



**ArCUTIS**  
BIOTHERAPEUTICS

Bioscience applied to the skin.

## Corporate Overview



# 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, current and future commercialization 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 roflumilast cream and roflumilast foam; 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; current

and 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.






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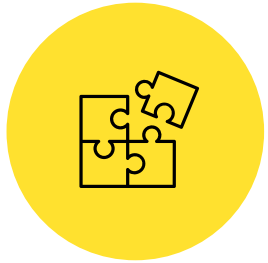
For further information with respect to Arcutis, we refer you to our most recent annual report on Form 10-K, as amended, and our most recent quarterly report on Form 10-Q, filed with the SEC. In addition, we are subject to the information and reporting requirements of the Securities Exchange Act of 1934 and, accordingly, we file periodic reports, current reports, proxy statements and other information with the SEC. These periodic reports, current reports, proxy statements and other information are available for review at the SEC’s website at <http://www.sec.gov>.

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# 2022: A Transformational Year for Arcutis Continues

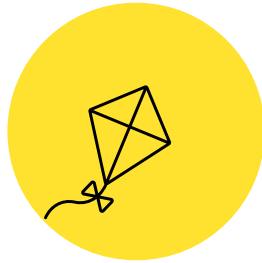
-  FDA approval of ZORYVE® (roflumilast) in plaque psoriasis is the realization of our efforts to bring meaningful innovation to patients with immune-mediated skin diseases
-  Topical roflumilast is a unique “pipeline-in-a-product” opportunity across four development programs
-  We announced positive topline data from our Phase 3 pivotal studies in seborrheic dermatitis and scalp & body psoriasis. We remain confident in continuing our track record of Phase 3 success in atopic dermatitis readout
-  Acquisition of Ducentis broadens our robust immuno-dermatology pipeline with the addition of ARQ-234, our first biologic
-  The strength of our balance sheet enables robust launch investment for ZORYVE and continued pipeline advancement

# Our Strategy to Build the Preeminent Immuno-Dermatology Company



## Filling the innovation gap

in the dermatology drug sector



## Elevating the standard of care

to simplify disease management and optimize drug efficacy, safety, and tolerability



## Developing potential best-in-class

and innovative topical dermatology therapies against **validated biological targets**



## World-class leadership team

>50 FDA-approved products



## Rapidly advancing

a **broad, innovative pipeline** with strong IP protection for clinical assets

*FDA = U.S. Food and Drug Administration; IP = intellectual property*

# Broad and Deep Pipeline

	Formulation	Preclinical	Phase 1	Phase 2	Phase 3	NDA Review	Approved	Commercial Rights
<b>ZORYVE</b> (roflumilast cream)	Plaque Psoriasis							Worldwide
	Atopic Dermatitis							Worldwide
<b>Roflumilast Foam</b> (ARQ-154)	Seborrheic Dermatitis							Worldwide
	Scalp Psoriasis							Worldwide
<b>ARQ-252 Cream</b> (JAK1 Inhibitor)	Hand Eczema							U.S., EU, Japan, Canada
	Vitiligo							U.S., EU, Japan, Canada
<b>ARQ-255 Suspension</b> (JAK1 Inhibitor)	Alopecia Areata							U.S., EU, Japan, Canada
<b>ARQ-234</b> (CD200R)	Atopic Dermatitis							Worldwide
<i>Other Preclinical Projects</i>	Acne, Palmoplantar Psoriasis, Nail Psoriasis, Rosacea							

# Continued Execution Against Our Four Transformational Catalysts in 2022

Q2 2022



**Seborrheic Dermatitis**

Phase 3 — Topline Data

Q3 2022



**Plaque Psoriasis**

FDA Approval



**Scalp Psoriasis**

Phase 3 — Topline Data

**Atopic Dermatitis**

Phase 3 — Topline Data\*



Roflumilast Cream



Roflumilast Foam

\*Phase 3 topline for INTEGUMENT-1 and -2; INTEGUMENT-PED expected in 2023

# Topical Roflumilast Opportunity: ~7 million Dermatologist-Treated Patients in the U.S. Alone

	Psoriasis	Atopic Dermatitis	Seborrheic Dermatitis
Prevalence	~9M	~26M	~10M
Topical Rx treated in Derm setting	<b>2.0M</b> <i>(mild-moderate-severe)</i>	<b>2.6M</b> <i>(mild-to-moderate)</i>	<b>2.2M</b> <i>(moderate-to-severe)</i>
Topically treated outside Derm	~1.2M <i>(mild-moderate-severe)</i>	~4.1M <i>(mild-to-moderate)</i>	~1.0M <i>(moderate-to-severe)</i>

**Significant incremental opportunity**

to access the millions of U.S. patients Rx treated by other specialties (e.g., PCPs or pediatricians) via partnership

Rx = Prescription; PCP = primary care physician



# ZORYVE (zor-eev) – Next Generation PDE4 Inhibitor Approved for Treatment of Plaque Psoriasis in Ages 12+



PDE4 = phosphodiesterase-4



## Established, rapid efficacy

Significant clearance of plaques + itch in all affected areas of the body



## Uniquely broad label

Once-daily treatment in mild, moderate, & severe plaque psoriasis, *including intertriginous psoriasis*



## Very well-tolerated, steroid-free cream

Minimal adverse application site reactions; coupled with our proprietary HydroARQ™ technology



## Efficacy & safety suitable for long-term use

No boxed warnings/limitations on duration of use



# Arcutis Enjoys Strong IP Protection<sup>1</sup>

**13**

**Issued U.S. and foreign patents on topical roflumilast cream and foam formulations**

**1**

**Issued U.S. patent on topical roflumilast PK profile (plus 3 pending)**

**1**

**Issued foreign patent for use of a critical ingredient in topical roflumilast formulations**

**1**

Pending U.S. patent application on anti-fungal properties of PDE4 inhibitors

**1**

Pending U.S. patent application on novel restorative effect of the roflumilast cream vehicle

**1**

Pending U.S. patent application for method of use on a critical ingredient in the topical roflumilast formulations

**2**

Pending U.S. patent applications for the Deep Dermal Drug Delivery (4D) Technology underlying ARQ-255

**1**

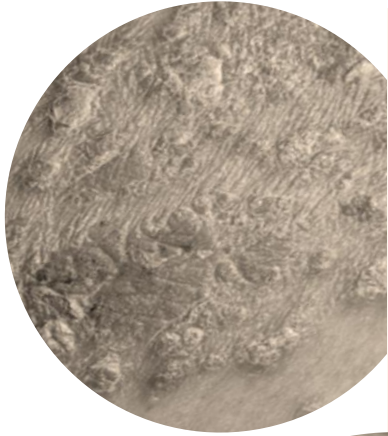
Pending U.S. patent application for novel JAK1 inhibitor formulation (ARQ-252)



Roflumilast  
Patent Protection  
Expected Until  
**At Least  
2037**

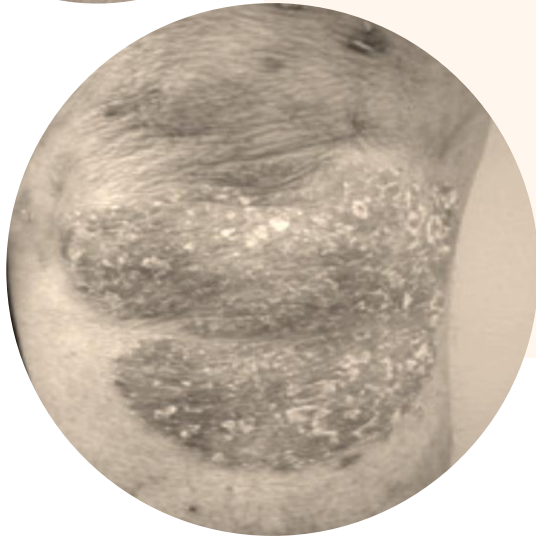
<sup>1</sup>As of 9/15/22; PK = pharmacokinetics; PDE4 = phosphodiesterase 4; JAK = Janus Kinase

# Plaque Psoriasis – Significant Unmet Needs in Treatment Paradigm



**~9M**

individuals in the  
U.S. affected



**>90%**

of U.S. patients  
treated with  
topical drugs

Past topical  
therapies have  
**numerous  
shortcomings**

Physicians and patients forced  
to trade-off between efficacy  
and safety/tolerability

**81%**

Of patients wish they had  
more topical treatment  
alternatives to steroids<sup>1</sup>

<sup>1</sup> Skin Insights: Uncovering Psoriasis survey of >500 adults who use topicals, March 2022

# ZORYVE Cream – FDA-Approved U.S. Label in Psoriasis

Once-daily treatment in mild, moderate, & severe plaque psoriasis

**ZORYVE™**  
(roflumilast) cream 0.3%

**ZORYVE™ (roflumilast) cream, for topical use**  
Initial U.S. Approval: 2011

-----**INDICATIONS AND USAGE**-----

ZORYVE is a phosphodiesterase 4 inhibitor indicated for topical treatment of plaque psoriasis, including intertriginous areas, in patients 12 years of age and older. (1)

-----**DOSAGE AND ADMINISTRATION**-----

- Apply once daily to affected areas. (2)
- For topical use only. (2)
- Not for ophthalmic, oral, or intravaginal use. (2)

-----**DOSAGE FORMS AND STRENGTHS**-----

Cream, 0.3%: 3 mg of roflumilast per gram in 60-gram tubes. (3)



WI-NRS: Worst Itch Numeric Rating Scale



Indication for treatment of intertriginous areas

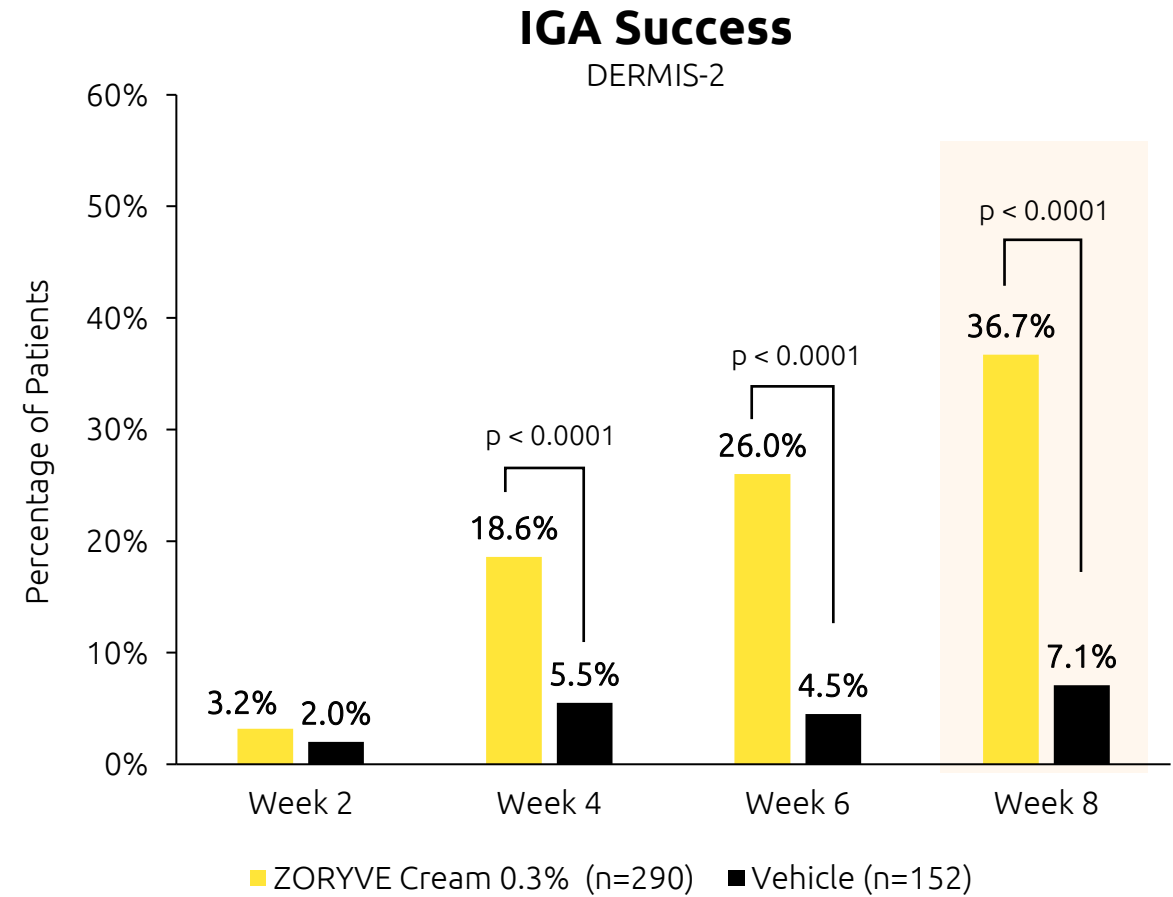
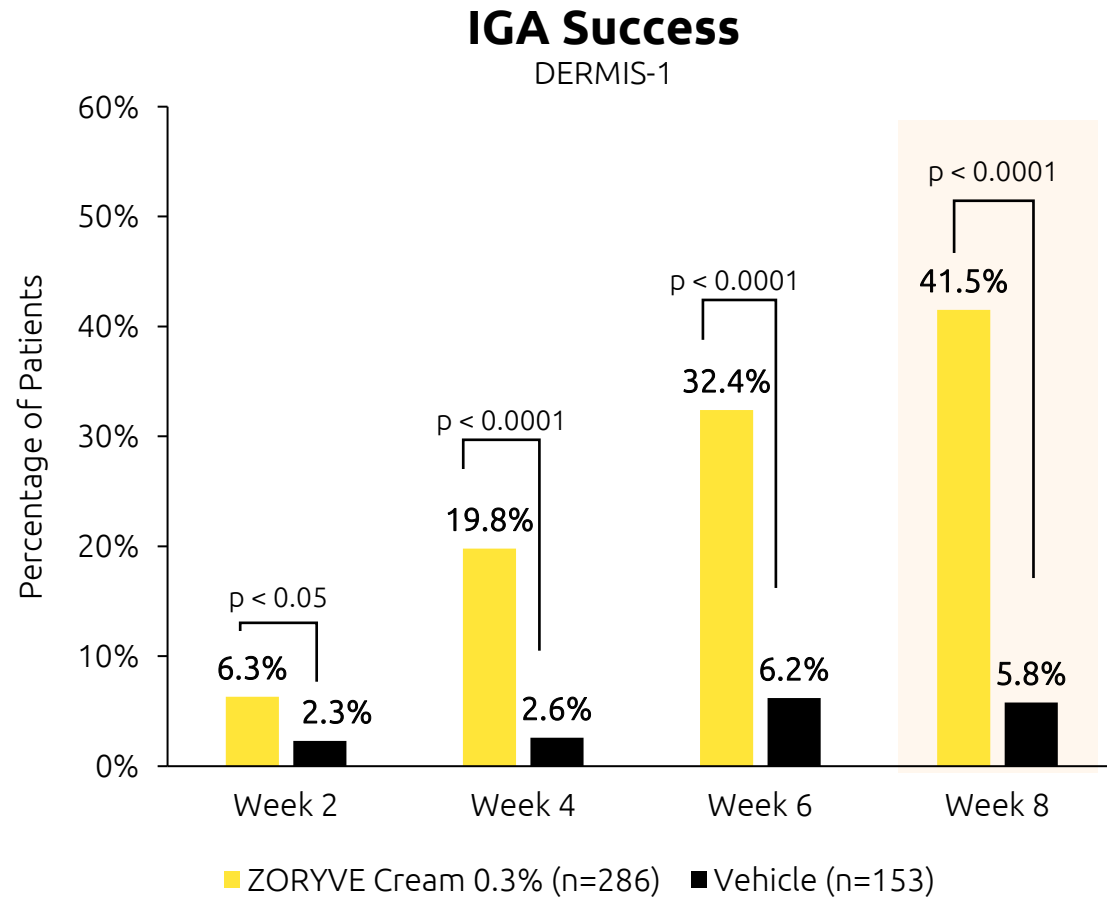


Indication for ages 12+



Itch data (WI-NRS) included in label

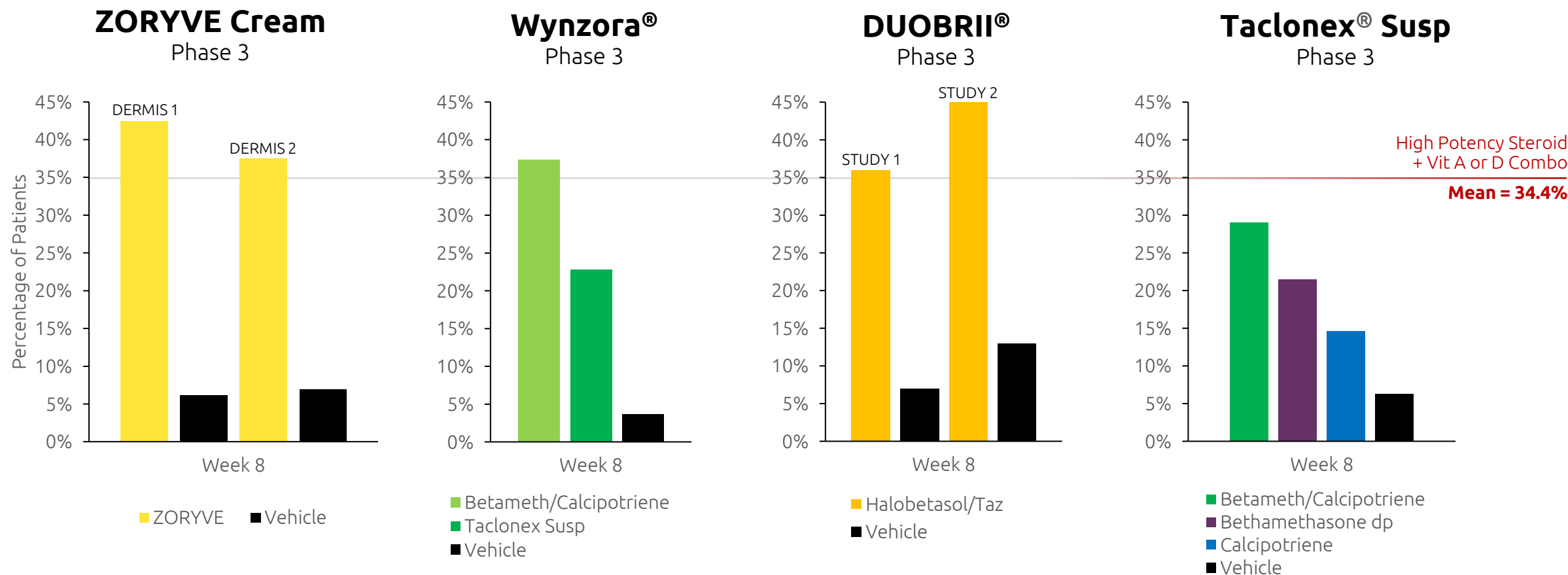
# Rapid, Robust Efficacy on IGA Success in Both Phase 3 Plaque Psoriasis Trials



IGA = Investigator's Global Assessment; IGA Success = Clear or Almost Clear with at least a 2-grade improvement from baseline; ITT Population  
Statistical analysis based on multiple imputation; Week 2, 4, and 6 consistent with label

# Efficacy at 8 Weeks Comparable to High-Potency Steroids & Vitamin D / Tazarotene Combo

Comparison of IGA success rates across separate topical psoriasis clinical trials



IGA Success = Clear or Almost Clear with at least a 2-grade improvement

Note: The results of this retrospective post-hoc cross-trial comparison may not be directly comparable, as they are not from a single head-to-head clinical trial.

# Significant and Rapid Clearance of Plaques in DERMIS Phase 3 Studies

**Baseline (Heel)**



**IGA = 2**

**Week 4**



**IGA = 0**

**Week 8**



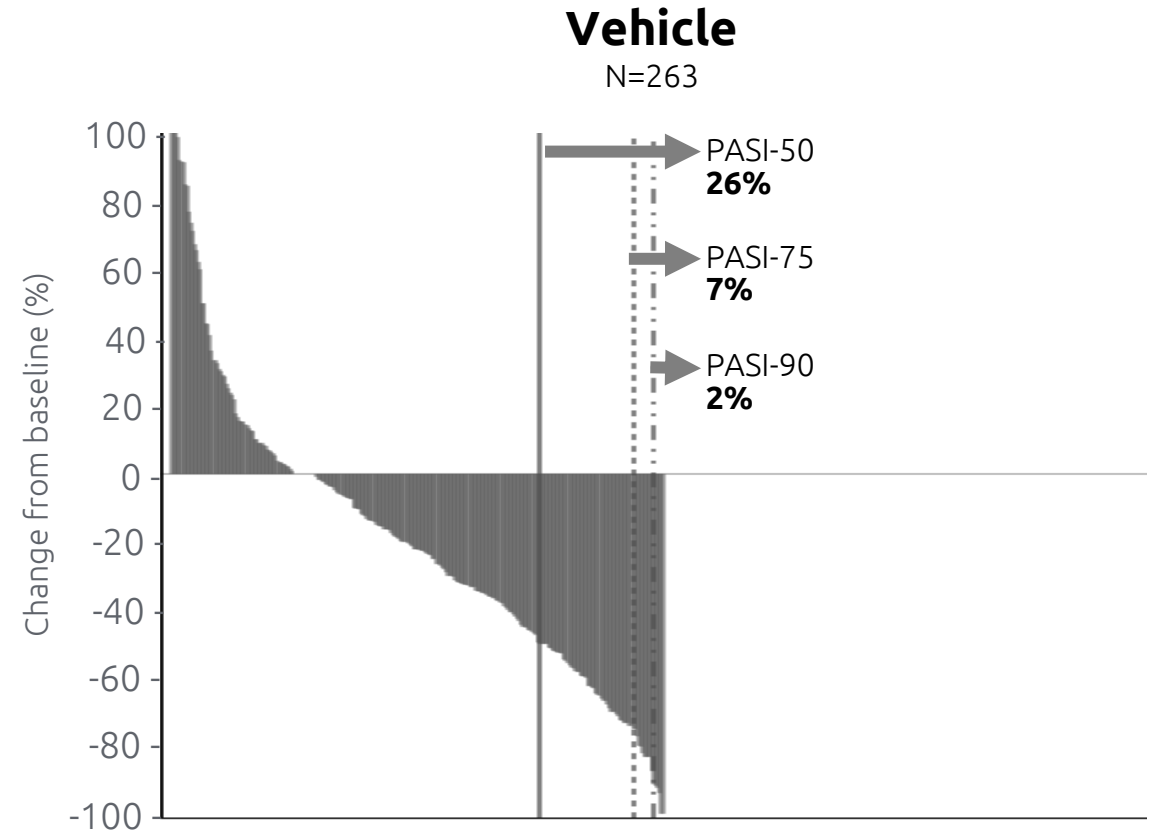
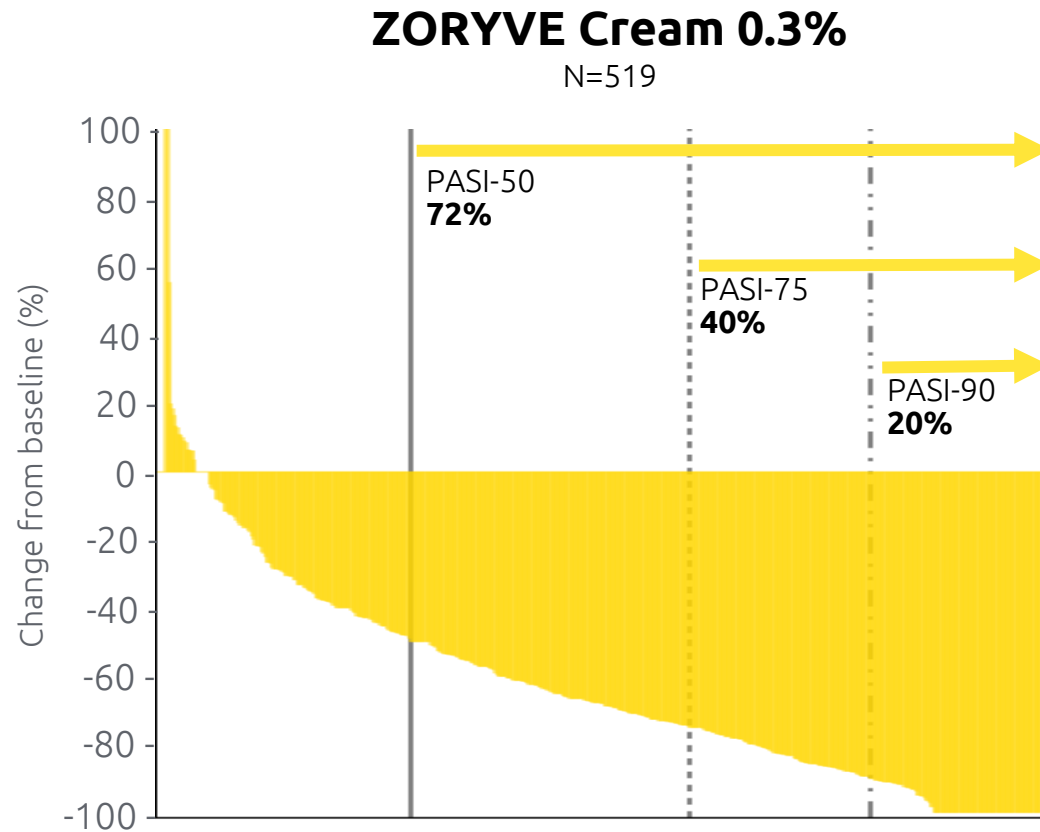
**IGA = 0**

Demonstrated efficacy in tough-to-treat areas (knees/elbows) + intertriginous/sensitive areas

*Individual patient results may vary*

# ZORYVE Delivered Clinically Meaningful Response in 3 out of 4 Patients

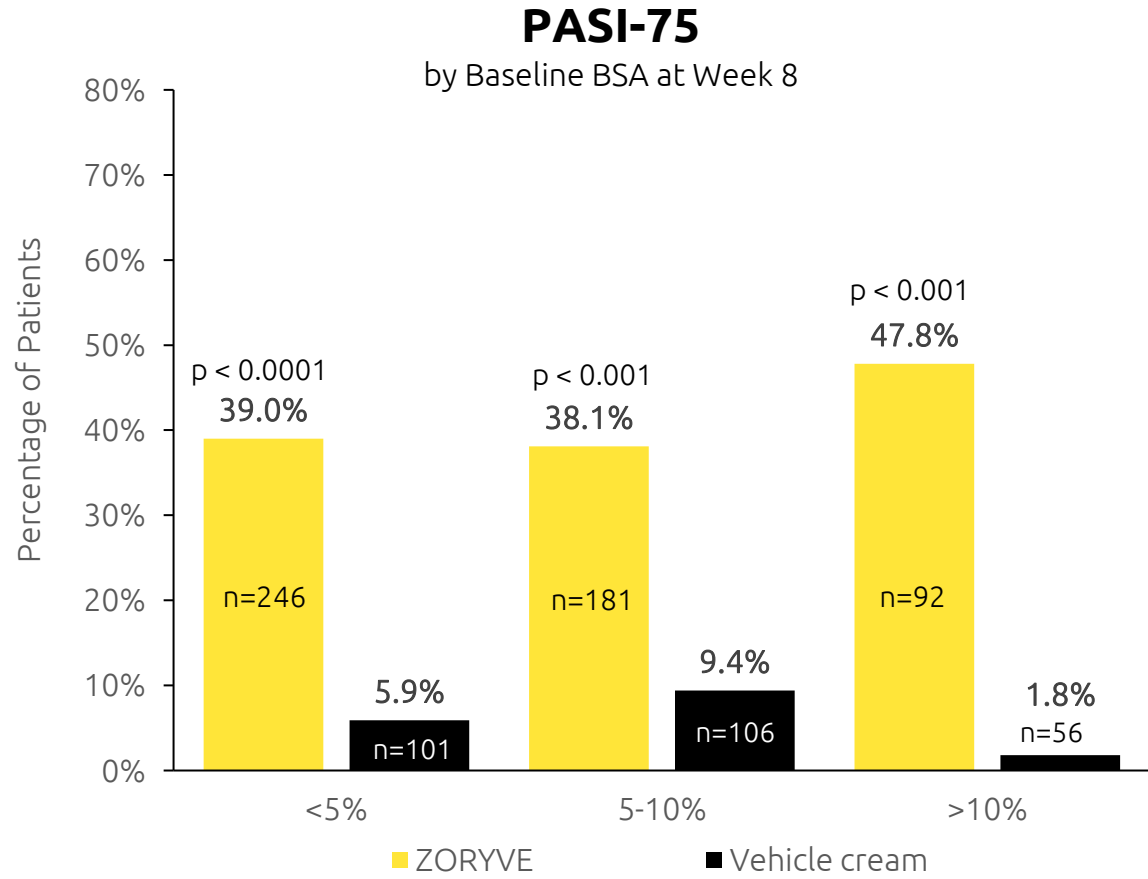
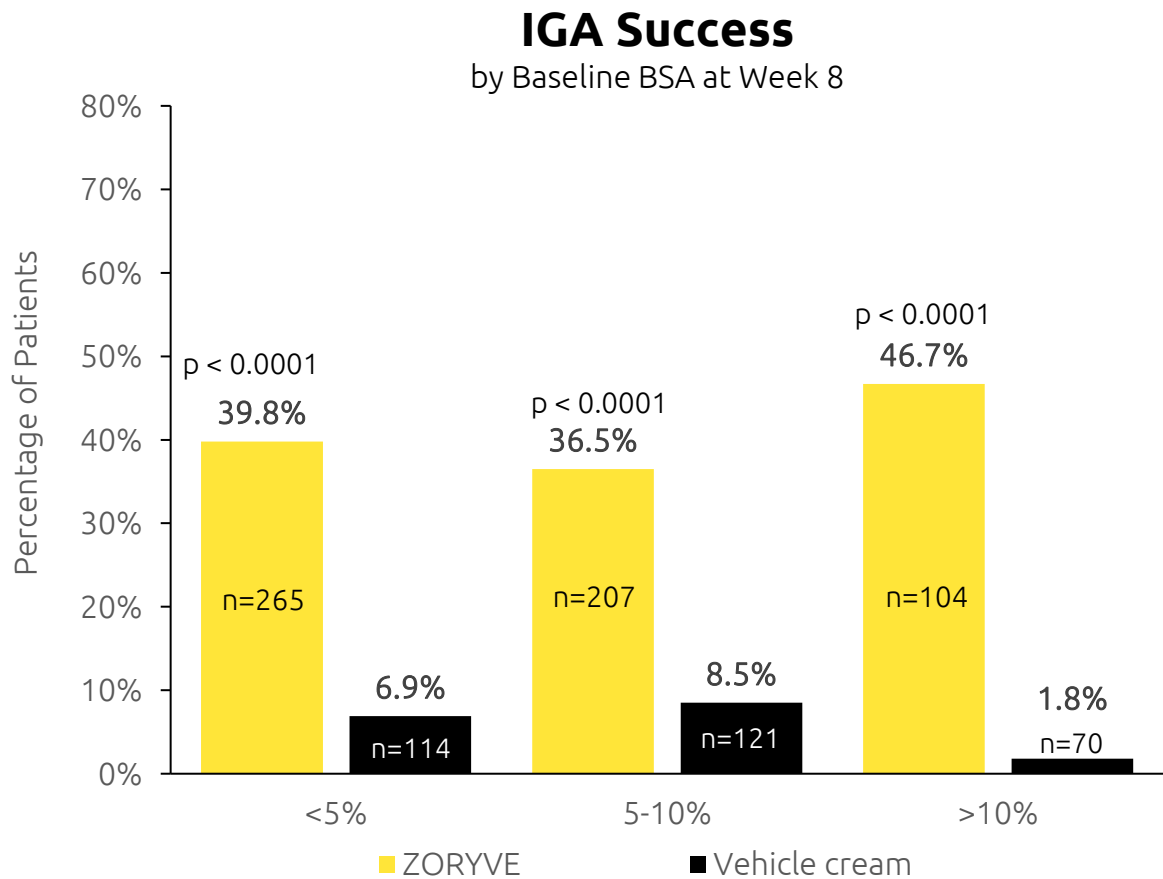
% Change in PASI Total Score at Week 8 - Pooled DERMIS Studies



PASI = Psoriasis Area and Severity Index



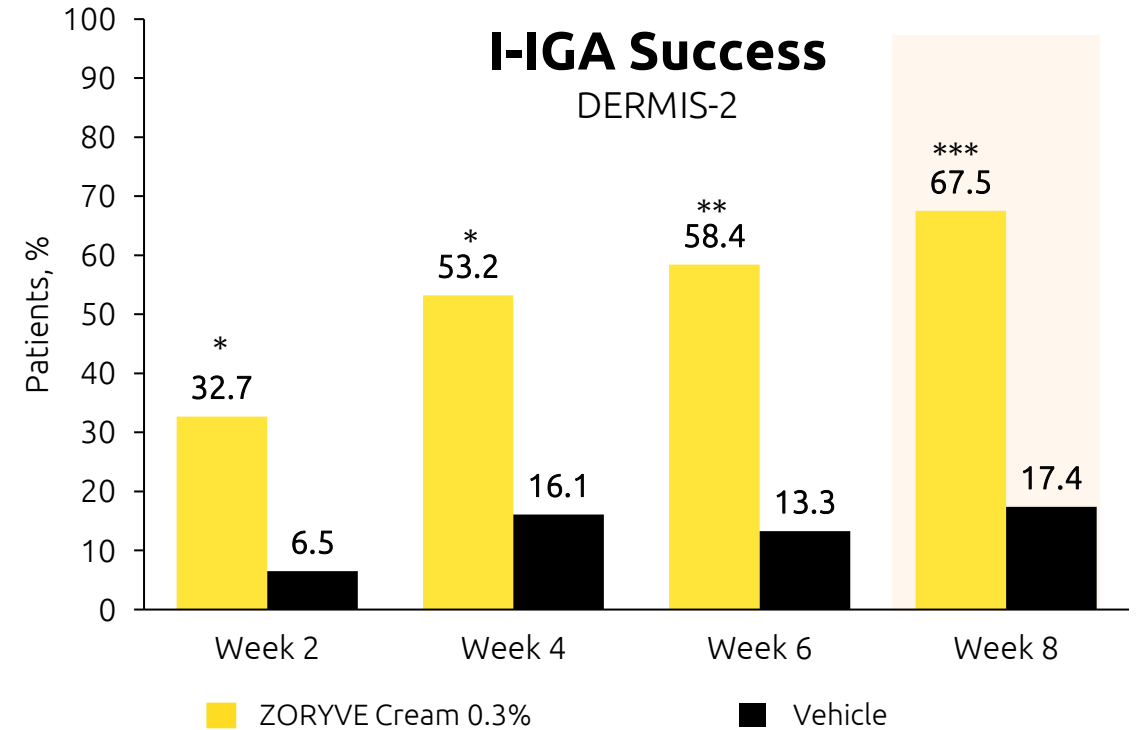
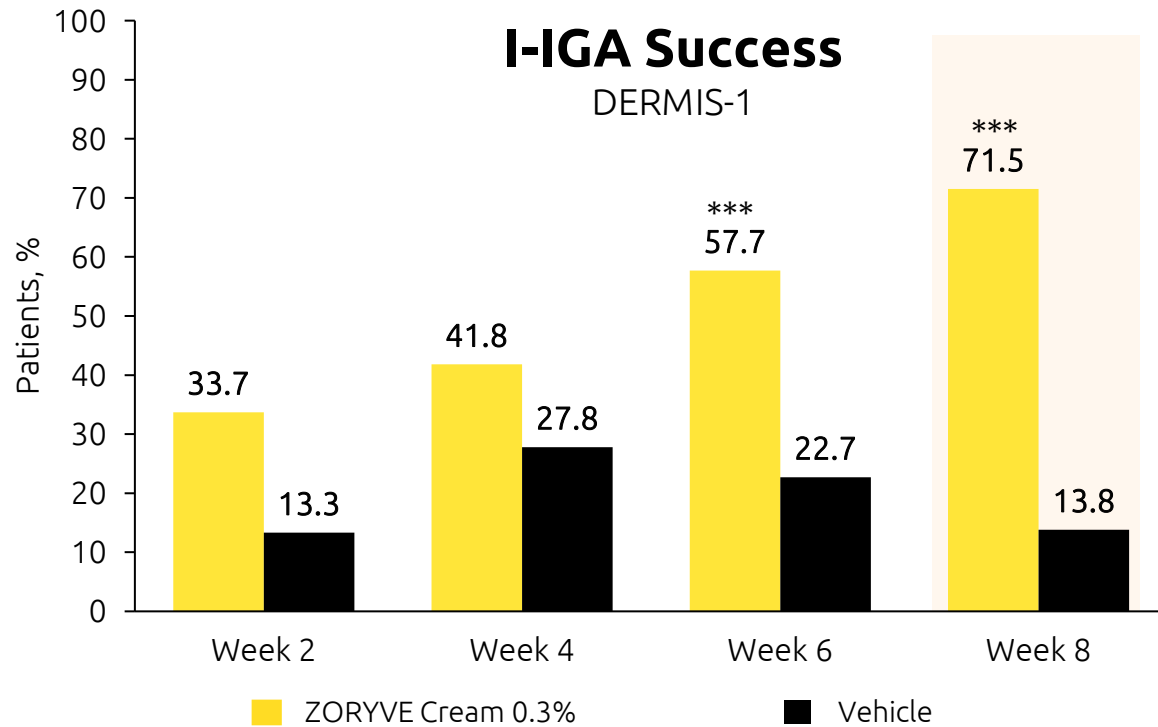
# ZORYVE Demonstrates Consistent Clearance Regardless of Baseline Disease Severity



IGA Success = Clear or Almost Clear IGA status plus  $\geq 2$ -grade improvement from baseline. PASI = Psoriasis Area and Severity Index; PASI-75 =  $\geq 75\%$  PASI improvement from baseline; Data are based on pooled data from DERMIS-1 and DERMIS-2. IGA results are from observed data from the Intent-to-treat population; Presented at American Academy Of Dermatology (AAD) Annual Meeting, March 25-29, 2022, Boston, MA, USA.

# Demonstrated Efficacy and Favorable Safety and Tolerability in Treating Intertriginous Plaques

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

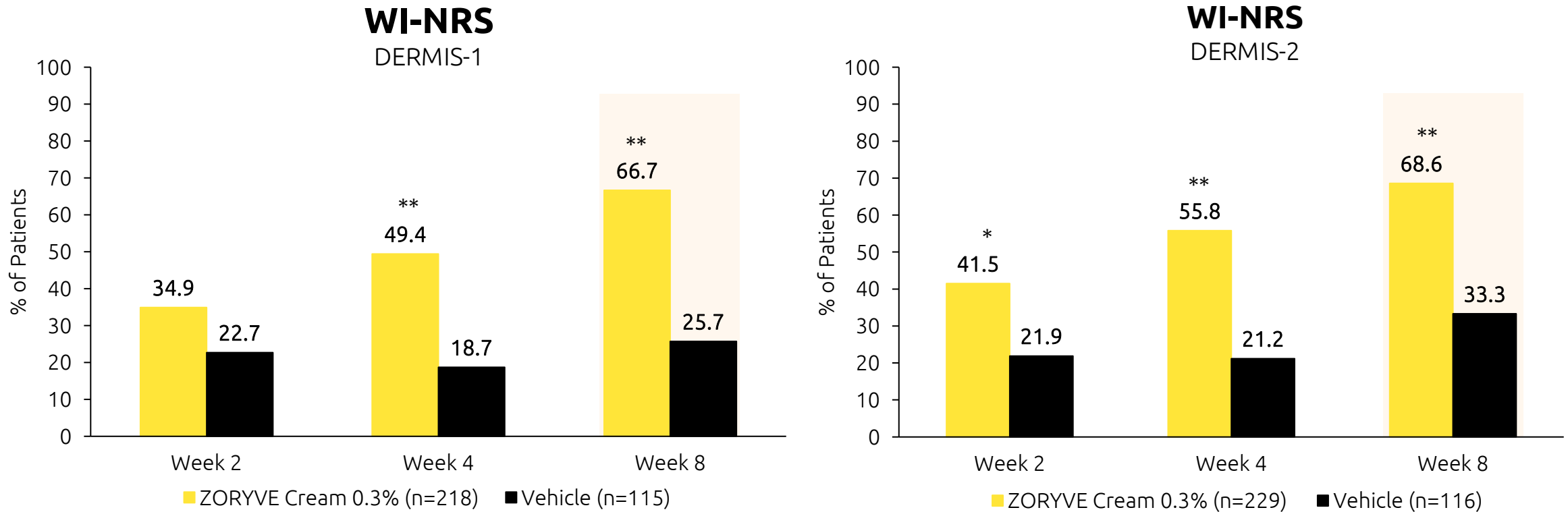


Survey Suggests ~2 in 3 Patients Have Exhibited Psoriasis in Intertriginous Areas<sup>1</sup>

\*P<0.01; \*\*P<0.001; \*\*\*P<=0.0001; I-IGA-intent-to-treat population: patients with intertriginous area involvement with severity of the intertriginous lesions at least mild (I-IGA ≥2) at baseline. Statistical analysis based on multiple imputation; Week 2, 4, and 6 consistent with label; I-IGA, Intertriginous-Investigator's Global Assessment. <sup>1</sup>Skin Insights: Uncovering Psoriasis survey of >500 adults who use topicals, March 2022

# Rapid Reduction of Itch in DERMIS-1 and DERMIS-2

Proportion of patients who achieved a  $\geq 4$ -point improvement in WI-NRS from baseline score of  $\geq 4$



**Robust reduction in itch occurs early and consistently improves through Week 8**

\*P < 0.001; \*\*P < 0.0001; Evaluated in a subset of the intent-to-treat population of patients with WI-NRS pruritus score  $\geq 4$  at baseline; WI-NRS: Worst Itch Numeric Rating Scale  
Statistical analysis based on multiple imputation

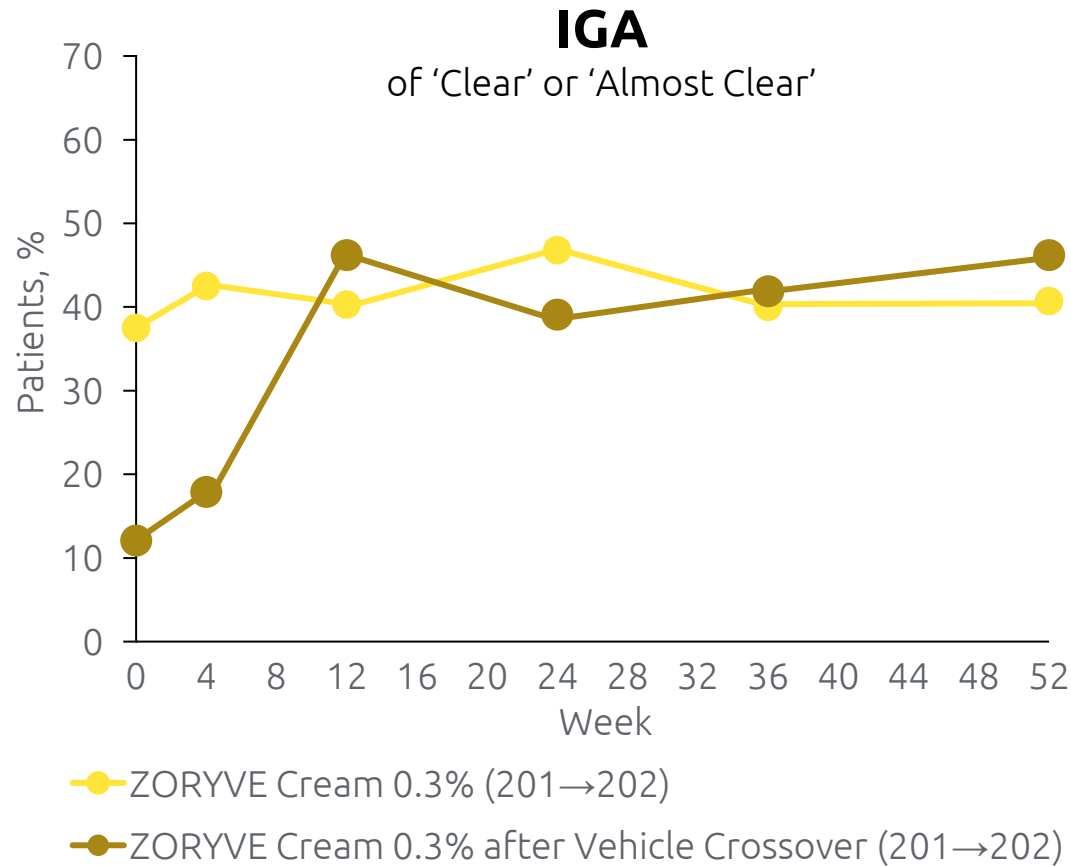
# ZORYVE – Safe and Very Well-Tolerated

## DERMIS-1 and -2

<b>Adverse Reactions Reported in <math>\geq 1\%</math> of Subjects for 8 Weeks [n (%)]</b>		
	<b>ZORYVE</b> (n=576)	<b>Vehicle</b> (n=305)
Diarrhea	18 (3.1)	0 (0.0)
Headache	14 (2.4)	3 (1.0)
Insomnia	8 (1.4)	2 (0.7)
Nausea	7 (1.2)	1 (0.3)
Application site pain	6 (1.0)	1 (0.3)
Upper respiratory tract infection	6 (1.0)	1 (0.3)
Urinary tract infection	6 (1.0)	2 (0.7)

*Data are presented for safety population*

# Durability of Response Maintained: Phase 2 Long-Term Data in Plaque Psoriasis

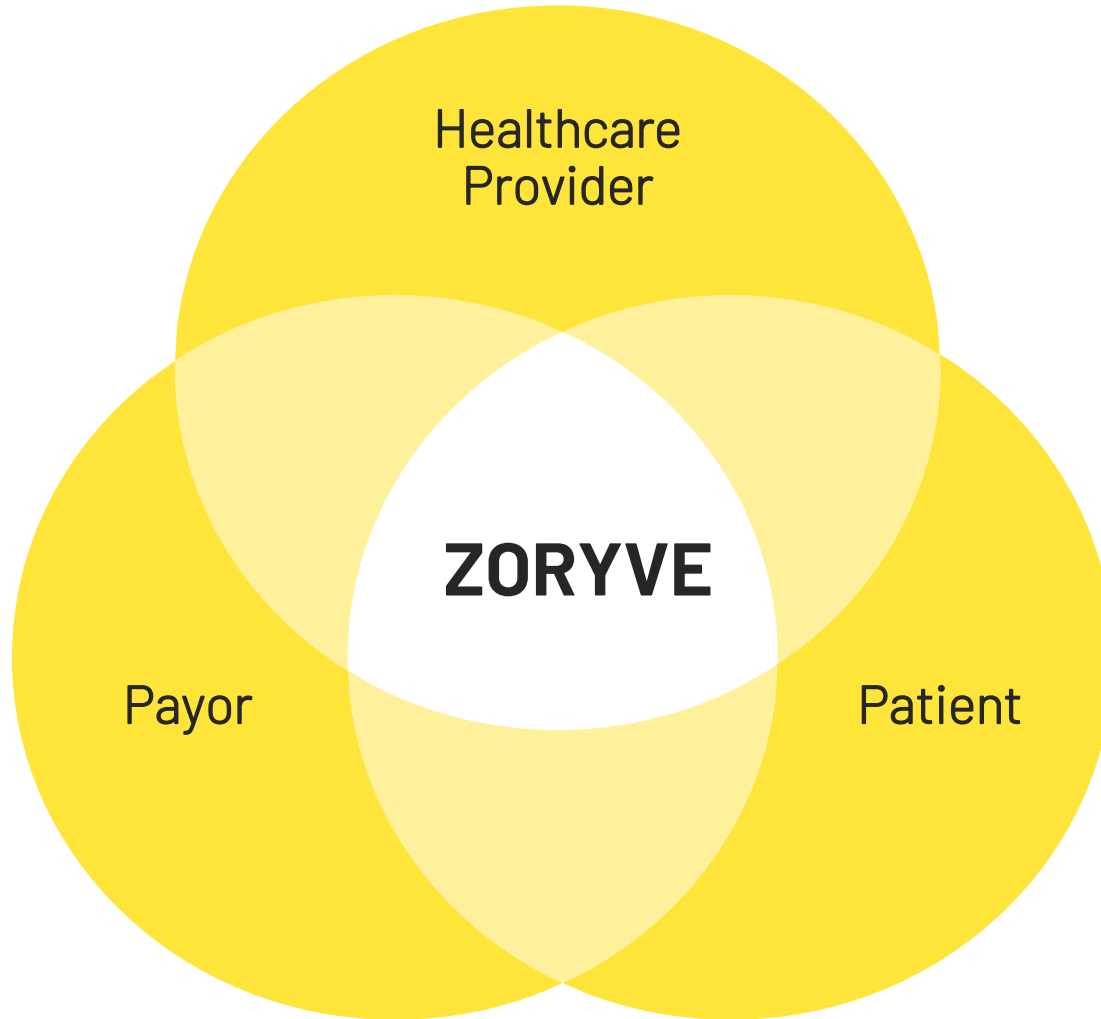


**In 594 subjects who continued ZORYVE for up to 64 weeks in OLE trials, the adverse reaction profile was similar to that of vehicle-controlled vehicles**

- **Durable efficacy over 52-64 weeks**
  - Comparable to DERMIS-1/-2 8-week efficacy
  - Median duration of IGA of Clear or Almost Clear = 37 weeks
- **73.5% of patients completed 52-64 weeks of treatment**
  - Only 0.9% discontinued due to lack of efficacy
  - Only 3.9% discontinued due to any adverse event

*Observed data from ARQ-151-202 study; IGA = Investigator's Global Assessment; OLE = open label extension*

# ZORYVE: Designed to Simplify the Treatment of Psoriasis



# ZORYVE Cream's Label in Psoriasis is Recognition of Our Differentiated Profile

<u>In Label</u>	DUOBRII®	ENSTILAR®	Wynzora®	VTAMA™	ZORYVE™
Intertriginous efficacy	—	—	—	—	+
Approved down to age 12	—	✓	—	—	+
Itch efficacy data	—	—	✓	—	+
Lack of warnings or precautions	—	—	—	✓	+
No limitations on duration of use	✓	—	—	✓	+

*Comparison based on FDA-approved labels for referenced products. No head-to-head trials between these products have been conducted.*

*DUOBRII® : halobetasol propionate and tazarotene; ENSTILAR® : calcipotriene and betamethasone dipropionate; Wynzora® : calcipotriene and betamethasone dipropionate; VTAMA™ : tapinarof*



# Patient Dynamics Are Favorable Towards Trial



**~2M**

Psoriasis patients currently  
Rx treated topically by U.S.  
dermatologists

*Rx = prescription*

## **Minimal behavioral change required to activate utilization**

- 90% of U.S. patients treated with topicals

## **Highly dynamic market facilitates start/switch**

- Steroids limited to short duration – frequent need to switch

## **Sparse competitive landscape for innovative topical therapies**

- Synergy in activating non-steroidal market with two innovative topicals launching

# Our Access Strategy Remains Unchanged: Unlocking Broad, High-Quality Access to ZORYVE



## **Responsible pricing**

Designed to obtain broad and rapid coverage



## **Reduced prescriber burden**

Key to maximizing volume opportunity



## **Rapid follow-on indications**

Allow for portfolio volumes across multiple indications

# Unlocking Broad, Quality Coverage of ZORYVE for Patients With Recent Formulary Wins

## Our Access/Coverage Goals

- High-quality coverage for patients
- Faster formulary consideration/adoption
- Preservation of gross-to-net
- Optimizing for volume & franchise value



**ZORYVE™**  
(roflumilast) cream 0.3%

## Now Covered by a Top Pharmacy Benefit Manager (PBM) and a Large National Health Plan

- **Formulary Inclusion Effective 11/1**
- **Differentiated Access, Details Available Soon**

# List Prices of Select Branded Topicals



Indicative Payor Controls

Source: Analysource – 7/15/22

# Patients Are Supported via ZORYVE Direct

## ZORYVEdirect

Patient access support made easy

### Savings Program\*

Commercially insured patients with  
ZORYVE coverage

**\$25**

Commercially insured patients without  
ZORYVE coverage

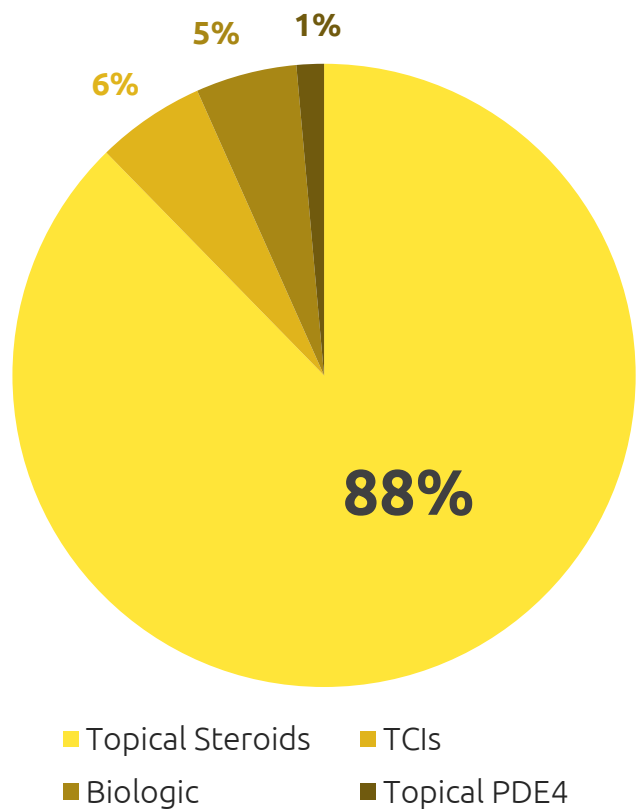
**\$75**

For Financially Eligible Patients who are Uninsured or Underinsured,  
Arcutis Also Offers the Arcutis Cares™ Patient Assistance Program

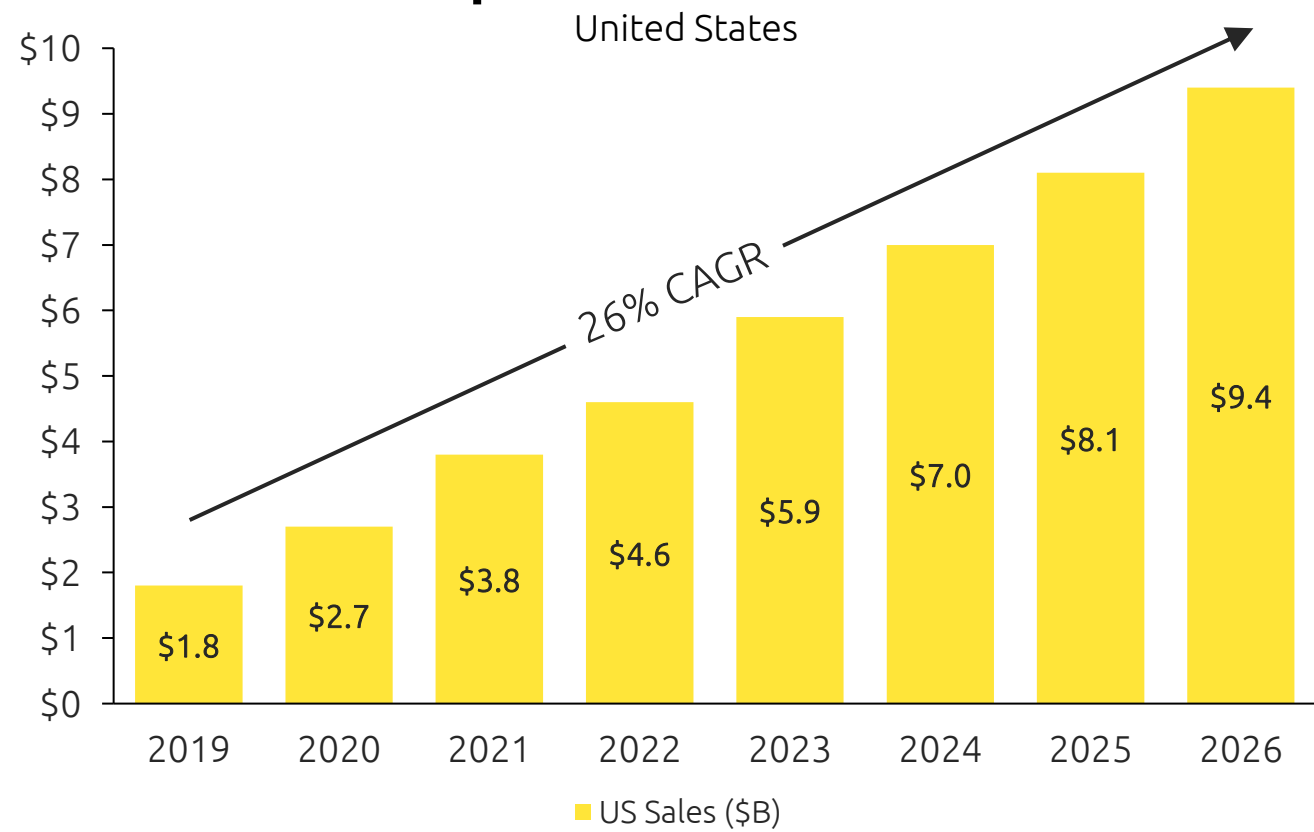
*\*Uninsured patients and patients with government insurance are not eligible for the ZORYVE Direct savings program; Other terms and restrictions apply*

# Significant Opportunity in Underserved, Rapidly Growing Atopic Dermatitis (AD) Market

Total 2021 TRx of ~26 Million<sup>1</sup>



Atopic Dermatitis Sales<sup>2</sup>



<sup>1</sup>Source: IQVIA [Biologic = Dupixent; PDE4 = Eucrisa]; TCI = topical calcineurin inhibitor

<sup>2</sup>Source: Evaluate Pharma; CAGR = compound annual growth rate

# Atopic Dermatitis: Compelling Opportunity for Roflumilast Cream



## **Very large, established market**

- ~26 million individuals in U.S. affected
- 12% prevalence in children → need for safe/effective therapy



## **Significant unmet needs**

for safe, effective, and chronic use therapy



## **JAK class labeling**

very favorable for roflumilast potential

## **Roflumilast Cream**

### Clinical Profile

Closely aligned with:

1. Physician
2. Payor
3. Patient
4. Parent

*JAK = Janus kinase*



# Roflumilast Cream May Address Unmet Needs in Atopic Dermatitis



## Efficacy

Robust Phase 2 efficacy across multiple endpoints



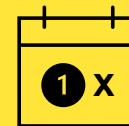
## Validated Target

PDE4 inhibition validated in AD



## Well-tolerated

- No application site reaction
- A favorable safety profile



## Simple, easy-to-use

Once-a-day cream

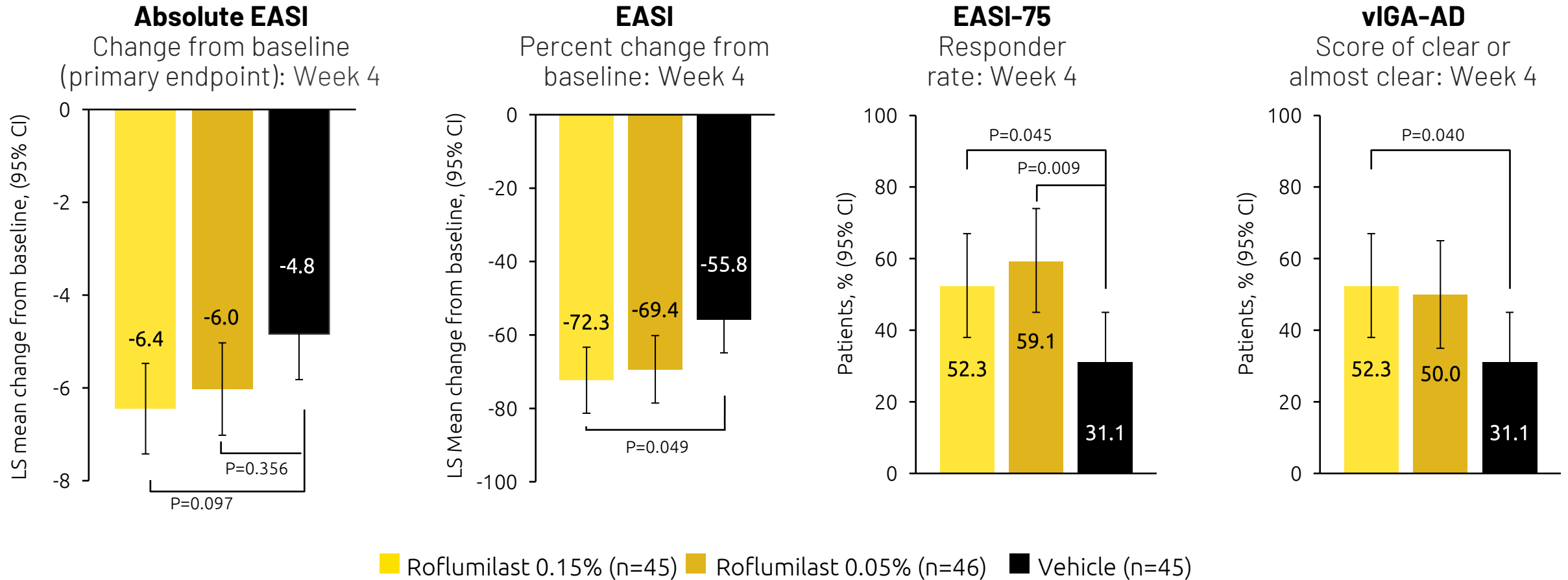


## Topline data expected by year-end 2022

INTEGUMENT-1 & -2

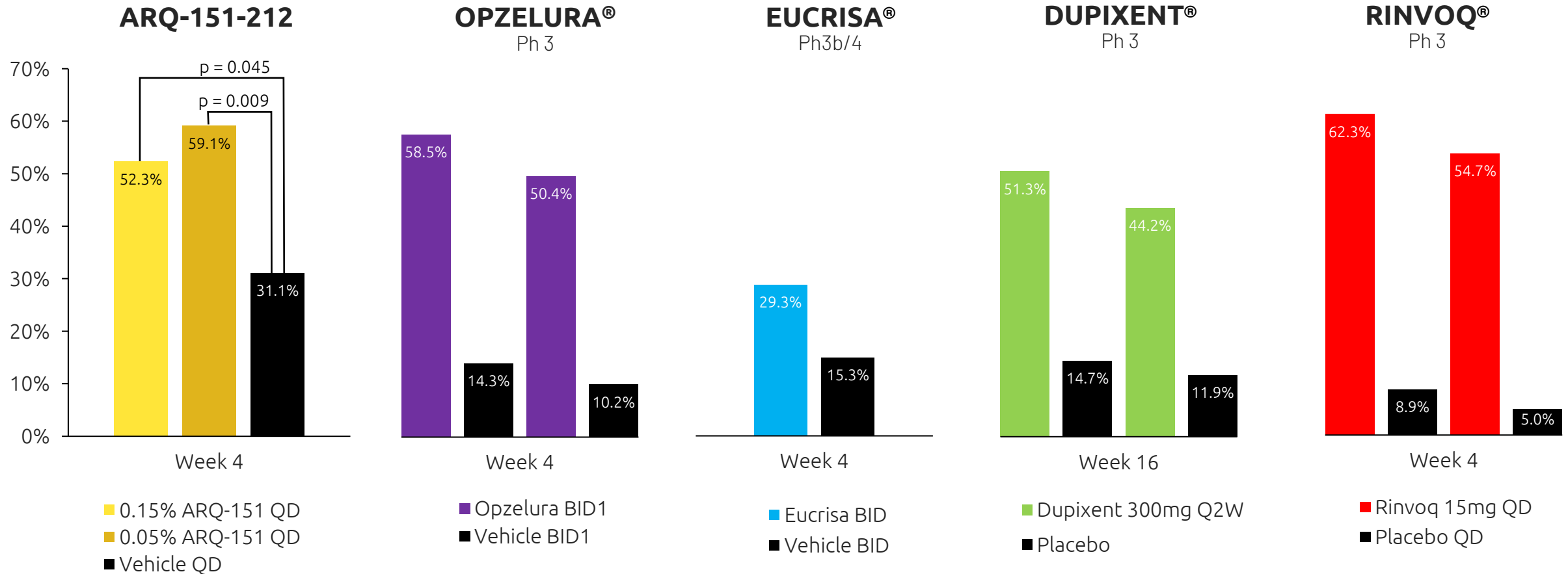
*PDE4 = Phosphodiesterase 4*

# Consistent Evidence of Efficacy Results Across Endpoints in Phase 2 Proof of Concept



Data presented for intent-to-treat population.; EASI = eczema area severity index; vIGA-AD = validated investigator's global assessment - atopic dermatitis; LS = least squares; CI = confidence interval

# Roflumilast Cream vs. Current Approved Treatments in Atopic Dermatitis [EASI-75 Responders]



Note: The results of this retrospective post-hoc cross-trial comparison may not be directly comparable, as they are not from a single head-to-head clinical trial. DUPIXENT & RINVOQ were studied in moderate-to-severe populations; QD = once a day dosing; BID = twice a day dosing; Q2W = once every two weeks dosing

# The Importance of Vehicle in AD Treatment – Restoring the Skin Barrier

In AD, the skin barrier function is compromised, and moisture is lost from skin  
Moisturizing agents (emollients) are commonly used first-line therapies

## Proprietary Vehicle Technology



Moisturizing



Non-lipid-extracting  
emulsifiers



Non-irritating

## **Roflumilast Cream**

uniquely formulated  
as emollient, water-  
based cream  
without burning or  
stinging

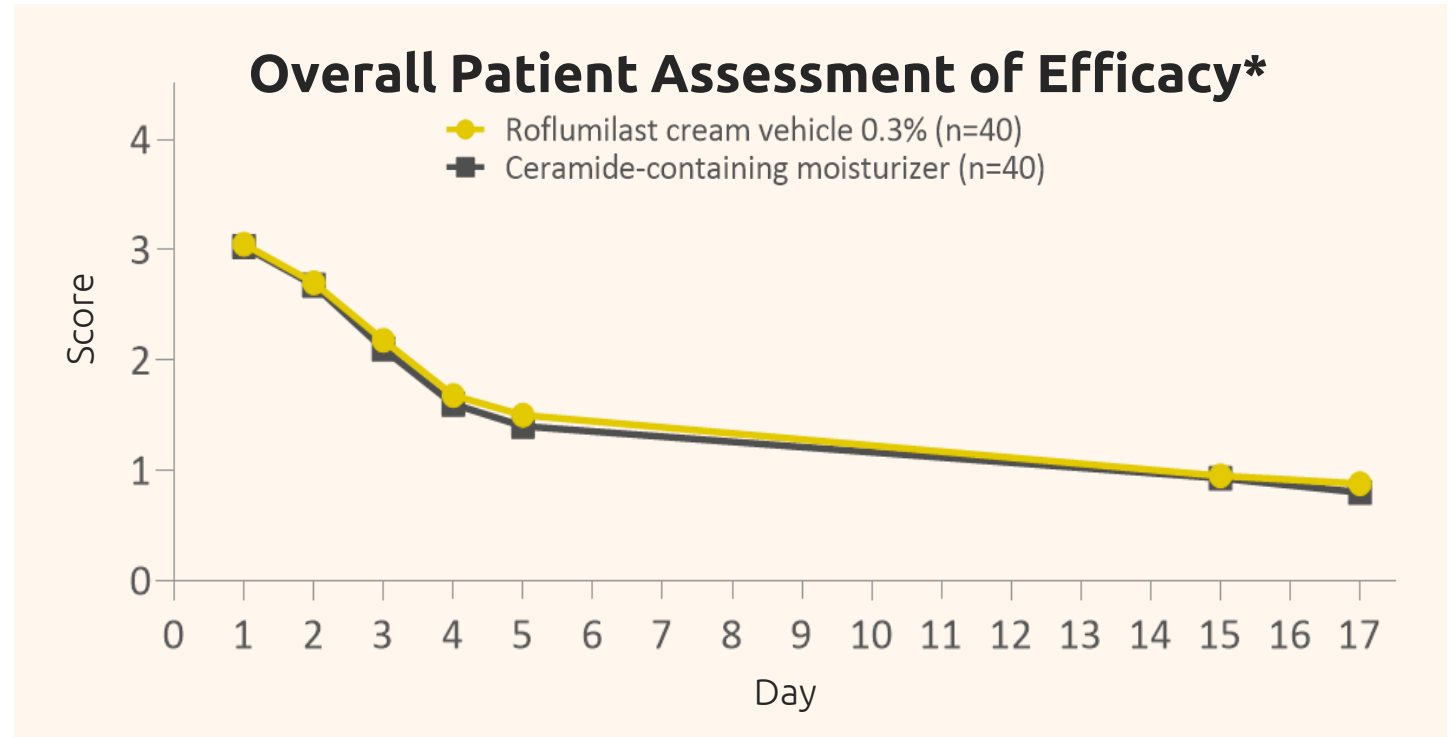
Optimized vehicle formulation may promote treatment adherence and therapeutic effect

# Roflumilast Cream Vehicle Comparable to a Leading Commercial Moisturizer

## Mild Eczema Trial

Vehicle for Roflumilast Cream *versus* Ceramide-Containing Moisturizing Cream

- N = 40
- Primary endpoint of TEWL showed no skin barrier damage for roflumilast vehicle at Day 15
- Mean TEWL similar between roflumilast vehicle and ceramide-containing moisturizer
- No adverse events / tolerability issues



Statistically Significant Improvements in Investigator and Patient-Assessed Moisturizing Properties

TEWL = trans epidermal water loss; \* Includes dryness, redness, roughness, irritation and others (Draelos et al RAD 2021 Poster)

# Favorable Safety and Tolerability Profile in Atopic Dermatitis



- **95% of subjects completed** Phase 2 study
- **Safety and tolerability** profile for roflumilast groups similar to vehicle
- **Treatment-related AEs** rare and balanced across study arms (all mild or moderate)
- **No evidence of local tolerability issues** (burning, stinging)
- **No evidence of side effects** typical of oral PDE4 inhibition (GI, psych, weight)

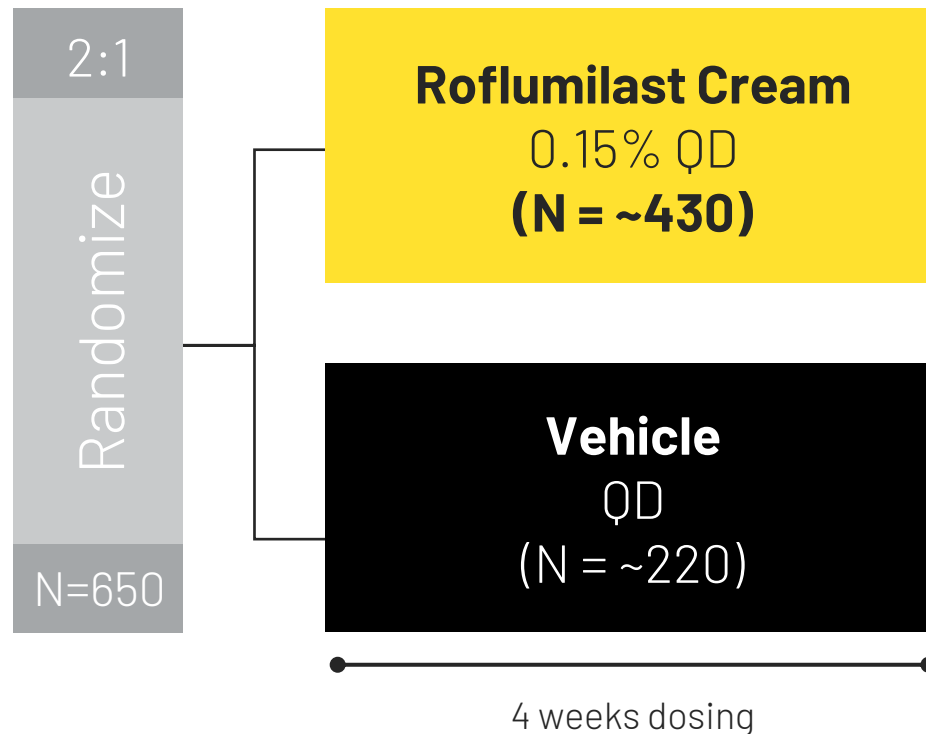
*GI = gastrointestinal; PDE4 = Phosphodiesterase 4*

# INTEGUMENT-1 & -2 Phase 3 Atopic Derm Studies

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

## Eligibility

- Diagnosis of mild or moderate AD (vIGA-AD = 2 or 3)
- Age 6+
- BSA  $\geq 3\%$
- EASI  $\geq 5$



## Endpoints

### Primary

- vIGA-AD success at week 4

### Secondary

- EASI-75
- WI-NRS (itch)
- vIGA-AD = Clear (0) or Almost Clear (1)

### Safety and tolerability

vIGA-AD Success = Clear or Almost Clear with at least a 2-grade improvement from baseline.; BSA = body surface area; EASI = eczema area severity index; WI-NRS: Worst Itch Numeric Rating Scale; QD = once a day dosing;



# Upcoming Readout: INTEGUMENT Designed for Broad Label in Mild-to-Moderate Atopic Dermatitis



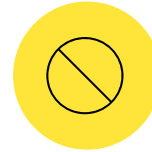
## **INTEGUMENT-1 and -2 each enrolled >650 patients**

- 10x as many patients in active arm (0.15%) compared to Phase 2
- Comprehensive safety database

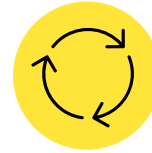


## **>95% statistical power**

to detect IGA Success effect size seen in Phase 2



## **No upper limit on BSA**



## **No expectation for limitation in duration of treatment**

Statistical power on both primary and key secondary endpoints critical to a robust label application

*IGA Success = Clear or Almost Clear with at least a 2-grade improvement from baseline.; BSA = body surface area;*

# Roflumilast Foam – Significant, Underappreciated Opportunity for Arcutis

## Scalp

- 40% of plaque psoriasis sufferers have scalp involvement
- Competitive differentiation in psoriasis

## Seb Derm

- As big a market as psoriasis, with no products promoted or in development



# Scalp Psoriasis – Roflumilast Foam May Address Unmet Needs

~40%

of Plaque  
Psoriasis sufferers  
have scalp  
involvement

## Roflumilast foam ideal for scalp and body psoriasis

- Suitable for chronic use
- Foam is ideal for hair-bearing areas such as scalp, where cream, lotion, or ointment is not suitable
- Unlike most other options, single treatment for all areas of the body
- May be used near the eyes
- Rapid and robust impact on itch
- **Positive topline read-out from ARRECTOR Phase 3 Pivotal trial in September 2022**

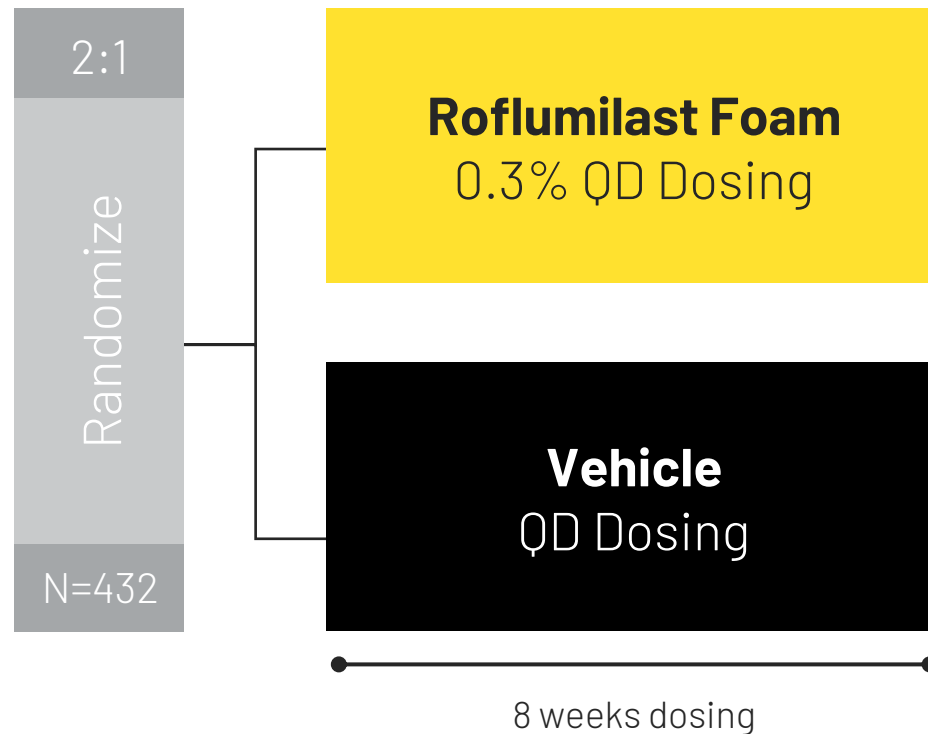


# ARRECTOR Phase 3 Trial in Scalp & Body Psoriasis

Randomized, Double-blind, Vehicle-controlled Multicenter Study

## Eligibility

- Diagnosis of scalp and body plaque psoriasis
- Age 12+
- At least moderate severity on scalp (S-IGA) and mild severity on body (B-IGA)
- $\leq 25\%$  BSA;  $\leq 20\%$  non-scalp BSA
- Psoriasis Scalp Severity Index (PSSI)  $\geq 6$
- $\geq 10\%$  of scalp involved
- PASI  $\geq 2$



## Endpoints

### Co-Primary

- Scalp IGA (S-IGA) success at week 8
- Body IGA (B-IGA) success at week 8

### Secondary

- Scalp worst itch NRS (SI-NRS)
- WI-NRS
- PASI-75
- S-IGA = 0
- Psoriasis Symptom Diary (PSD)

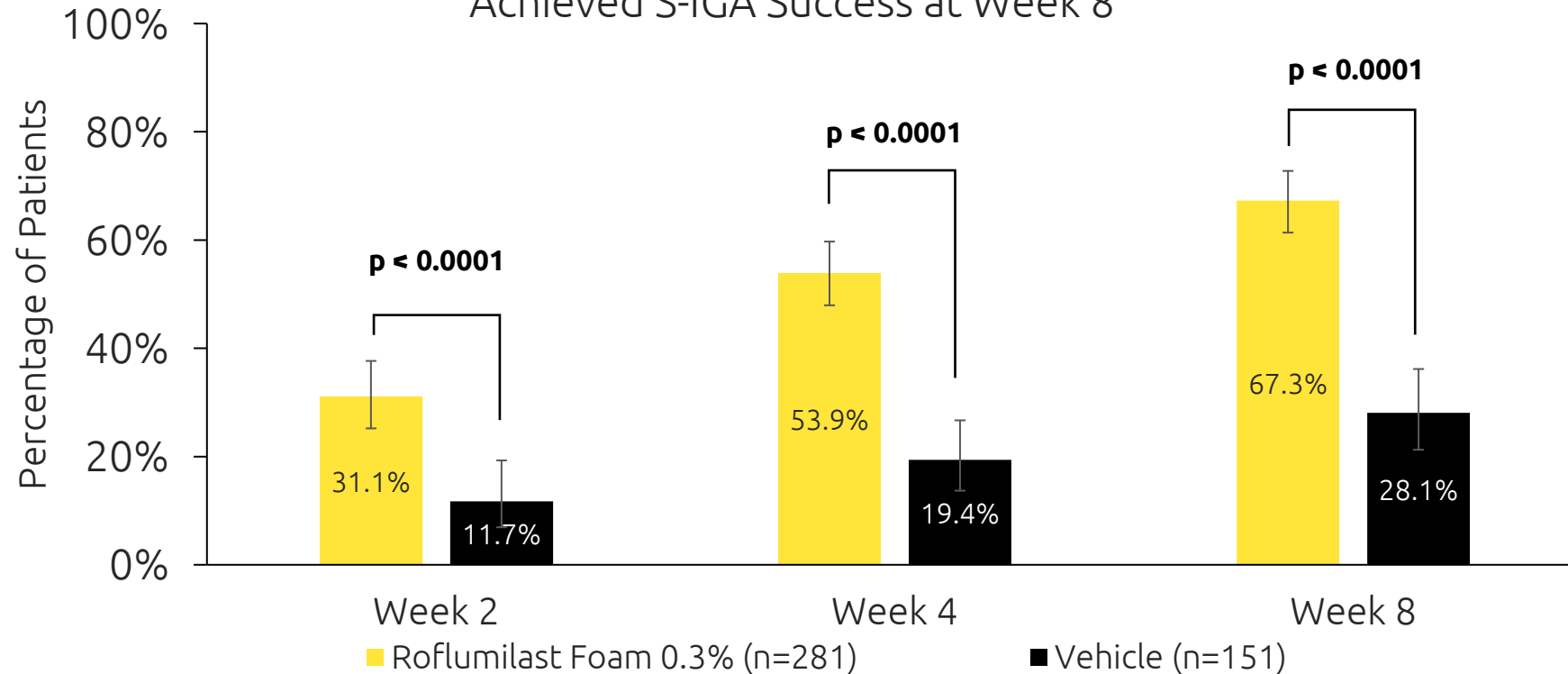
### Safety and tolerability

IGA = Investigator's Global Assessment; IGA Success = Clear or Almost Clear with at least a 2-grade improvement from baseline; WI-NRS: Worst Itch Numeric Rating Scale; QD = once a day; BSA = body surface area

# Robust Efficacy on Scalp IGA Success in ARRECTOR Trial

**~2/3 of Patients**

Achieved S-IGA Success at Week 8

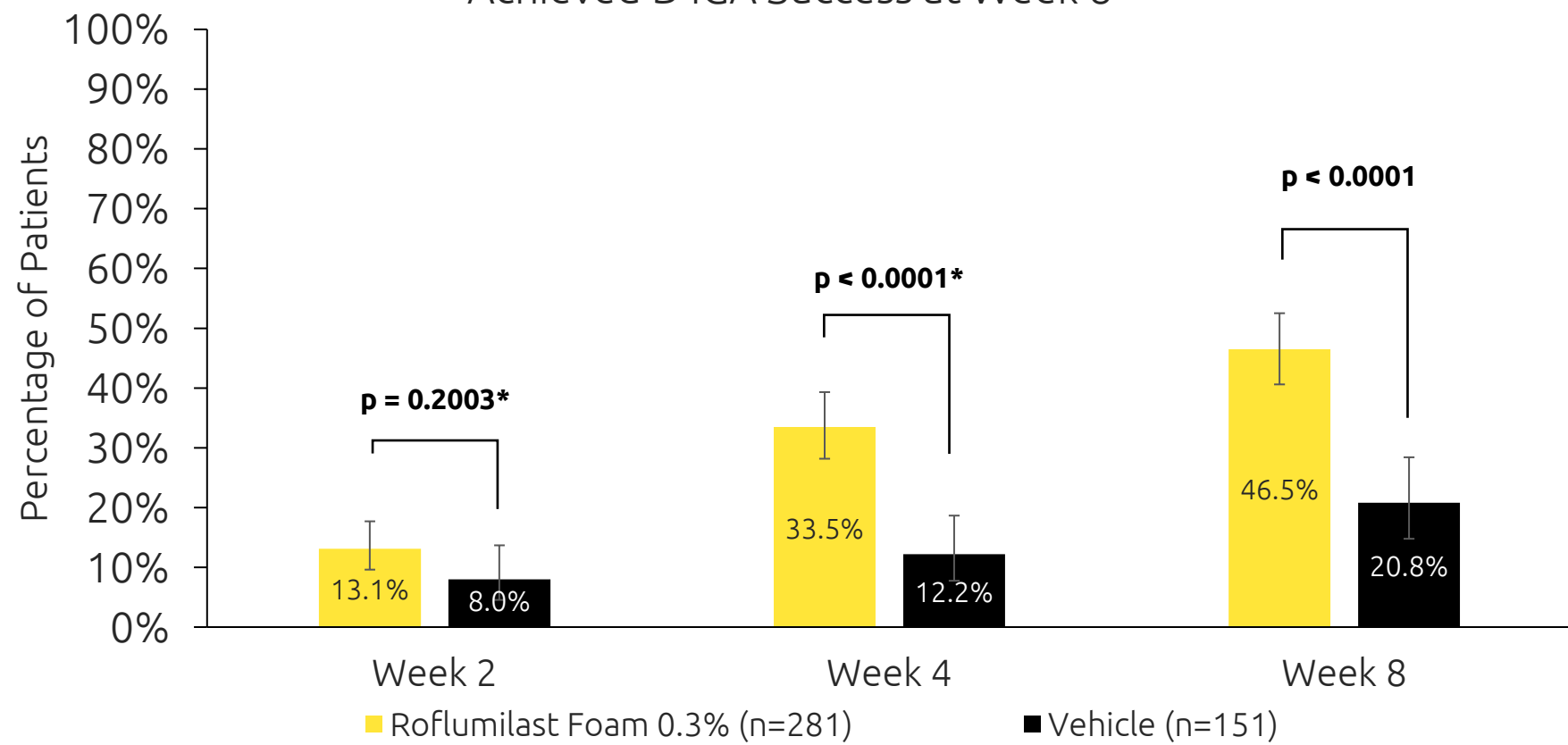


**40% of Patients Achieved S-IGA of Clear at Week 8**

*S-IGA = Scalp Investigator's Global Assessment; IGA Success = Clear or Almost Clear with at least a 2-grade improvement from baseline ITT Population*

# Demonstrated Efficacy on Body IGA Success in ARRECTOR Trial, Consistent with DERMIS Trials

**~47% of Patients**  
Achieved B-IGA Success at Week 8



*B-IGA = Body Investigator's Global Assessment; IGA Success = Clear or Almost Clear with at least a 2-grade improvement from baseline ITT Population; \* Nominal p-values*

# Seborrheic Dermatitis – Significant Unmet Needs in Treatment Paradigm

**~10  
million**

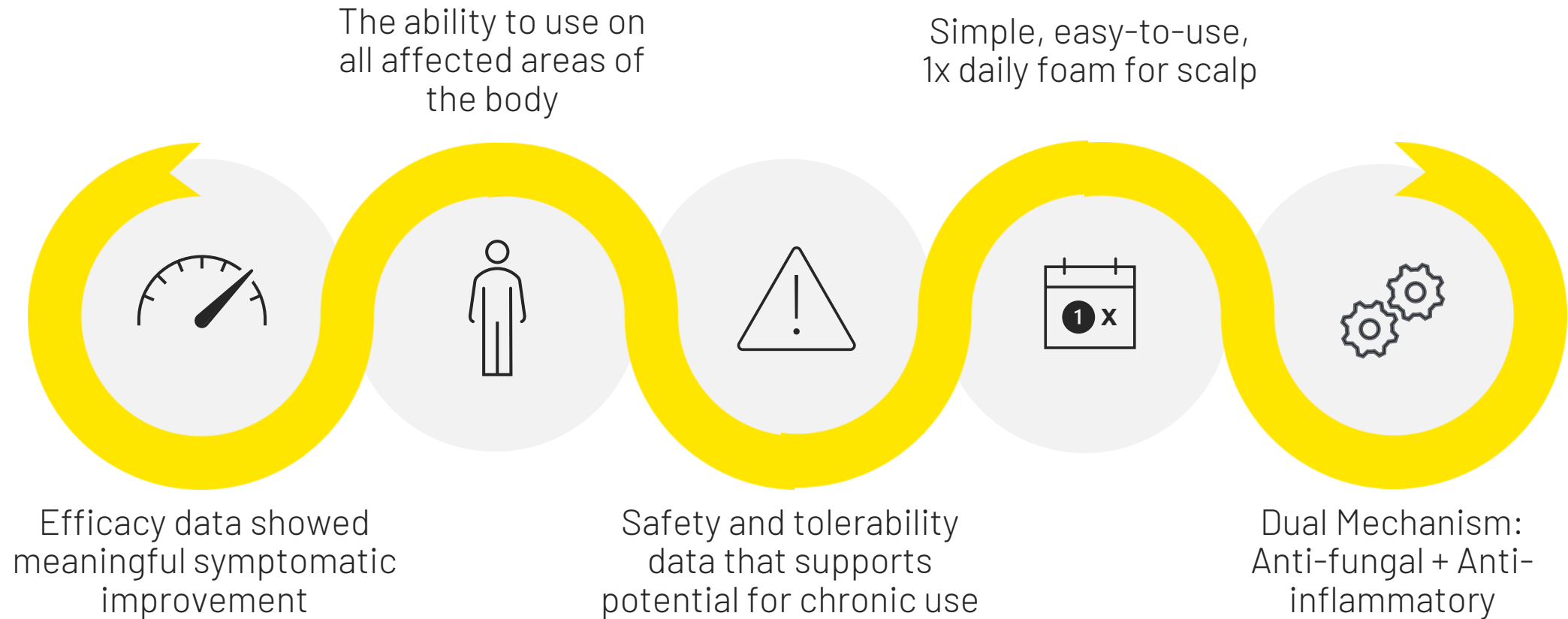
Individuals in the  
U.S. affected

- Itchy red patches covered by greasy / flaking scales on scalp, face and chest
- Topicals dominate treatment, but options pose challenges:
  - Steroids pose safety issues, especially with chronic use
  - Proximity to eyes/thin skin on face exacerbates safety concerns
  - Topical antifungals offer only modest efficacy
  - Polypharmacy



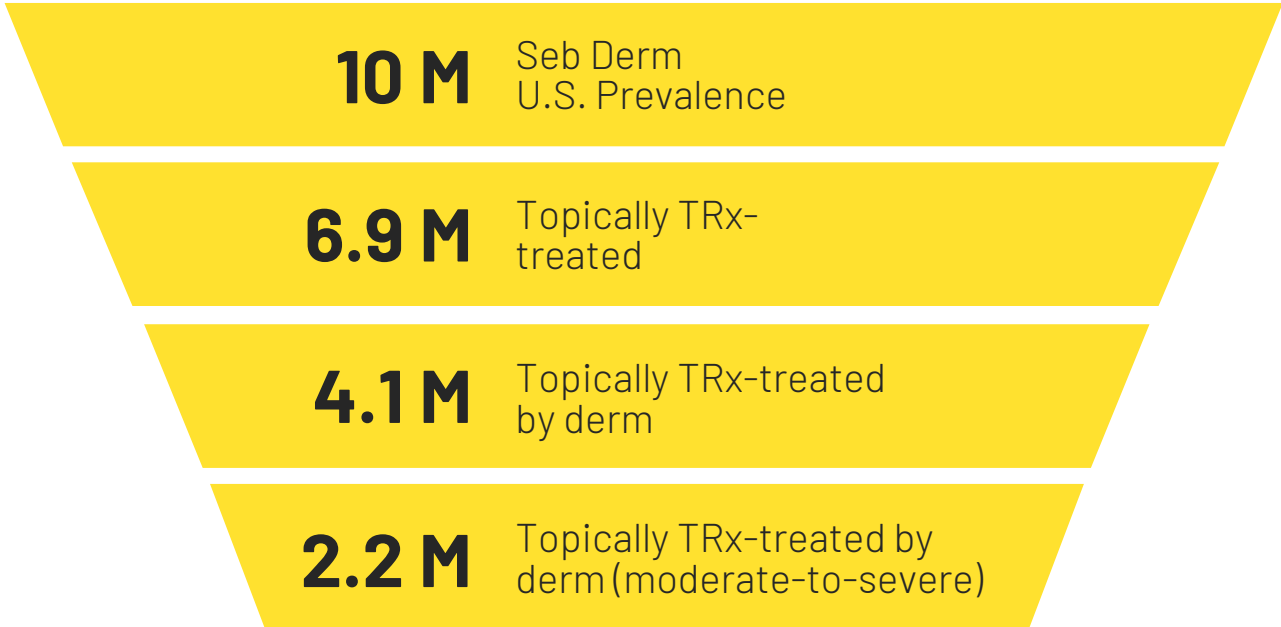


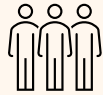
# Roflumilast Foam Could Become Standard of Care in Seborrheic Dermatitis





# Seborrheic Dermatitis: Opportunity Comparable in Size to Psoriasis



  
**75**

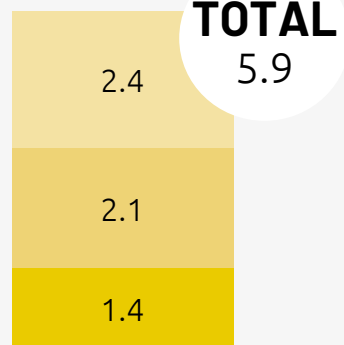
Average # of seborrheic dermatitis patients seen in a typical month

	Mild	Moderate	Severe
Patients receiving a prescription treatment 1 <sup>st</sup> line <sup>1</sup>	71%	92%	97%

<sup>1</sup>Arcutis Quantitative Seb Derm Research August 2020, n=100 Dermatology HCPs; TRx = prescription

# Patients Require Complex and Onerous Treatment Regimens

## Actively Using Treatments<sup>1</sup> Per Week, Mean



- Prescription treatments
- OTC treatments
- Alternative treatments

**9 in 10** AGREE<sup>1</sup>

"I would be more likely to stick with a treatment plan if it meant using fewer treatments."

## Patients ready for new options

“I am interested in trying new treatment options.”

  
**9 in 10**  
AGREE<sup>1</sup>

<sup>1</sup>Harris Poll Seborrheic Dermatitis Survey (n>600 HCPs, n=300 patients)

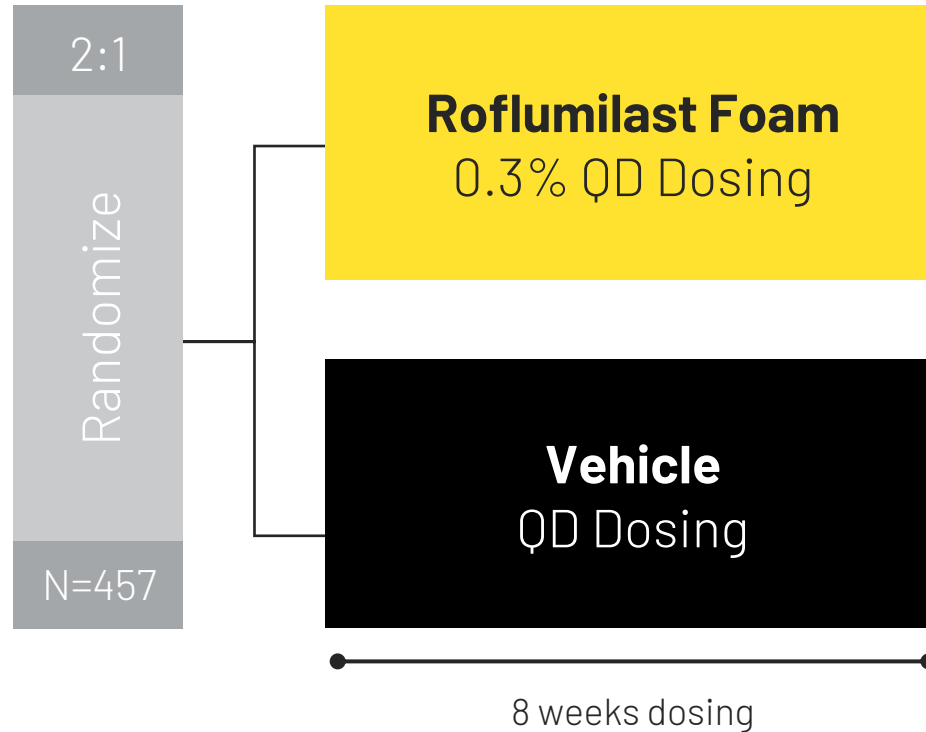
OTC = over the counter; HCP = healthcare professional

# STRATUM Phase 3 Trial in Seborrheic Dermatitis

Randomized, Double-blind, Vehicle-controlled Multicenter Study

## Eligibility

- Diagnosis of at least moderate seborrheic dermatitis (IGA  $\geq 3$ )
- Age 9+
- Up to 20% BSA



## Endpoints

### Primary

- IGA success at week 8

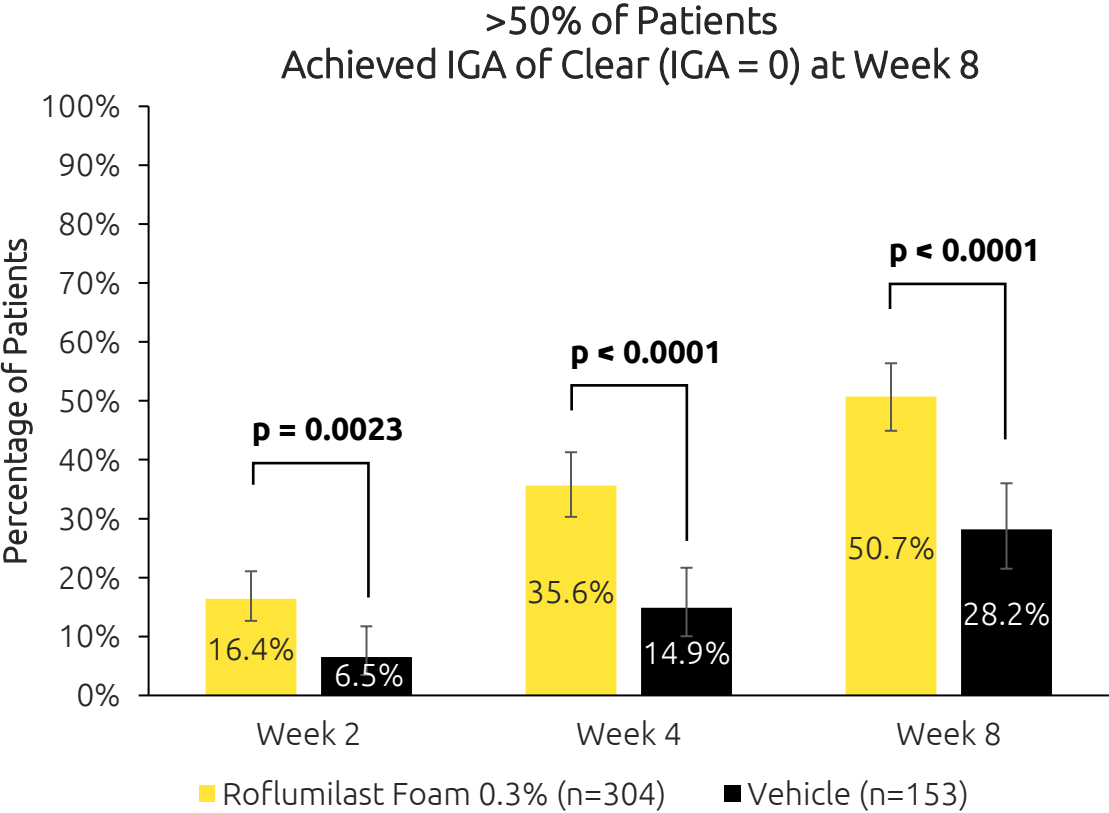
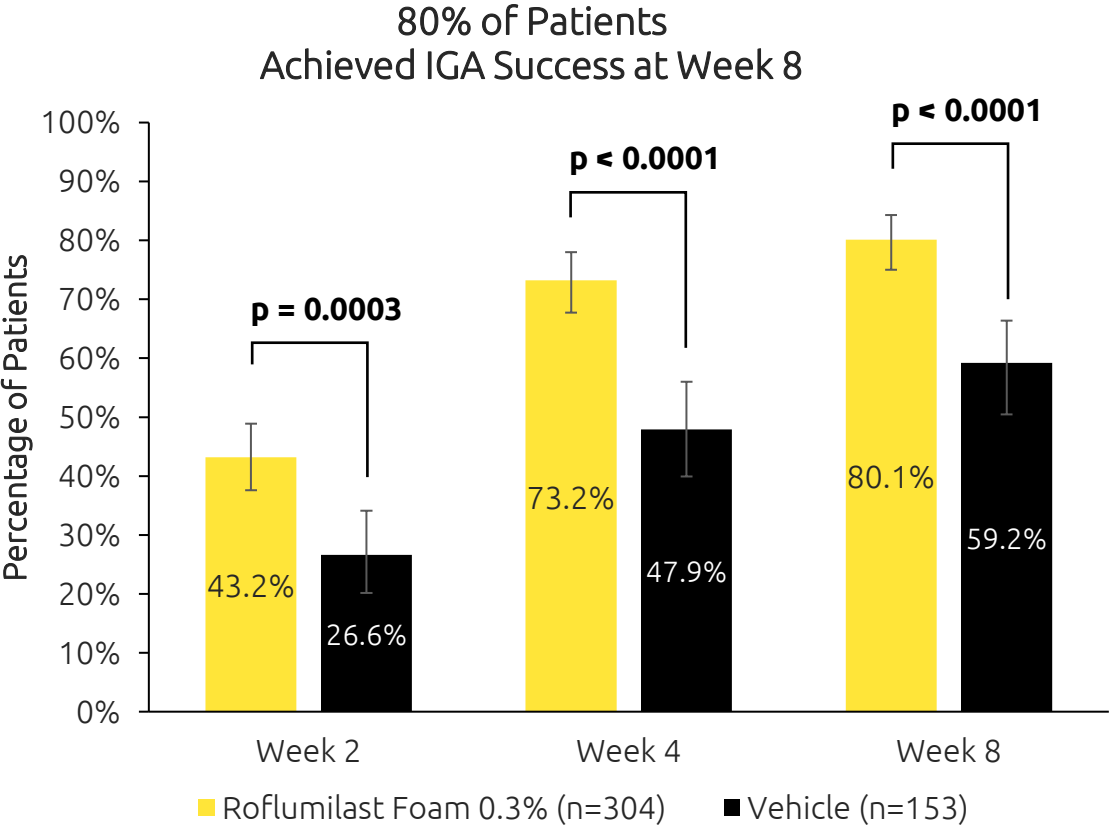
### Secondary

- IGA success at week 2 and 4
- IGA score of 0 at week 8
- Overall assessment of erythema/scaling
- WI-NRS (itch)

### Safety and tolerability

Single STRATUM study should be sufficient basis for NDA

# 80% of Patients Achieved IGA Success & 50% Completely Clear at 8 Weeks in Seb Derm Phase 3

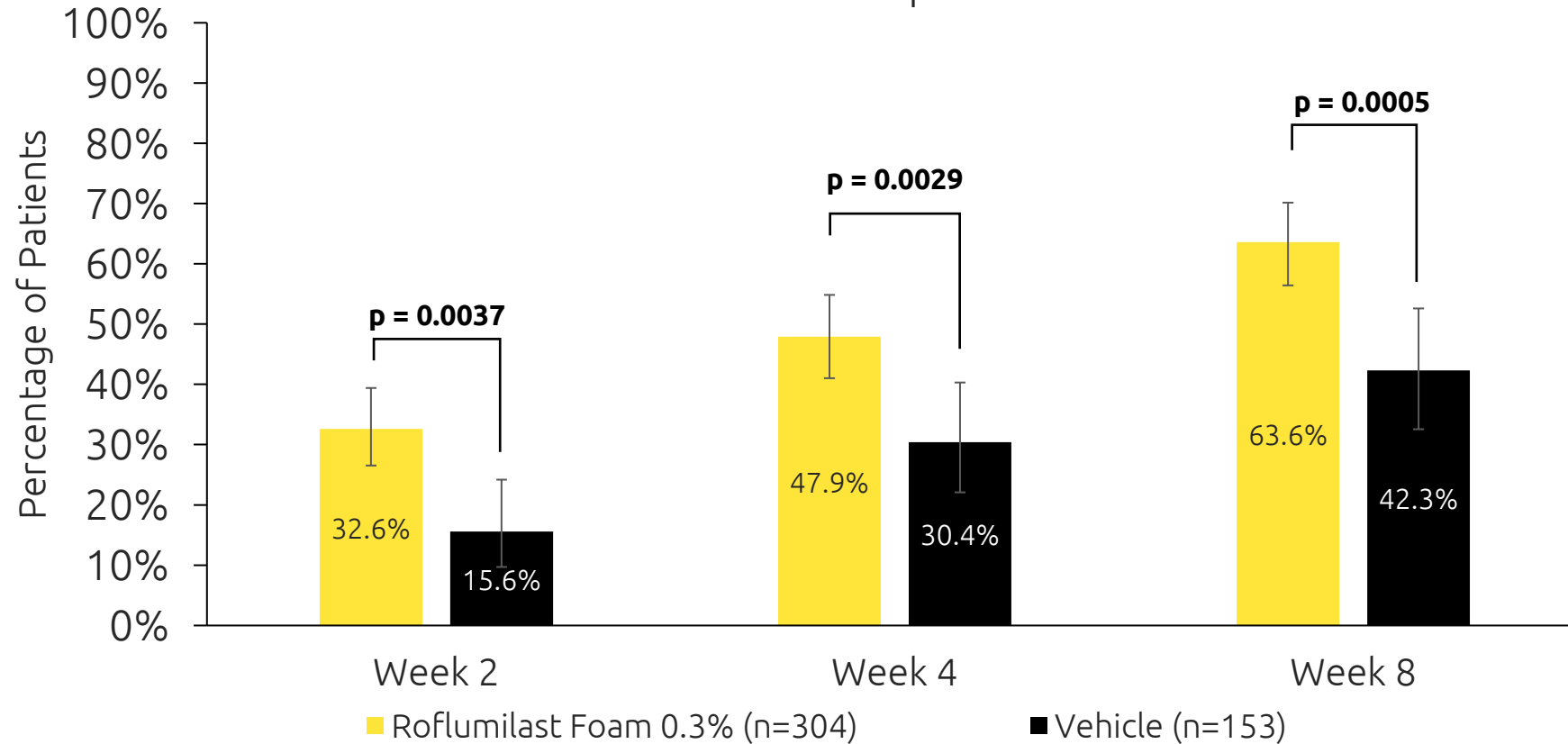


IGA Success = Clear or Almost Clear with at least a 2-grade improvement from baseline

# Robust Itch Response in Phase 3 in Pivotal Phase 3 STRATUM Trial

**~64% of Patients**

Achieved a WI-NRS Response at Week 8



WI-NRS: Worst Itch Numeric Rating Scale; WI-NRS response = 4 point reduction in WI-NRS in patients with WI-NRS > 4 at baseline

# Roflumilast Foam Was Well-Tolerated in Pivotal Phase 3 STRATUM Trial

<b>Subjects (%)</b>	<b>Roflumilast 0.3%</b> (n=304)	<b>Vehicle</b> (n=153)	<b>Overall</b> (n=457)
Subjects with any TEAE	70 (23.0%)	33 (21.6%)	103 (22.5%)
Subjects with any Treatment-Related TEAE	8 (2.6%)	5 (3.3%)	13 (2.8%)
Subjects with any SAE	1 (0.3%)	0	1 (0.2%)
Treatment-related SAE	0	0	0
Subjects who discontinued Study Drug due to AE	2 (0.7%)	3 (2.0%)	5 (1.1%)
Subjects who discontinued Study due to AE	2 (0.7%)	3 (2.0%)	5 (1.1%)

*AE: adverse event; SAE: serious adverse event; TEAE: treatment-emergent adverse event*

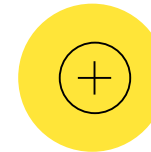
# Most Common Treatment Emergent Adverse Events (>1.0% in Any Group) in Pivotal Phase 3 STRATUM Trial

Preferred Term	Roflumilast 0.3% (n=304)	Vehicle (n=153)	Overall (n=457)
COVID-19	11 (3.6%)	5 (3.3%)	16 (3.5%)
Urinary tract infection	4 (1.3%)	3 (2.0%)	7 (1.5%)
Nasopharyngitis	4 (1.3%)	1 (0.7%)	5 (1.1%)
Nausea*	5 (1.6%)	0	5 (1.1%)
Application site pain	1 (0.3%)	3 (2.0%)	4 (0.9%)
Sinusitis	0	2 (1.3%)	2 (0.4%)

*\*All graded as mild*

# Advancing Multiple Preclinical Programs in Dermatology

Candidate	Preclinical Program
<b>ARQ-252 Cream</b> (JAK1 Inhibitor)	<ul style="list-style-type: none"><li>• Chronic Hand Eczema</li><li>• Vitiligo</li></ul>
<b>ARQ-255 Suspension</b> (JAK1 Inhibitor)	<ul style="list-style-type: none"><li>• Alopecia Areata</li></ul>
Other Preclinical Projects	<ul style="list-style-type: none"><li>• Acne</li><li>• Palmoplantar Psoriasis</li><li>• Nail Psoriasis</li><li>• Rosacea</li></ul>



## Strategic In-licensing / Business Development

- Best-in-class potential
- Validated targets
- Modality agnostic

**Ducentis**  
BioTherapeutics



# Alopecia Areata (AA) – No Approved Treatments and Significant Unmet Needs

**1** in  
**500**

adults in the U.S.  
affected

## **Autoimmune, chronic, and relapsing hair loss**

ranging from scattered patches to  
complete loss of hair

## **Significant psychosocial impact**

on self-esteem, body image, and/or self-confidence

## **No FDA-approved therapies**

- Standard of care includes topical steroids or steroid injections
- Most development focused on oral/systemic therapies targeting more severe disease
- Topical therapy well-positioned for more common mild-to-moderate disease



# Barriers to Topical Drug Delivery to the Hair Bulb

## Drug delivery challenge

suggested by failure of topical JAKi approach, coupled with success of oral JAKs

## Inflammation in AA

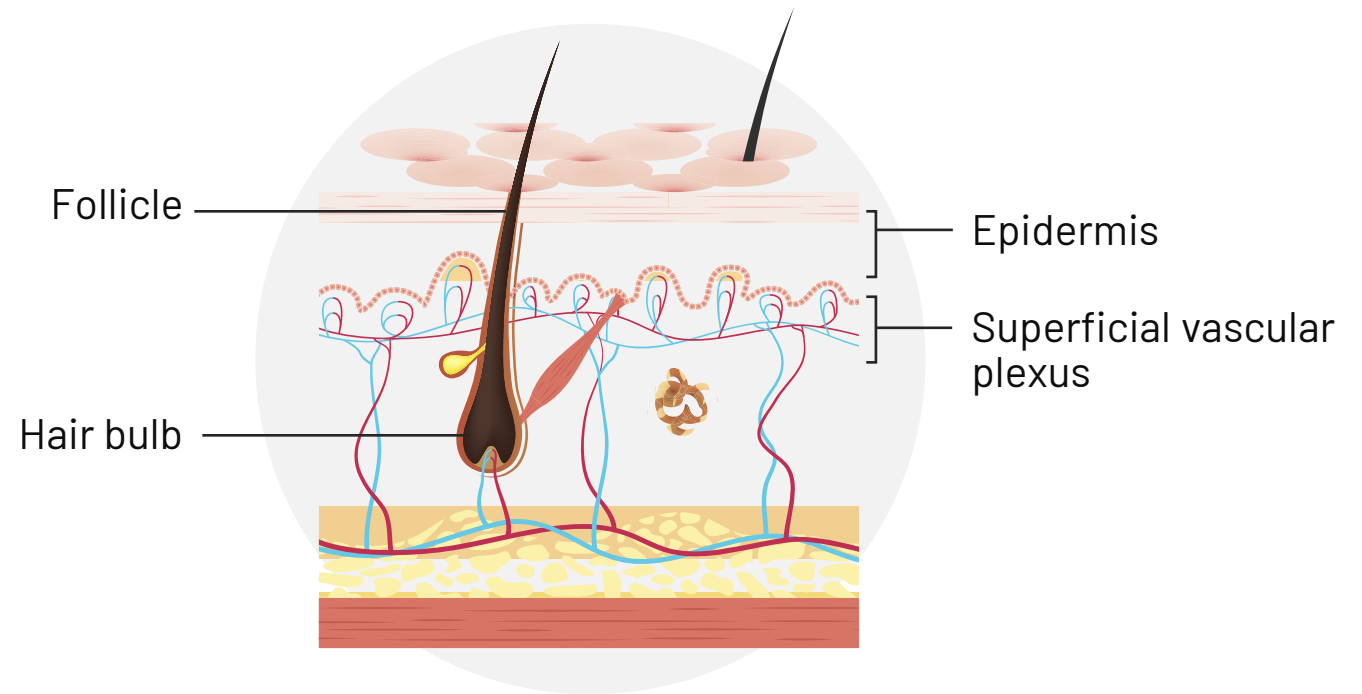
surrounds the hair bulb

## Challenges to topical treatment

- Depth of inflammation
- Dense vasculature

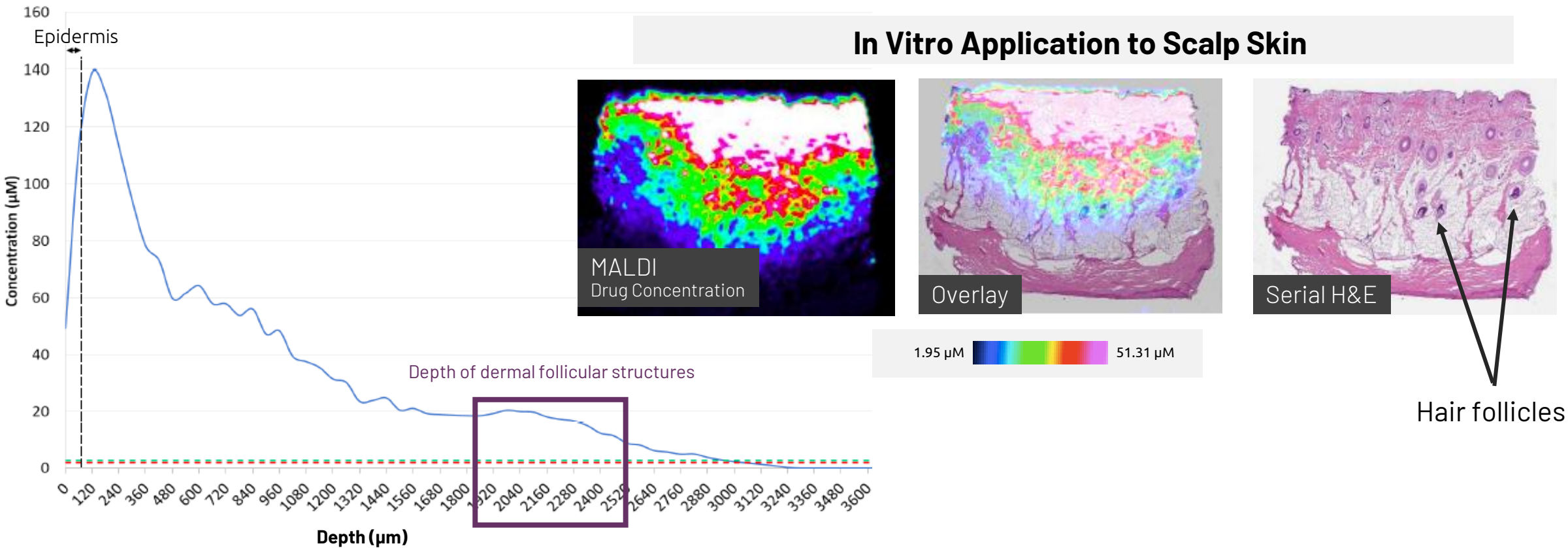
## ARQ-255

is designed to deliver drug to the site of inflammation deep in the hair follicle



AA = alopecia areata

# ARQ-255 With 4D Technology Delivers Drug Deep Into Scalp Where Alopecia Areata Inflammation Resides



**Anticipate Entering Clinic in 2022**

*4D = deep dermal drug delivery; MALDI = matrix assisted laser desorption/ionization; H&E = hematoxylin and eosin*

# Acquisition of Ducentis – Next Step Towards Evolution into Preeminent Immuno-Dermatology Company



## Aligned to the Arcutis Strategy

(1) Atopic Derm (AD) is Large Market with High Unmet Need, (2) CD200R is a biologically-validated target, (3) ARQ-234 potentially best-in-class molecule



## Leverages Arcutis' Deep Dermatology & Biologics Expertise



## ARQ-234 Is Highly Complementary To Roflumilast Cream In AD

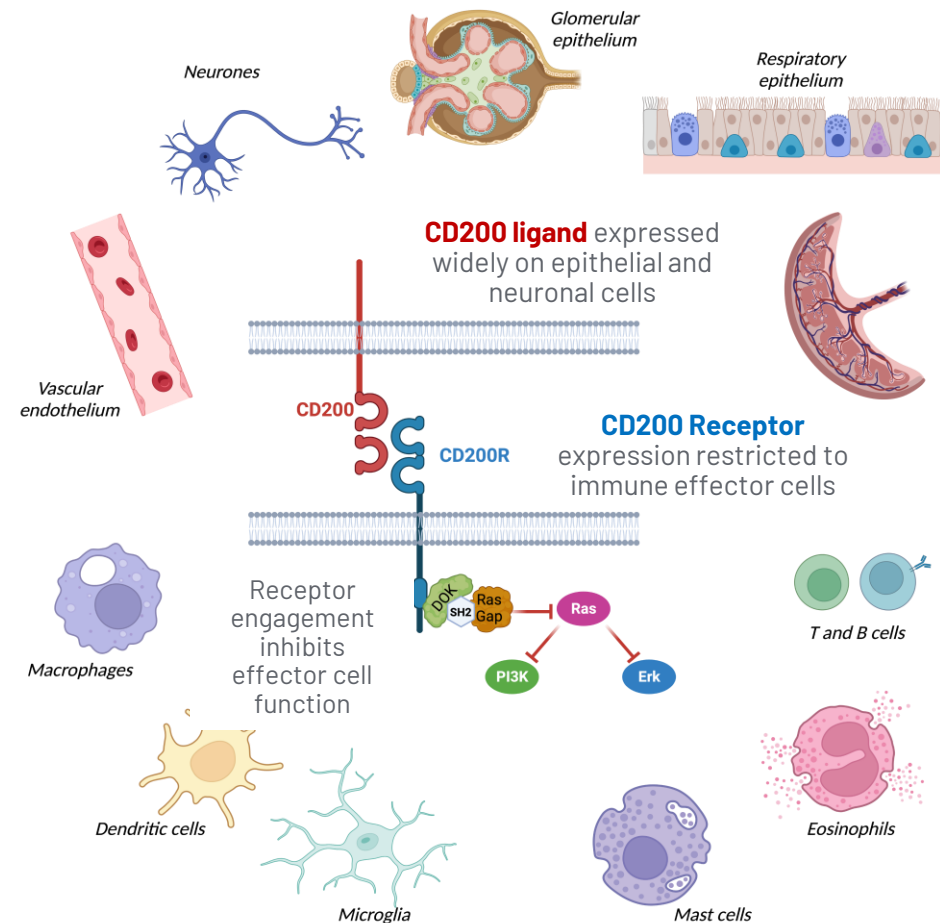


## Modest Investment to Acquire Biologic and Achieve Proof-of-Concept Against De-Risked Target in High-Value Indication



# CD200R: Promising Novel Immunomodulatory Pathway

- Checkpoint agonism -- opposite of checkpoint inhibitors used in oncology
- CD200 receptor (CD200R) agonism inhibits activated immune cells and suppresses unwanted immune responses
- ARQ-234 highly selective/potent agonist of CD200R
- Mechanism offers possibility of durable response, immune resolution and tolerance
- Differentiated MOA should be complementary to current therapies
- Clinical validation for CD200 biology in atopic dermatitis



ARQ-234 compares favorably against clinically-validated CD200R antibody  
Offers potential differentiation on efficacy and/or dosing