

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 29, 2020

DERMTECH, INC.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction  
of incorporation)

001-38118  
(Commission  
File Number)

84-2870849  
(IRS Employer  
Identification No.)

11099 N. Torrey Pines Road, Suite 100  
La Jolla, CA 92037  
(Address of Principal Executive Offices and Zip Code)

Registrant's telephone number, including area code (858) 450-4222

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	DMTK	The Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

**Item 7.01 Regulation FD Disclosure**

The Company is furnishing with this Current Report on Form 8-K a copy of its current corporate presentation slides. The information in these slides shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Exchange Act or the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such a filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

Exhibit No.	Description
99.1	<a href="#">Current Corporate Presentation</a>

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**DERMTECH, INC.**

Date: January 29, 2020

By:

/s/ Kevin Sun

Name: Kevin Sun

Title: Chief Financial Officer



# CORPORATE PRESENTATION

Q1 2020

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# DISCLAIMER

This presentation includes forward-looking statements intended to qualify for the Safe Harbor from liability established by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that are not historical facts and can be identified by terms such as "anticipates," "believes," "continues," "could," "seeks," "estimates," "targets," "guidance," "expects," "intends," "may," "ongoing," "plans," "potential," "predicts," "prospects," "projects," "should," "will," "would," or similar expressions intended to identify statements about the future and the negatives of those terms, although not all forward-looking statements contain these identifying words. These statements are based on management's current beliefs and expectations. These statements, including, but not limited to, statements regarding clinical utility tests, regulatory action, third-party payer reimbursement, and demand for our test, are subject to substantial known and unknown risks, certainties, and other factors that could cause actual results to differ materially from those suggested or implied by these forward-looking statements. These factors include, but are not limited to, the following: regulatory action with respect to our Pigmented Lesion Assay and adhesive biopsy (together, the "Test"); the commercial launch and future sales of the Test or any other of our future products or tests; our ability to achieve favorable pricing for the Test; third-party payor reimbursement for the Test; the accuracy of our estimates regarding anticipated capital requirements and our needs for additional financing; market size and market adoption of the Test by dermatologists; the timing, cost and other aspects of the commercial launch of the Test; the timing and cost of clinical utility tests for the Test, including whether such tests will be conducted at all; our ability to develop and commercialize additional tests and products; and our ability to enter into necessary transactions for licensing, acquisitions and strategic operations, as applicable. DermTech may not actually achieve the plans, intentions or expectations disclosed in its forward-looking statements, and you should not place undue reliance on DermTech's forward-looking statements.

The risks and uncertainties that may cause actual results to differ materially from DermTech's current expectations are more fully described in DermTech's reports filed with the Securities and Exchange Commission (the "SEC"). You may obtain these reports for free by visiting EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov). DermTech assumes no obligation to update any forward-looking statements after the date of this presentation or to conform any forward-looking statements to actual results, and has no intention of doing so except to the extent required by applicable law. You should, therefore, not rely on the forward-looking statements in this presentation as representing DermTech's views as of any date subsequent to the date of this presentation.

# LEADERSHIP TEAM



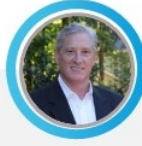
**John Dobak, MD**  
Chief Executive Officer

- Founder & Chairman, 10xBio (aesthetic medicine drugs)
- Chairman, Pantherics (anti-inflammatory drugs)
- MD, UCSD, Bachelors, UCLA



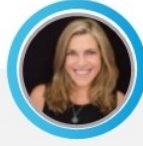
**Todd Wood**  
Chief Commercial Officer

- Allergan, VP US Sales, Dermatology, Ophthalmology, Aesthetics



**Daniel Visage, MBA**  
Sr. VP, Payer Access

- Progenity, VP Payer Access
- OPKO/BRL, VP Managed Markets
- LabCorp
- Florida Blue, Kaiser, Carecentrix



**Claudia Ibarra**  
Chief Operating Officer

- Exagen, Sr. VP Lab Operations
- Genoptix, Director Lab Operations



**Kevin Sun, MS, MBA**  
Chief Financial Officer

- Dexcom, VP Finance, Corporate Controller and Treasury, Interim CFO
- Biosite, FP&A, SEC Reporting, SOX Compliance
- MBA, MS, Kelley School of Business at Indiana University



**Zuxu Yao, PhD**  
Chief Scientific Officer

- Senior roles at Nexogen, Advance, Celula, Nanogen
- Post-doctoral, UCSD
- PhD, Memorial University of Newfoundland



**Burkhard Jansen, MD**  
Chief Medical Officer

- Dermatologist
- FDA Consultant
- Post-doctoral, University of Minnesota; MD, University of Graz



## DERMTECH

### Mission:

To bring precision to the practice of dermatology through non-invasive genomic assessment of the skin.



DermTech, Inc. (NASDAQ: DMTK) is a leader in precision dermatology enabled by a **non-invasive skin genomics platform**.



We address very large market opportunities in skin cancer and skin inflammatory disease



We are commercial stage and currently offer the Pigmented Lesion Assay (PLA) for early melanoma detection



We operate a CLIA-certified and CAP-accredited commercial laboratory in San Diego, CA. Our skin cancer product is available in all 50 U.S. states.
























We are commencing scale up around our recent Medicare coverage policy and new CPT Code (0089U) with favorable reimbursement

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# GENOMIC INNOVATIONS ARE LESS INVASIVE, MORE ACCURATE, AND LESS EXPENSIVE

Focus	COMPANY	OLD STANDARD OF CARE	NEW-GEN DIAGNOSTIC
Breast	 Genomic Health LIFE. CHANGING.		
Colorectal	 exact sciences		
Thyroid	 veracyte.		
Heart	 CareDx Your Partner in Transplant Care		
Lung	 GUARDANT HEALTH		
Prenatal	 natera		
Skin	 DermTech		



# A SNAPSHOT OF THE U.S. SKIN CANCER MARKET



## Skin Cancer

Melanoma, Basal Cell,  
and Squamous Cell  
Carcinoma



More people are diagnosed with skin cancer than all other cancers combined and **1 in 5 Americans** will develop skin cancer by the age of 70



Annual cost of treatment is estimated to be \$8.1 billion, \$4.8 billion for non-melanoma and \$3.3 billion for melanoma (2018)



**~4.5 million cases of basal cell and squamous cell** diagnosed per year in the US, **~11 MM** diagnostic biopsies, with **~20,000 deaths**



**~180,000 new cases of melanoma** were reported in 2018, **~4.0 MM** diagnostic biopsies, with **~10,000 deaths**

Source: Cancer Facts & Figures 2018. American Cancer Society.

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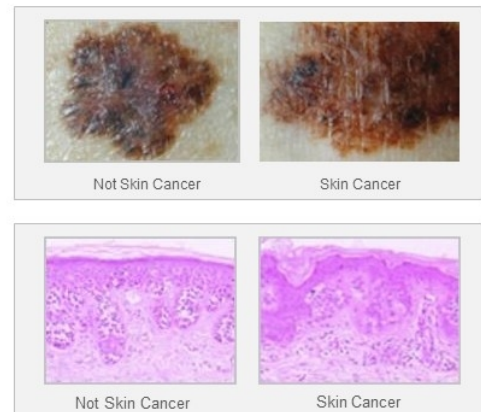
# EARLY DETECTION OF MELANOMA IS CRITICAL TO SURVIVAL

## 5-Year Relative Survival Rate<sup>1</sup>



1. Cancer Facts & Figures 2018. American Cancer Society.  
 2. Hanke CW, Carcinoma and Keratoses, 1:2 2019

## Early Detection Visually Is Extremely Difficult



**Only 1% to 2% of lesion tissue is sampled during dermatopathology<sup>2</sup>**

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# CURRENT STANDARD OF CARE IN MELANOMA IS ANTIQUATED

~3.8 million unnecessary biopsies annually

## Subjective Clinical Visual Assessment

Leads to ~25 surgical biopsies performed per melanoma found<sup>1</sup>

## Subjective Pathology Assessment

Leads to 58% early stage melanomas diagnostic misinterpretation<sup>2</sup>

High probability of missed melanoma (17%)<sup>3</sup>

Leads to high proportion (>20%) unnecessary wide excisions<sup>3</sup>

## Most Biopsies Are NOT Melanoma

~4.0 million biopsies annually to identify 180k cases<sup>1</sup>



1. Anderson A, et al., *JAMA Dermatology*, 2018; doi:10.1001/jamadermatol.2018.0212
2. Elmore JG, et al. *BMJ*. 2017;357:j2813.
3. Strazzula L, et al. *Journal of the American Academy of Dermatology*, 2014; 71:1071-6

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# PLA BRINGS SKIN CANCER DIAGNOSTICS INTO THE 21<sup>ST</sup> CENTURY

A Better Diagnostic Solution for Dermatology

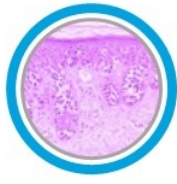
## Current Practice: More Art Than Science



Subjective Visual Assessment



Surgical Biopsy



Subjective Histopathology

SUBJECTIVE

LOW ACCURACY

INVASIVE

HIGH COST

## The Future: Non-invasive Skin Genomics



Adhesive Patch Sample Collection



Genomic Analysis  
CLIA/CAP  
Commercial Lab



Physician Report  
(within 72 hrs.)

OBJECTIVE

HIGH ACCURACY

NON-INVASIVE

LOW COST

CAP: College of American Pathologists; CLIA: Clinical Laboratory Improvement Amendments.

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# DERMTECH'S PIGMENTED LESION ASSAY (PLA)

Enhanced Early Melanoma Detection: Non-invasive Gene Expression Test<sup>1</sup>

## Non-invasive adhesive patch collection

- Avoids unnecessary surgery
- Improved patient care

## Earliest detection

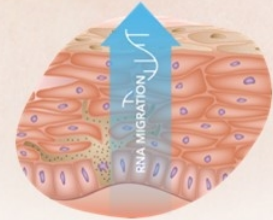
- Detects genomic drivers of cancer
- Genomic changes can precede visual changes

## Highly accurate

- Low probability of missed melanoma (<1%)
- 100% of a lesion is sampled
- Uses the precision of genomics



Genomic Material  
Purified from Patch



1. Gerami P, et al., JAAD 2017, 76:114

# BETTER CARE AT A LOWER COST

## Highly Validated Diagnostic Metrics

### HIGHLY VALIDATED WITH PROVEN CLINICAL UTILITY

**91%**  
sensitivity<sup>2</sup>

**>99%**  
negative predictive  
value (NPV) VS  
83% NPV OF  
CURRENT  
pathway<sup>1,2</sup>

Clinicians follow  
the guidance of the  
test in over  
**98%**  
of cases<sup>2,5</sup>

Validated in 14 peer  
reviewed publications

**Fewer biopsies while missing fewer melanomas**

A long term follow-up confirms the high NPV and high utility of the PLA in helping guide the management of pigmented lesions<sup>5</sup>

**Enhance early detection of melanoma  
by identifying lesions with genomic atypia**

## Superior Performance

Performance Metric	Biopsy & Histology	PLA Test	Improvement
<b>Probability Of Missed Melanoma<sup>1</sup></b>	17%	1%	<b>17x</b>
<b>Biopsies Per Melanoma<sup>2</sup></b>	25	2.7	<b>10x</b>
<b>Wide Excisions Per Melanoma<sup>2,3</sup></b>	5.2	1.6	<b>3x</b>
<b>Cost Per Lesion Tested<sup>4</sup></b>	~\$1,000	\$760	<b>-\$240</b>

1. Elmore JG, et al. *BMJ*. 2017; 357:j2813 & Malvehy J, et al. *BJD*. 2014; 177:1099-1107
2. Ferris L, et al. *JAMA Dermatol*. 2018; 154(10):1229-1230 & Gerami P, et al., *JAAD* 2017, 76:114-120e
3. Strazzula L, et al. *JAAD*. 2014; 71:1071-6 & Ferris L, et al. *Melanoma Research*, 2018 1:DOI10.1097
4. Hornberger J and Siegel D. *JAMA Dermatol*, 2018 154(9):1-8
5. Ferris L, et al. *DOJ*. 2019, 25(5):1-8

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# STRONG CLINICAL VALIDATION AND ROBUST IP PORTFOLIO

MILESTONE	STATUS	SAMPLE SIZE
Analytical Validation	✓ Complete	125
Clinical Validation – pathology	✓ Complete	555
Clinical Validation – mutation	✓ Complete	626
Clinical Utility	✓ Complete	45 Derrs
Real-World Utility	✓ Complete	381
1-Year Follow-up	✓ Complete	734
Real-World Utility Registry	Ongoing	3418
Adhesive Biopsy Validation	✓ Complete	N/A
Health Economic	✓ Complete	326
CPT Codes	✓ Complete	N/A

## IP Portfolio



### Issued US patents provide broad protection for melanoma product through 2030

- Broad methods covering RNA analysis of adhesive patch collected skin: 7,183,057
- Method of detection of biological factors in epidermis: 6,720,145
- Broad claims for melanoma gene classifier: 9,057,109
- Broad claims for melanoma gene classifier: 10,407,729



### Patents issued in select countries worldwide

- Multiple European countries, Canada, Japan, and Australia



### Trade secrets and technical know-how

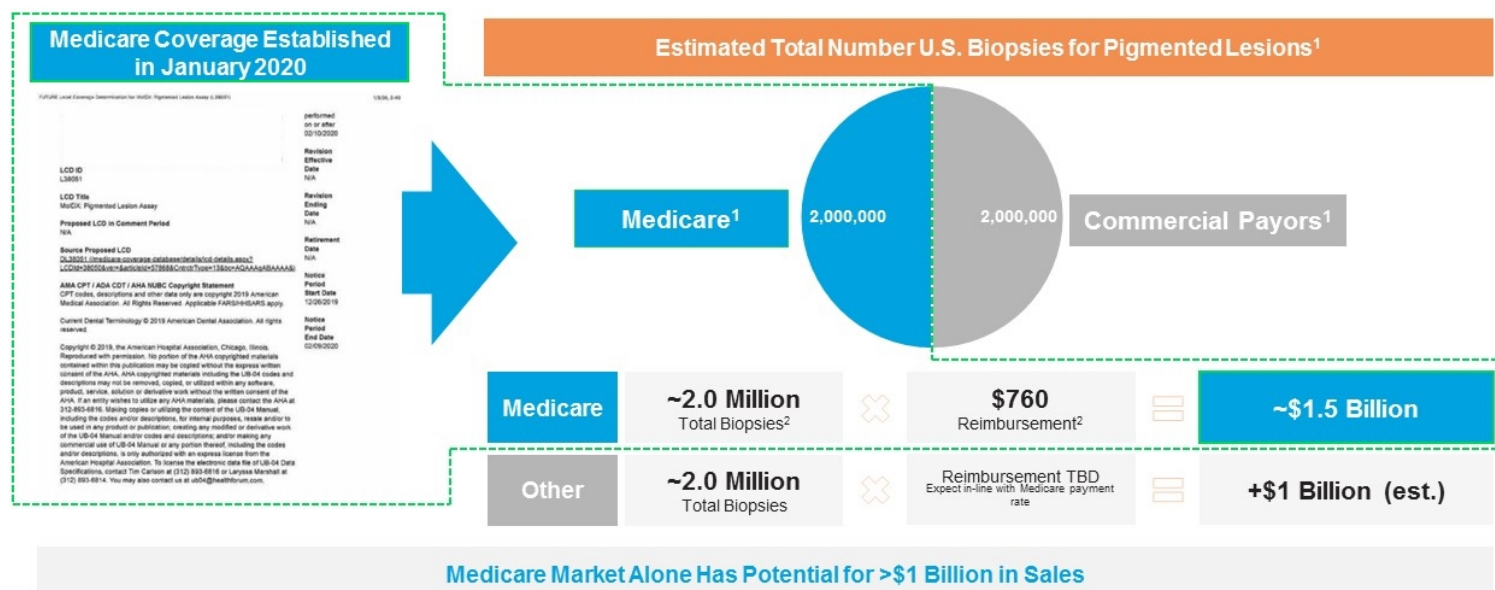
- Low quantity, poor quality sample material requires special processes
- Custom automation

CPT: Current Procedural Terminology; N/A: not applicable.  
Publications available at [www.dermtech.com](http://www.dermtech.com)

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# CMS PRICING IN PLACE UNLOCKS SIGNIFICANT MARKET OPPORTUNITY



1. Source: IQVIA Skin Cancer Claims and Procedures Study

2. 2020 Clinical Laboratory Fee Schedule: <https://www.cms.gov/medicare/medicare-fee-service-payment/clinicallab/feeschedclinical-laboratory-fee-schedule-files/20clabo1>



# PLA CASE STUDY – JAMA DERMATOLOGY PUBLICATION

## Effectiveness Attributes of the PLA Test



### Background

- 28-year-old female
- Family history of melanoma
- **Complained of bug bite**
- Refused surgical biopsy

### DermTech Results

- **PLA test was positive**
- **Histopathology revealed 0.5-mm melanoma**
- Curative wide excision performed
- Case study published in *JAMA Dermatology*<sup>1</sup>



1. Childs MV. JAMA Dermatol. 2018; 154(2):223

# COMMERCIAL ACTIVITIES



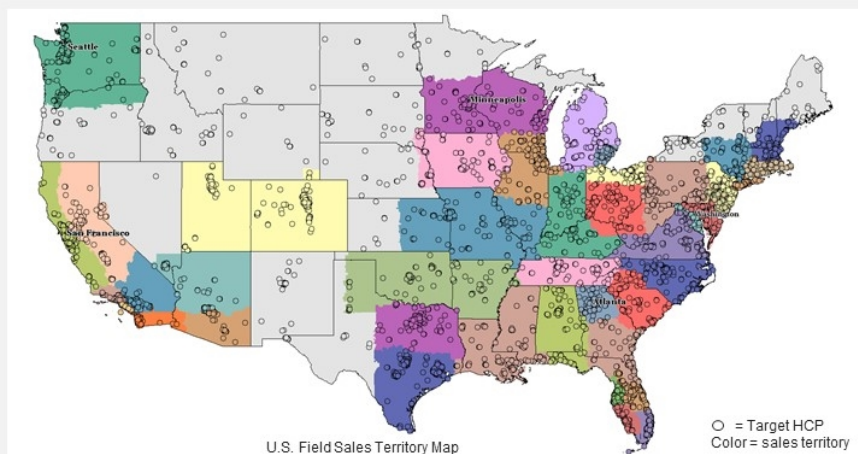
# COMMERCIAL GROWTH STRATEGY

- 1 **Aim to expand sales force to up to ~53 reps in 12-24 months**
  - Optimize market coverage and call frequency
- 2 **Drive adoption through optimized clinician messaging**
  - Improved and tested professional campaign
- 3 **Define PLA product positioning and comparable practice economics**
  - Expands testing to ambiguous lesions followed for change and enhances detection by avoiding delays
- 4 **Actively engage and mobilize the patient**
  - Scale our digital patient campaign
- 5 **Establish broader payer coverage**
  - Leverage new Medicare coverage to Medicare Advantage plans and commercial payers

# EXPAND DERMATOLOGY SALES FORCE TO UP TO ~53 REPS

○ Each circle represents a prioritized dermatology target: high number melanoma biopsies, >50% proportion Medicare patients

- **Penetrate 80% of ~4,654<sup>1</sup> target Derm HCPs**
  - Average ~66 biopsies/mo/clinician
- **Drive to average of 10 PLA tests/mo/clinician<sup>2</sup>**
  - Based on historical physician productivity metrics
  - Minimal impact to biopsy practice
- **~446,000 tests per year**
- **Peak sales goal = ~\$312 MM/year<sup>3</sup>**
- **~10% served market penetration**



1. Source: IQVIA Skin Cancer Claims and Procedures Study  
 2. DermTech estimate based on historical "good" account  
 3. Assumes convergence of Medicare and commercial payer rates with average ASP of \$700/test

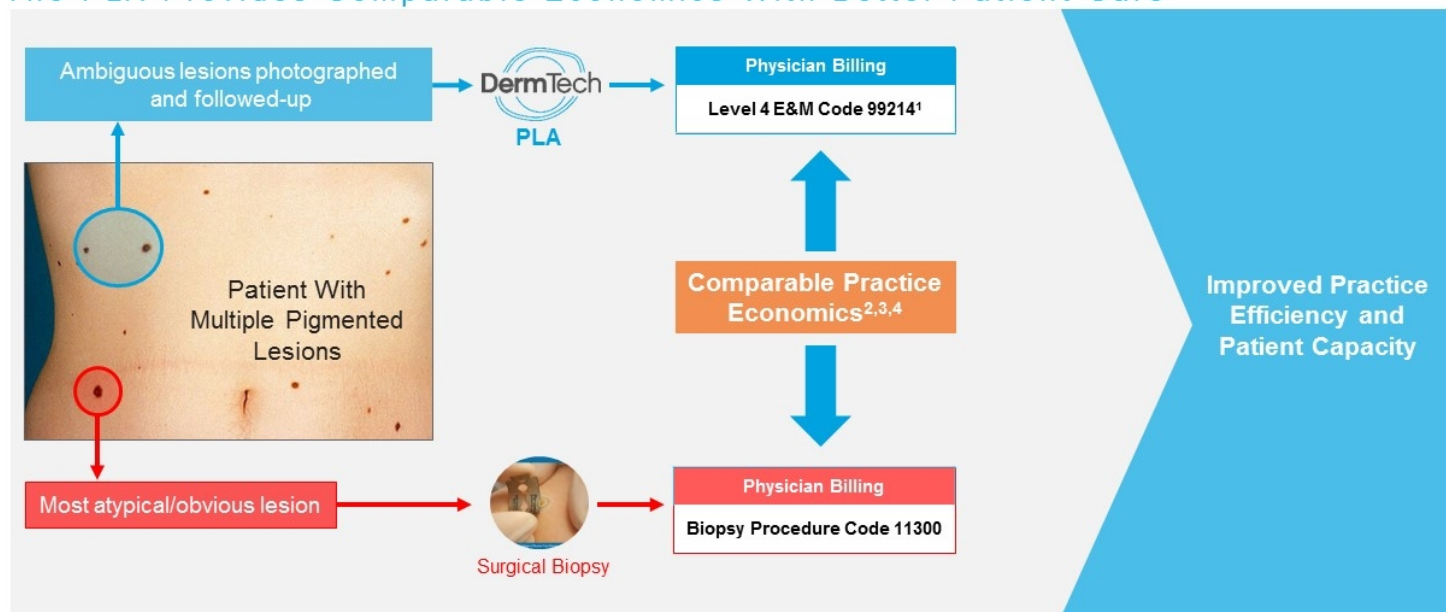
# OPTIMIZED CORE CLINICIAN MESSAGING



	PLA Test	vs	Biopsy
01	Samples the entire lesion		Samples less than 1-2% of a potentially partial surgical biopsy
02	Measures malignant changes that cannot be seen visually		Morphologic changes must be present and in the field of observation
03	Provides additional objective genomic information		Relies on subjective visual criteria
PLA Enhances the Current Standard of Care			

# DEFINE PLA POSITIONING AND CLARIFY PRACTICE ECONOMICS

The PLA Provides Comparable Economics With Better Patient Care



1. Based on AMA billing criteria for CPT E&M codes

2. Net economics accounting for differences in cost for labor (physician work vs. nursing work) and supplies

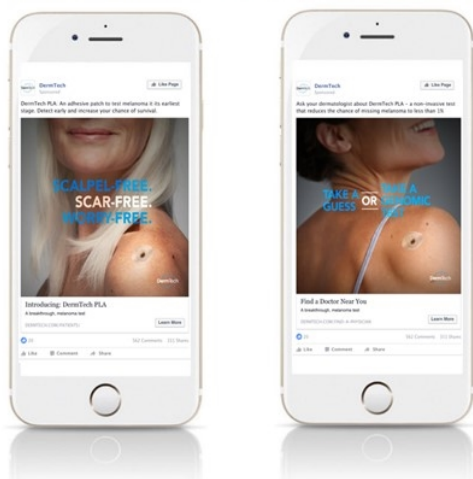
3. Biopsy procedure costs based on AMA RVS Update Committee figures

4. Reimbursement rates based on Medicare payments for established patient E&M CPT codes and biopsy procedure CPT codes, CodeMap™



# SCALE DIGITAL CONSUMER CAMPAIGN

Bring the patient voice into the biopsy decision: build awareness among Medicare patients



seniors own a smartphone<sup>1</sup>



Internet users 65+ are online daily<sup>1</sup>



of adults 60 and older have health plan coverage\*



of adults 60-69 rate health and wellness of highest importance\*

\*West Health Institute Survey on Aging America, 2016

**Successful Facebook pilot exceeded reach and click-through rates<sup>2</sup>**  
**Consumer research shows patients frustrated with current care and are vocal about it<sup>1</sup>**

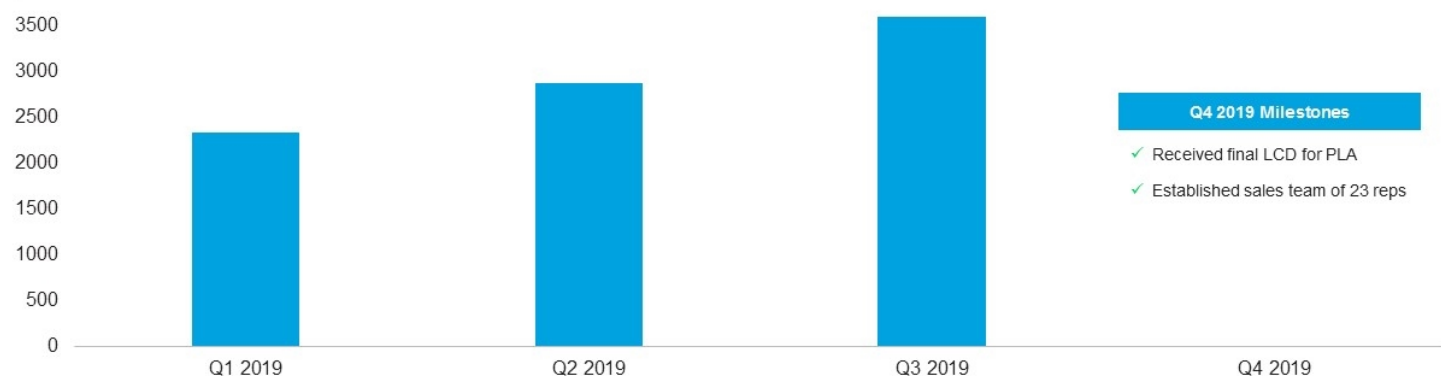
1. Source: "Tech Adoption Climbs Among Older Adults", survey conducted Sept. 29-Nov6, 2016
2. DermTech Facebook advertising pilot based on targeted scope and historical benchmarks for Facebook health technology advertising

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# MEDICARE COVERAGE A SIGNIFICANT MILESTONE FOR TEST UNIT AND REVENUE GROWTH

DermTech Quarterly Billable Sample Volume, 2019



## Q4 2019 Milestones

- ✓ Received final LCD for PLA
- ✓ Established sales team of 23 reps

Company	Test	CMS Approval	Pre-Approval Revenue (MM)	Year 1 Revenue (MM)	Year 1 Gross Margin	Year 1 Opex % Rev
Exact Sciences	ColoGuard	10/9/2014	\$1.8	\$39.4	38%	441%
Veracyte	Afirma	1/9/2012	\$2.7	\$11.6	35%	198%
Genomic Health	OncotypeDX	1/13/2006	\$5.2	\$29.2	66%	172%


Source: DermTech, Inc., Capital IQ, Bloomberg

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# PRODUCT AND RESEARCH PARTNERSHIP PIPELINE

Product	Test Purpose	Assay Type	Gene Targets	Stage
<b>Pigmented Lesion Assay (PLA)</b>	Melanoma R/O	PCR	LINC, PRAME	On Market
<b>PLA <i>plus</i></b>	Next Gen Melanoma R/O	Mut/PCR	LINC, PRAME, TERT	Q1 2020 Introduction
<b>Luminate</b>	Non-melanoma Skin Cancer Risk	Mut	Not Disclosed	Development
<b>Carcinome</b>	Basal & Squamous Cell R/O	PCR	Not Disclosed	Development
<b>ResponseAD</b>	Atopic Dermatitis Tx Response	PCR	Th2	Development
<b>Big Pharma Collaborations</b> <ul style="list-style-type: none"> <li>• ~\$9.5 million in research programs booked to date</li> <li>• Robust pipeline of opportunities and pending contracts</li> <li>• Independent performance development</li> <li>• Expansion to late-stage trials (phase II, III)</li> </ul>				

LINC: Long Intergenic Non-protein Coding RNA 518; PCR: Polymerase Chain Reaction; Mut: Mutation; PRAME: Preferentially Expressed Antigen in Melanoma; R/O: Rule Out; Tx: Treatment; TERT: Telomerase Reverse Transcriptase

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# COMMERCIAL LAB OPERATIONS



CLIA-licensed laboratory in State of California and all states requiring out-of-state licensure

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CAP-accredited

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~9000-square-foot commercial lab space

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Current capacity 50,000 tests per year

- Adding automation to increase to 100k+/year
  - Expansion preparation to 500k/year
- 



PLA assay turnaround time is ~72 hours



