

Arcutis, Inc.'s ARQ-151 Development Program for Plaque Psoriasis

- ARQ-151 Potential "Best in Class" Topical PDE4 inhibitor
- ARQ-151 Potentially Only Topical PDE4 inhibitor for Psoriasis
 - Phase 2a Study in Plaque Psoriasis Completed
- Phase 2b Study Initiated, Data Anticipated Third Quarter 2019

Westlake Village, CA, May 7, 2019 – Arcutis, Inc., a privately held immuno-dermatology drug development company addressing significant unmet needs in dermatology today provided details on the ARQ-151 clinical development program for plaque psoriasis. ARQ-151, Arcutis' lead product candidate, is a highly potent and selective phosphodiesterase type 4 inhibitor ("PDE4 inhibitor") once-daily topical cream. The Company is currently evaluating the compound in a Phase 2b study in plaque psoriasis with top line results anticipated in the third quarter of 2019.

<u>Frank Watanabe</u>, Arcutis' President and Chief Executive Officer, commented: "Psoriasis is a very challenging dermatosis to treat topically. Based on the clinical data generated to date, we believe ARQ-151 is uniquely suited to address the unmet needs in topical treatment of psoriasis, offering an ideal combination of efficacy comparable to a high potency steroid, the ability to use the drug chronically in any anatomic area, and an excellent safety and tolerability profile."

ARQ-151 is a topical cream formulation of a highly potent and selective PDE4 inhibitor (roflumilast) that has been approved globally for the systemic treatment of COPD since 2011 and that is manyfold more potent than any other disclosed PDE4 inhibitor. Phosphodiesterase type 4 (PDE4) is an intracellular enzyme that increases the production of proinflammatory mediators and decreases production of anti-inflammatory mediators, and has been implicated in a wide range of inflammatory diseases including psoriasis, eczema, and chronic obstructive pulmonary disease (COPD). PDE4 is an established target in dermatology, and other PDE4 inhibitors have been approved by the U.S. Food and Drug Administration for the topical treatment of atopic dermatitis and the systemic treatment of plaque psoriasis.



Arcutis has completed an 89-patient randomized, double blind, vehicle-controlled multinational, multi-center Phase 2a study of ARQ-151 in plaque psoriasis. In the Phase 2a study, ARQ-151 produced statistically significant reductions in the signs of plaque psoriasis after only 2 weeks of once daily treatment, and produced a greater than 65% improvement from baseline after 4 weeks of daily treatment, while demonstrating excellent safety and tolerability in this population.

Based on the strength of the Phase 2a data, Arcutis initiated an on-going 332-patient randomized, double blind multinational, multi-center, 12-week <u>Phase 2b study</u> of ARQ-151 in plaque psoriasis. The primary endpoint of the study is the Investigator's Global Assessment (IGA). The study is fully enrolled, and the Company currently anticipates topline data from the Phase 2b study in the third quarter of 2019.

About Psoriasis

Psoriasis is an immune disease that occurs in about two percent of adults in western countries. About 90% of psoriasis cases is plaque psoriasis, which is characterized by "plaques", or raised, red areas of skin covered with a silver or white layer of scale. Psoriatic plaques can appear on any area of the body, but most often appear on the scalp, knees, elbows, trunk, and limbs, and the plaques are often itchy and sometimes painful. Plaques in certain anatomical areas present particular treatment challenges, including the face, elbows and knees, scalp, and intertriginous areas (where two skin areas may touch or rub together).

About Arcutis

Arcutis is a clinical-stage biopharmaceutical company focused on developing and commercializing drugs that address significant unmet medical needs in immune-dermatology. Arcutis exploits recent innovations in inflammation and immunology to develop best-in-class molecules against biologically validated targets, leveraging our industry-leading development expertise to bring to market novel dermatology treatments in less time, at lower cost and with lower risk than other approaches. Arcutis is currently developing two novel compounds (ARQ-151 and ARQ-250) for multiple



indications including, psoriasis, atopic dermatitis, and eczema. For more information, please visit www.arcutis.com or follow the Company on LinkedIn. Arcutis – Bioscience, applied to the skin.

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