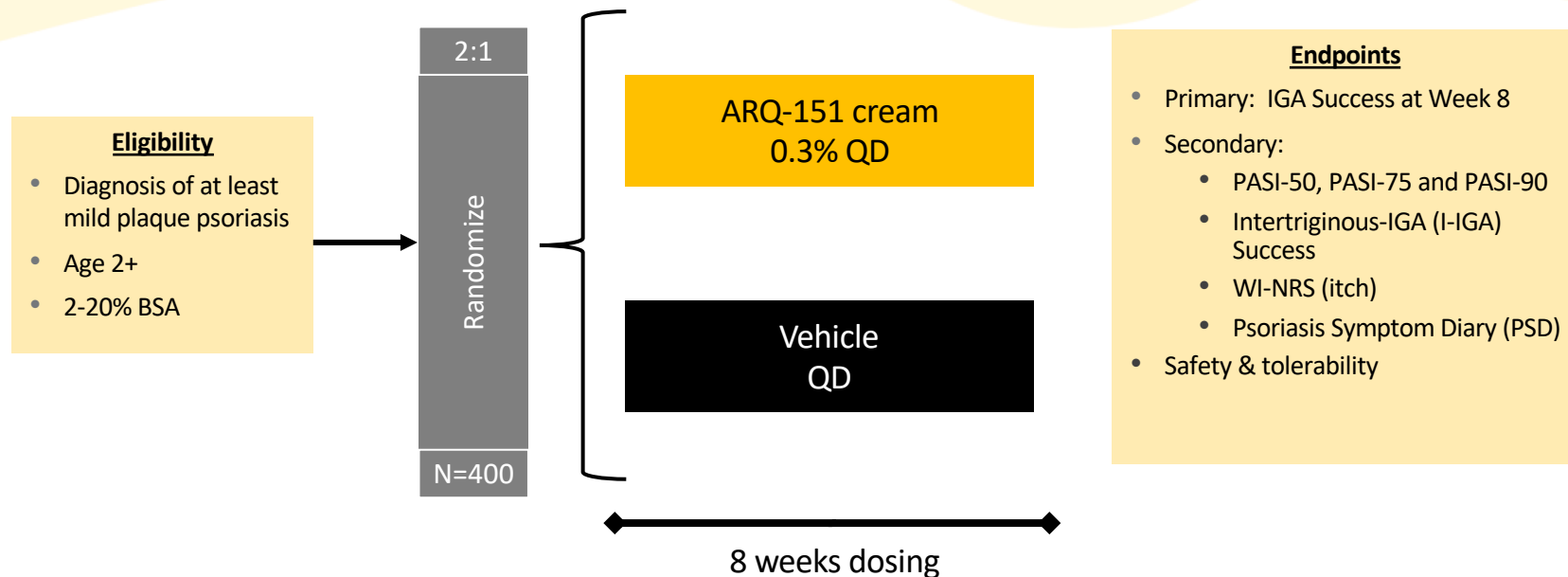
- Treatment-related AEs rare (< 7%); balanced across study arms
- Only 1 discontinuation on topical roflumilast due to an AE
- Only 2 SAEs on topical roflumilast, both unrelated to treatment
- No evidence of local tolerability issues (burning, stinging)
- No evidence of side effects typical of oral PDE4 inhibitors
- Supported by extensive oral roflumilast experience
 - ~ 1M patient years of exposure



94% of subjects
treated with
topical roflumilast
0.3% completed
full 12 weeks

ARQ-151 – Psoriasis – DERMIS-1/2 Phase 3 Studies

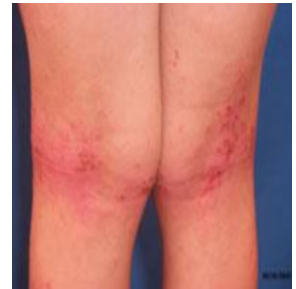
Randomized, Double-blind, Vehicle-controlled Multicenter Studies
(Two identical parallel Phase 3 studies)



IGA Success & I-IGA Success = Clear or Almost Clear with at least a 2-grade improvement from baseline

Significant Unmet Needs in Treatment of Atopic Dermatitis

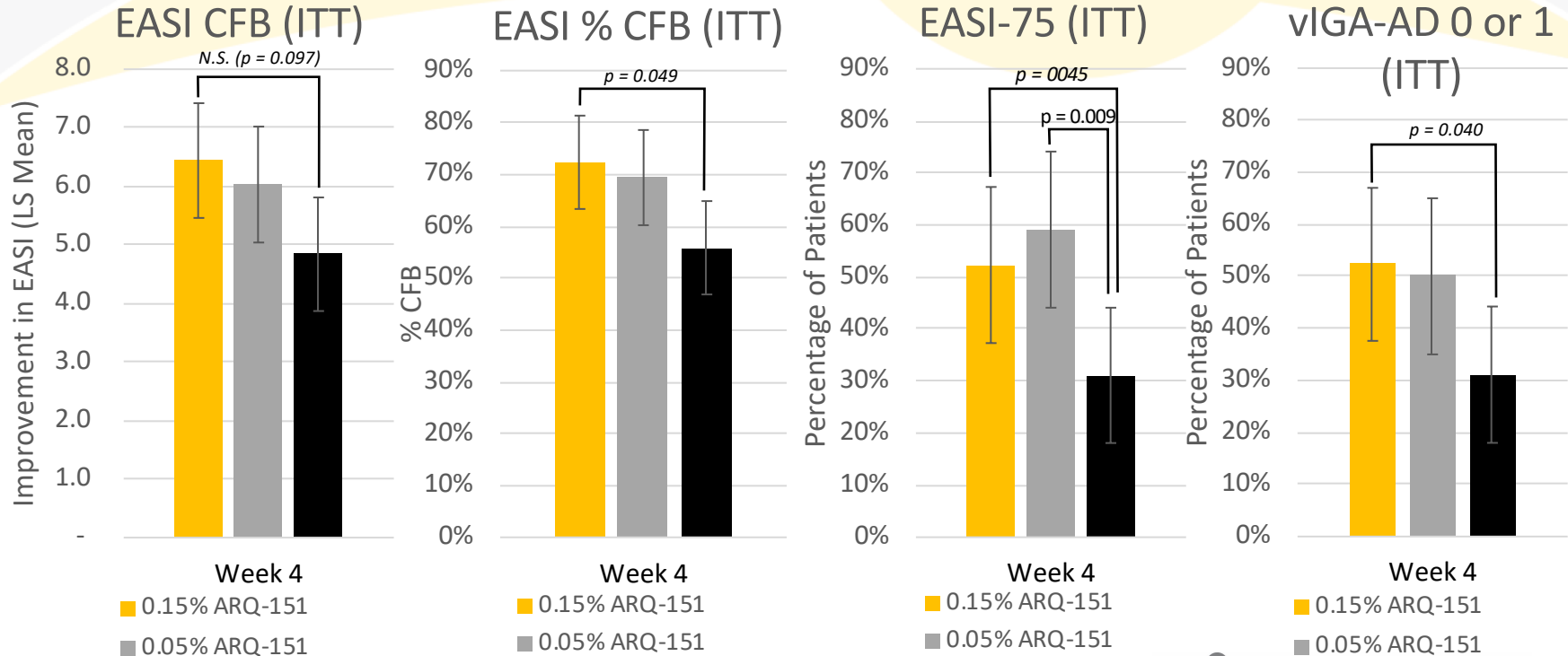
- At least 60% of AD patients are children
 - 15-20% of all children in U.S. affected
- Topicals dominate treatment
 - Low- to mid-strength steroids most commonly used
 - Calcineurin inhibitors can be used for maintenance therapy
 - Side effect concerns with both steroids and calcineurin inhibitors
 - Eucrisa causes frequent burning at application site
- For moderate-to-severe disease, first biologic (Dupixent) has a high response rate but use is very limited



Topical Roflumilast May Address Unmet Needs in Atopic Dermatitis

- Proof of concept in treating atopic dermatitis across multiple endpoints
- Efficacy similar to topical JAK inhibitors or mid-potency steroids
- Well tolerated
- Simple, easy to use once-a-day cream
- Plan to initiate Phase 2b in atopic dermatitis in 2H20

Consistent Evidence of Efficacy Across Endpoints



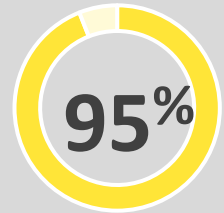
N.S. = Not significant



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Low Rates of Adverse Events in Atopic Dermatitis

- Treatment-related AEs rare:
 - < 5%
 - Balanced across study arms
- Only 1 discontinuation on topical roflumilast due to an AE
- Only 1 SAE on topical roflumilast, unrelated to treatment
- No evidence of local tolerability issues (burning, stinging)
- No evidence of side effects typical of oral PDE4 inhibition



95% of subjects
on topical
roflumilast
completed study

Roflumilast Foam – Potential in Seborrheic Dermatitis

- Common disease affecting ~ 2% of population
 - Characterized by red patches covered by greasy, flaking, yellow-gray scales
 - Mostly on scalp, face and chest
- Standard of care: topical anti-fungals or low-/mid-potency steroids
 - Up to 1/3 of severe patients have an inadequate response
 - Concerns about steroid use on face (skin thinning, cataracts, glaucoma)
- Topical roflumilast foam may address unmet needs
 - Topical roflumilast is a potent anti-inflammatory and anti-pruritic activity
 - Foam formulation suitable for treatment of scalp and face
- Enrollment complete in Phase 2 proof of concept study, topline data early in the fourth quarter of 2020



Roflumilast Foam – Potential in Scalp Psoriasis

- Scalp psoriasis
 - Affects over 2.5 million U.S. patients
 - Difficult to treat because of drug access into hair-bearing regions
 - Significant unmet need for effective treatment safe for chronic use
- Roflumilast is a convenient, once daily, easy-to-use foam
 - Suitable for chronic use
 - Appropriate for use application in hair-bearing areas, such as the scalp, where a cream, lotion, or ointment is not suitable
 - Is safe to use near the eyes
- Phase 2b study initiated in 4Q19
 - Phase 2b topline data anticipated 4Q20



We Expect Topical Roflumilast to be Highly Differentiated

Potential target product profile

- ✓ Symptomatic improvements similar to high potency steroids
- ✓ Ability to use chronically
- ✓ Little or no application site reaction
- ✓ Ability to use everywhere, including face, scalp and intertriginous regions
- ✓ No boxed warning

Topical JAK1 Inhibition a Promising Approach to Inflammatory Dermatologic Diseases

- Topical JAK inhibitors proven effective in multiple dermatological disorders
 - But JAK inhibitors carry risk of hematological adverse events and immunosuppression
- Our topical JAK inhibitor (ARQ-252) may be “best in class”
 - Highly potent and highly selective inhibitor of JAK1
 - Oral study shows highly potent JAK1 inhibitor with good side effect profile
- Commenced Phase 1/2b study with ARQ-252 in chronic hand eczema in 1H20
 - Phase 1 initiated April '20; Phase 2b initiated July '20
- Phase 2a proof-of-concept study in vitiligo planned for 2H20
- Ongoing formulation work on ARQ-255
 - A “deep penetrating” formulation of ARQ-252 for alopecia areata

~5 Million Patients Currently Treated Topically by Dermatologists in US

US Patient Populations (Millions)

	Psoriasis	Atopic Dermatitis	Seborrheic Dermatitis
Prevalence	8.6	19.2	6.5
Rx treated	3.5	6.3	
Topically treated	2.5	5.4	
Rx treated by derm	2.8	1.2	1.7
Topically treated by derms	2.0	1.0	1.7

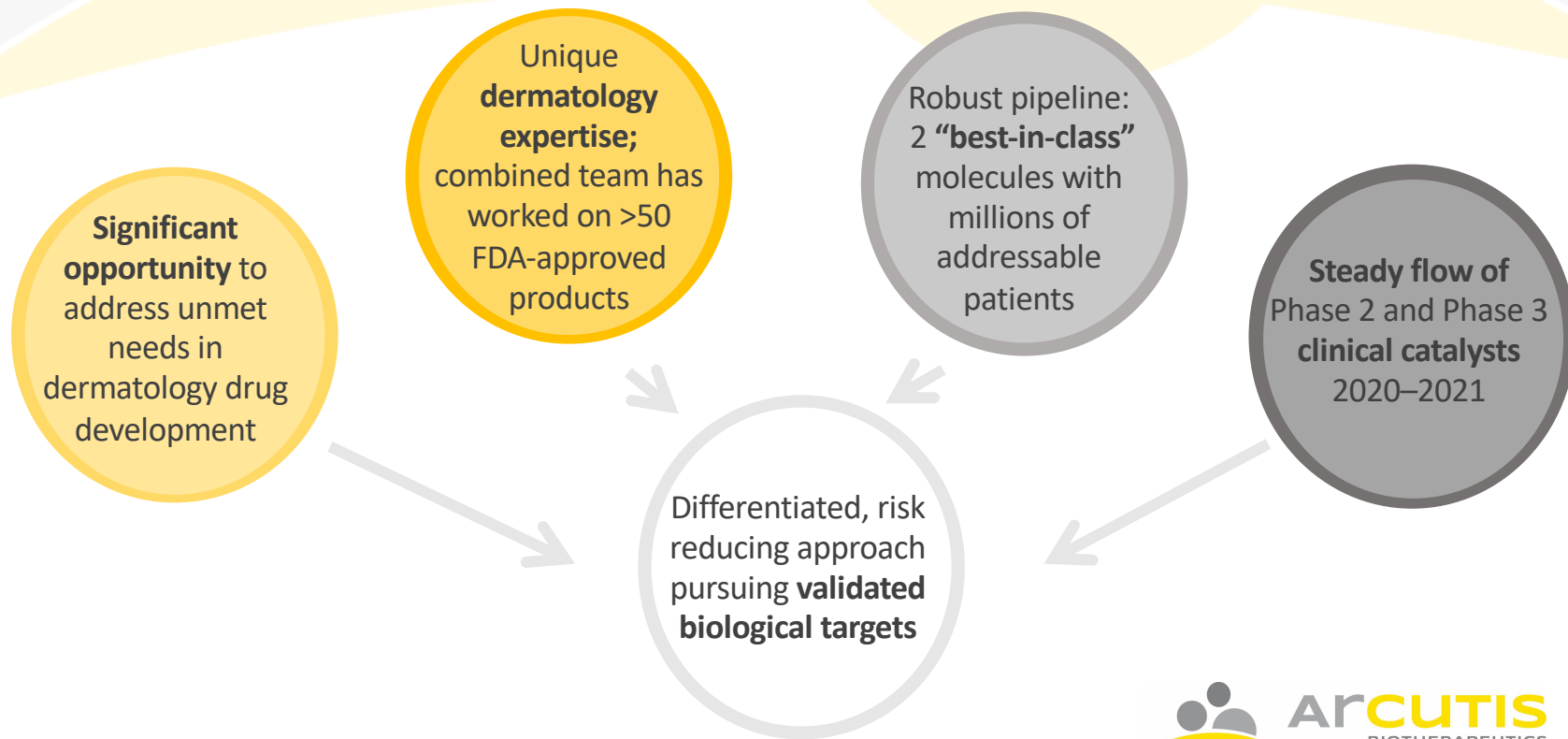
Additional opportunities to unlock value of our molecules:

- U.S. patients treated by other specialties (e.g., PCPs or pediatricians)
- Ex-US markets

Arcutis Enjoys Strong IP Protection

- ARQ-151/154 covered by multiple patents and pending patents
 - 5 issued U.S. patents and 5 pending U.S. patents
 - Formulation patents won't expire before June 2037 (without PTE)
 - Patents in Japan and Canada
 - Pending patents in Australia, Brazil, China, Europe, Hong Kong, India, Israel, Japan, Mexico, New Zealand, and PCT
 - Additional formulation and PK provisional patents pending or filed
 - Rights to issued topical roflumilast patents licensed from AstraZeneca
- ARQ-252/255 covered by composition of matter patents
 - U.S. composition of matter patents won't expire before 2033 (without PTE)
 - Opportunity for formulation patents and other additional protection

Developing Differentiated Medicines; Maximizing Probability of Success

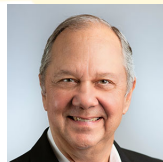


Leadership Team Has Developed or Commercialized More than 50 FDA-Approved Products



Frank Watanabe, MA, President and CEO

- Former COO and Co-Founder, Kanan Therapeutics
- Former VP, Strategy and Corporate Development, Kythera
- Former Executive, Amgen and Eli Lilly



John Smither, Chief Financial Officer

- Former CFO of Kythera, Unity, Sienna; interim CFO, Kite
- Independent Director, eFFECTOR, Achaogen
- Former Executive at Amgen and Audit Partner, Ernst & Young



Patrick Burnett, M.D., Ph.D., FAAD, Chief Medical Officer

- Former CMO, Verrica Pharmaceuticals
- Former Associate VP of Clinical Development, Sun Pharmaceuticals
- Former Global Program Medical Director, Novartis



David Osborne, PhD, Chief Technical Officer

- Former CSO of Tolmar
- Former VP Product Development, Dow Pharmaceutical
- Former VP Product Development, Atrix



Dow Pharmaceutical Sciences



Ken Lock, MBA, Chief Commercial Officer

- Former senior marketing lead for inflammation, Gilead
- Former head of U.S. Dermatology Marketing, Amgen
- Sales and marketing leadership roles; Amgen, Gilead, Wyeth



Patricia Turney, MBA, SVP, Operations

- Former VP External Supply and Manufacturing, Amgen
- Former head, Manufacturing Site Operations, Amgen Breda
- Manufacturing, Engineering, EH&S, R&D, and Quality leadership roles, Amgen



Keith Klein, JD, General Counsel

- Former General Counsel, Unity Biotechnology, Sienna Biopharmaceuticals, Kythera Biopharmaceuticals
- Former Senior Associate General Counsel, Amgen



Financial Position

As of June 30, 2020



~\$224.0M

Cash, cash equivalents,
and marketable securities
(as of 6/30/20)



Guidance

Expect cash, cash
equivalents, and
marketable securities to
fund planned operations
through 2021



~38.2M

Common shares
outstanding
(as of 8/1/20)



Analyst Coverage

Goldman Sachs **GUGGENHEIM**
COWEN **CANTOR Fitzgerald**

Thank You