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

FORM 10-Q
(Mark one)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2025

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-41063

JOURNEY MEDICAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**47-1879539**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

9237 E Via de Ventura Blvd., Suite 105, Scottsdale, AZ 85258
(Address of principal executive offices and zip code)

(480) 434-6670
(Registrant's telephone number, including area code)

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	DERM	NASDAQ Capital Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically, if any, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☐	Accelerated Filer	☐
Non-accelerated Filer	☒	Smaller Reporting Company	☒
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. ☐

Indicate by check mark whether registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class of Common Stock	Outstanding Shares as of May 15, 2025
Common Stock Class A, $0.0001 par value	6,000,000
Common Stock, $0.0001 par value	17,295,769

JOURNEY MEDICAL CORPORATION
Quarterly Report on Form 10-Q

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PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements (unaudited)

JOURNEY MEDICAL CORPORATION
Unaudited Condensed Consolidated Balance Sheets
(Dollars in thousands except for share and per share amounts)

	March 31, 2025	December 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	$ 21,070	$ 20,305
Accounts receivable, net of reserves	18,025	10,231
Inventory	12,496	14,431
Prepaid expenses and other current assets	2,395	3,212
Total current assets	53,986	48,179
Intangible assets, net	30,798	31,863
Operating lease right-of-use asset, net	178	199
Total assets	**$ 84,962**	**$ 80,241**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 14,404	$ 16,050
Due to related party	399	528
Accrued expenses	23,011	17,425
Accrued interest	381	404
Income taxes payable	59	60
Term loan - short-term	1,875	—
Installment payments – licenses, short-term	—	625
Operating lease liability, short-term	93	83
Total current liabilities	40,222	35,175
Term loan - long-term, net of discount	23,105	24,879
Operating lease liability, long-term	94	118
Total liabilities	**63,421**	**60,172**
Commitments and contingencies (Note 13)		
Stockholders' equity		
Common stock, $.0001 par value, 50,000,000 shares authorized, 17,104,437 and 16,153,610 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	1	1
Common stock - Class A, $.0001 par value, 50,000,000 shares authorized, 6,000,000 shares issued and outstanding as of March 31, 2025 and December 31, 2024	1	1
Additional paid-in capital	112,639	107,094
Accumulated deficit	(91,100)	(87,027)
Total stockholders' equity	21,541	20,069
Total liabilities and stockholders' equity	**$ 84,962**	**$ 80,241**

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

JOURNEY MEDICAL CORPORATION
Unaudited Condensed Consolidated Statements of Operations
(Dollars in thousands except for share and per share amounts)

	Three-Month Periods Ended March 31,	
	2025	2024
Revenue:		
Product revenue, net	$ 13,139	$ 13,030
Operating expenses		
Cost of goods sold – (excluding amortization of acquired intangible assets)	4,790	6,002
Amortization of acquired intangible assets	1,065	814
Research and development	39	7,884
Selling, general and administrative	10,569	8,420
Total operating expenses	16,463	23,120
Loss from operations	(3,324)	(10,090)
Other expense (income)		
Interest income	(149)	(217)
Interest expense	891	548
Foreign exchange transaction losses	7	21
Total other expense (income)	749	352
Loss before income taxes	**(4,073)**	**(10,442)**
Income tax expense	—	—
Net loss	**$ (4,073)**	**$ (10,442)**
Net loss per common share:		
Basic and diluted	$ (0.18)	$ (0.53)
Weighted average number of common shares:		
Basic and diluted	22,611,040	19,757,449

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

JOURNEY MEDICAL CORPORATION
Unaudited Condensed Consolidated Statements of Changes in Stockholders' Equity
(Dollars in thousands except for share and per share amounts)

Three-Month Period Ended March 31, 2025

	Common Stock		Common Stock A		Additional	Accumulated	Total Shareholders'
	Shares	Amount	Shares	Amount	Paid-in Capital	Deficit	Equity
Balance as of December 31, 2024	**16,153,610**	**$ 1**	**6,000,000**	**$ 1**	**$ 107,094**	**$ (87,027)**	**$ 20,069**
Share-based compensation	—	—	—	—	1,323	—	1,323
Exercise of stock options for cash	40,043	—	—	—	75	—	75
Issuance of common stock for vested restricted stock units	50,421	—	—	—	—	—	—
Issuance of common stock under ESPP	25,641	—	—	—	99	—	99
Issuance of common stock, ATM offering, net of issuance costs of $125	834,722	—	—	—	4,048	—	4,048
Net loss	—	—	—	—	—	(4,073)	(4,073)
Balance as of March 31, 2025	**17,104,437**	**$ 1**	**6,000,000**	**$ 1**	**$ 112,639**	**$ (91,100)**	**$ 21,541**

Three-Month Period Ended March 31, 2024

	Common Stock		Common Stock A		Additional	Accumulated	Total Shareholders'
	Shares	Amount	Shares	Amount	Paid-in Capital	Deficit	Equity
Balance as of December 31, 2023	**13,323,952**	**$ 1**	**6,000,000**	**$ 1**	**$ 92,703**	**$ (72,355)**	**$ 20,350**
Share-based compensation	—	—	—	—	1,406	—	1,406
Exercise of stock options for cash	55,375	—	—	—	68	—	68
Issuance of common stock for vested restricted stock units	211,028	—	—	—	—	—	—
Issuance of common stock under ESPP	52,211	—	—	—	85	—	85
Issuance of common stock, ATM offering, net of issuance costs of $46	289,744	—	—	—	1,484	—	1,484
Net loss	—	—	—	—	—	(10,442)	(10,442)
Balance as of March 31, 2024	**13,932,310**	**$ 1**	**6,000,000**	**$ 1**	**$ 95,746**	**$ (82,797)**	**$ 12,951**

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

JOURNEY MEDICAL CORPORATION
Unaudited Condensed Consolidated Statements of Cash Flows
(Dollars in thousands except for share and per share amounts)

	Three-Month Periods Ended March 31,	
	2025	2024
Cash flows from operating activities		
Net loss	$ (4,073)	$ (10,442)
Adjustments to reconcile net loss to net cash used in operating activities:		
Bad debt expense	195	6
Amortization of debt discount	101	62
Amortization of acquired intangible assets	1,065	814
Amortization of operating lease right-of-use assets	21	22
Share-based compensation	1,323	1,406
Changes in operating assets and liabilities:		
Accounts receivable	(7,989)	5,417
Inventory	1,935	(374)
Prepaid expenses and other current assets	817	1,011
Accounts payable	(1,646)	(2,806)
Due to related party	(129)	3
Accrued expenses	5,586	(317)
Accrued interest	(23)	219
Income tax payable	(1)	(16)
Lease liabilities	(14)	(24)
Net cash used in operating activities	(2,832)	(5,019)
Cash flows from financing activities		
Proceeds from exercise of stock options	75	68
Proceeds from issuance of common stock, ATM offering, net of issuance costs	4,048	1,484
Issuance of common stock under ESPP	99	85
Payments of license installment note payable	(625)	—
Net cash provided by financing activities	3,597	1,637
Net change in cash	765	(3,382)
Cash at the beginning of the period	20,305	27,439
Cash at the end of the period	**$ 21,070**	**$ 24,057**
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 813	$ 267
Cash paid for income taxes	$ —	$ —

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

JOURNEY MEDICAL CORPORATION
Notes to Unaudited Condensed Consolidated Financial Statements

NOTE 1. ORGANIZATION AND PLAN OF BUSINESS OPERATIONS

Journey Medical Corporation ("Journey" or the "Company") is a commercial-stage pharmaceutical company that primarily focuses on the selling and marketing of U.S. Food and Drug Administration ("FDA") approved prescription pharmaceutical products for the treatment of dermatological conditions. The Company's current product portfolio includes eight FDA-approved prescription drugs for dermatological conditions that are marketed in the U.S. The Company acquires rights to products and product candidates by licensing or otherwise acquiring an ownership interest in, funding the research and development of, and eventually commercializing the products through its field sales organization.

As of March 31, 2025 and December 31, 2024, the Company is a majority-owned subsidiary of Fortress Biotech, Inc. ("Fortress" or "Parent").

Liquidity and Capital Resources

At March 31, 2025, the Company had $21.1 million in cash and cash equivalents as compared to $20.3 million of cash and cash equivalents at December 31, 2024, and working capital of $13.8 million at March 31, 2025, as compared to $13.0 million at December 31, 2024.

The Company relies primarily on cash on hand generated from sales of its pharmaceutical products to customers to fund its core operations. In addition, the Company has relied on the proceeds from its term loan Credit Facility (as defined below) with SWK Funding LLC ("SWK"), and its at-the-market sales program with B. Riley to meet additional capital and liquidity needs, specifically to fund the research and development and commercialization of Emrosi.

The Company regularly evaluates market conditions, its liquidity profile, and financing alternatives, including out-licensing arrangements for its products, to enhance its capital structure. The Company may seek to raise capital through debt or equity financings to expand its product portfolio and for other strategic initiatives, which may include sales of securities under either the Company's shelf registration statement on Form S-3 (File No. 333 - 269079), which was declared effective by the SEC on January 26, 2023 (the "2022 Shelf"), or a new registration statement, or in an unregistered, exempt transaction.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the ordinary course of business. However, as a result of recurring losses, primarily a result of the research and development costs associated with Emrosi, substantial doubt exists about the Company's ability to continue as a going concern for a period of at least twelve months from the date of issuance of these financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that may be necessary if the Company is unable to continue as a going concern.

NOTE 2. BASIS OF PRESENTATION

Basis of Presentation and Principles of Consolidation

The Company's consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The Company's consolidated financial statements include the accounts of the Company and the accounts of the Company's wholly-owned subsidiary, JG Pharma, Inc. ("JG" or "JG Pharma"). All intercompany balances and transactions have been eliminated.

Reclassification

Certain prior period amounts have been reclassified to conform to the current period classification. The Company has historically included amortization of acquired intangible assets within costs of goods sold on the consolidated statement of operations. For the three months ended March 31, 2025 and 2024, "Costs of goods sold – product revenue" as presented in the consolidated statement of operations was disaggregated into "Costs of goods sold – (excluding amortization of acquired intangible assets)" and "Amortization of acquired intangible assets". This presentation has been conformed for all previous periods presented and has no impact on previously reported financial results.

Emerging Growth Company

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") or other standard-setting bodies and adopted by the Company as of the specified effective date. Unless otherwise discussed, the impact of recently issued standards that are not yet effective will not have a material impact on the Company's audited consolidated financial statements upon adoption. Under the Jumpstart Our Business Startups Act of 2012, as amended, the Company meets the definition of an emerging growth company and elected the extended transition period for complying with new or revised accounting standards, which delays the adoption of these accounting standards until they would apply to private companies.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Significant estimates made by management include provisions for coupons, chargebacks, wholesaler fees, specialty pharmacy discounts, managed care rebates, product returns, and other allowances customary to the pharmaceutical industry. Significant estimates made by management also include inventory realization, valuation of intangible assets, useful lives of amortizable intangible assets and share-based compensation. Actual results may differ materially and adversely from these estimates. To the extent there are material differences between the estimates and actual results, the Company's future results of operations will be affected.

Segment Information

Operating segments are defined as components of an enterprise about which separate discrete information is available for evaluation by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Company views its operations and manages its business in one segment, which reflects products for the treatment of dermatological conditions. The dermatological segment derives revenues from the sale of branded and authorized general prescription products that treat certain dermatological conditions. The Company's chief operating decision maker ("CODM") is its chief executive officer.

The CODM assesses performance for the dermatological segment and allocates resources based on consolidated net loss. The CODM uses net loss to monitor budget vs. actual results, which are presented quarterly, as well as evaluate performance and income generated in deciding how to reinvest profits. The accounting policies of the segment are the same as those described in Note 2 of the Notes to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 (the "2024 Form 10-K"). See Note 18 for segment information.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies are described in Note 2 of the Notes to the Consolidated Financial Statements included in the 2024 Form 10-K.

Recent Accounting Pronouncements

Adopted

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which expands disclosures in an entity's income tax rate reconciliation table and disclosures regarding cash taxes paid both in the U.S. and foreign jurisdictions. The update is effective for annual periods beginning after December 15, 2024, and subsequent interim periods, with early adoption permitted. The Company is currently evaluating the impact that this guidance will have on its consolidated financial statement disclosures.

Not Yet Adopted

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which is intended to improve the disclosures about specified categories of expenses including purchases of inventory, employee compensation, depreciation and amortization, included in certain expense captions presented in the consolidated statement of operations. This update will be effective for annual periods beginning

after December 15, 2026. Early adoption is permitted. The Company is currently evaluating the impact this guidance will have on its consolidated financial statements and disclosures.

NOTE 4. INVENTORY

The Company's inventory consists of the following for the periods ended:

($'s in thousands)	March 31, 2025	December 31, 2024
Finished goods	$ 10,026	$ 11,381
Work-in-process	435	367
Raw Materials	2,808	3,196
Inventory at cost	13,269	14,944
Inventory reserves	(773)	(513)
Total inventories	**$ 12,496**	**$ 14,431**

NOTE 5. INTANGIBLE ASSETS

The Company's finite-lived intangible assets consist of acquired intangible assets. The Company's intangible assets as of March 31, 2025 and December 31, 2024 are summarized as follows:

($'s in thousands)	Estimated Useful Lives (Years)	March 31, 2025	December 31, 2024
Intangible assets - product licenses	3-15	$ 52,925	$ 52,925
Accumulated amortization		(18,984)	(17,919)
Accumulated impairment loss		(3,143)	(3,143)
Total intangible assets		**$ 30,798**	**$ 31,863**

The Company's amortization expense for the three-month periods ended March 31, 2025 and 2024 was $1.1 million and $0.8 million, respectively.

Future amortization of the Company's intangible assets is as follows:

For the years ended	Total Amortization
Remainder of 2025	$ 3,192
December 31, 2026	3,471
December 31, 2027	2,775
December 31, 2028	2,595
December 31, 2029	2,595
Thereafter	12,228
Subtotal	26,856
Asset not yet placed in service	3,942
Total	**$ 30,798**

NOTE 6. LICENSES ACQUIRED

Assets and Licenses Acquired:

Emrosi™

On June 29, 2021, the Company entered a license, collaboration, and assignment agreement with Dr. Reddy's Laboratories, Ltd. ("DRL") to obtain the global rights for the development and commercialization of Emrosi™ ("Emrosi"), a late - stage development modified

release oral minocycline that is being evaluated for the treatment of inflammatory lesions of rosacea (the "Emrosi Agreement"). The Company acquired global rights to Emrosi, including in the U.S. and Europe, except that DRL has retained certain rights to the program in select markets, namely in Armenia, Azerbaijan, Belarus, Brazil, Georgia, India, Kazakhstan, Kyrgyzstan, Moldova, the People's Republic of China, Russia, Taiwan, Tajikistan, Turkmenistan, Ukraine and Uzbekistan. Pursuant to the Emrosi Agreement, the Company made an upfront payment of $10.0 million. In addition, the Company made two developmental milestone payments in 2024. In April 2024, the Company made a $3.0 million milestone payment to DRL, based on FDA acceptance of the Company's NDA application for Emrosi, and in December of 2024, the Company made a $15.0 million milestone payment to DRL, which was triggered by the November 1, 2024 FDA marketing approval of Emrosi. Upon the $15.0 million milestone payment, the assets related to Emrosi, including the NDA, regulatory documentation and intellectual property, transferred to the Company. Pursuant to the Emrosi Agreement, the Company may be required to make additional contingent regulatory, commercial, and corporate-based milestone payments to DRL, totaling up to $150.0 million. Royalties ranging from ten percent to fourteen percent are payable on net sales of the product. Royalties are payable in each country until the last-to-expire patent in such country expires. Royalties are subject to a 50% reduction in the event that a generic competitor launches in an applicable country where the Company markets and sells the product.

Qbrexza

In March 2021, the Company executed an Asset Purchase Agreement (the "Qbrexza APA") with Dermira, Inc., a subsidiary of Eli Lilly and Company ("Dermira"). Pursuant to the terms of the Qbrexza APA, the Company acquired the rights to Qbrexza® (glycopyrronium), a prescription cloth towelette to treat primary axillary hyperhidrosis in patients nine years of age or older. The Company paid the upfront fee of $12.5 million to Dermira. In addition, the Company is obligated to pay Dermira up to $144.0 million in the aggregate upon the achievement of certain sales milestones. The royalty structure for the agreement is tiered with royalties for the first two years ranging from approximately 40% to 30%. Thereafter, royalties are approximately 12.0% to 19.0%. Royalty amounts are subject to certain reductions in the event there is a loss of exclusivity.

Accutane

In July 2020, the Company entered into an exclusive license and supply agreement for Accutane (the "Accutane Agreement") with DRL. Pursuant to the Accutane Agreement, the Company paid $5.0 million. Three additional milestone payments totaling $17.0 million are contingent upon the achievement of certain net sales milestones. The Company is required to pay royalties in an amount equal to a low-double digit percentage of net sales. The term of the Accutane Agreement is ten years and renewable upon mutual agreement. Each party may terminate the Accutane Agreement for an uncured material breach by the other party or for certain bankruptcy or insolvency related events. The Company may also terminate the Accutane Agreement without cause upon 180 days written notice to DRL.

Other License Agreements:

Maruho License Agreement

On August 31, 2023, the Company entered into a license agreement (the "New License Agreement") with Maruho Ltd., the Company's exclusive licensing partner in Japan ("Maruho"). Under the terms of the New License Agreement, the Company granted an exclusive license to develop and commercialize Qbrexza for the treatment of primary axillary hyperhidrosis in Korea and certain other Asian countries. Prior to the date of the New License Agreement, the Company and Maruho were party to an existing exclusive amended and restated license agreement (the "First A&R License Agreement"), under which Maruho acquired exclusive license rights to Qbrexza in Japan.

In connection with Journey's entry into the New License Agreement, Journey and Maruho also entered into the Second Amended and Restated Exclusive License Agreement (the "Second A&R License Agreement"), which supersedes the First A&R License Agreement. The Second A&R License Agreement contains modifications that remove Maruho's obligation to pay Journey royalties on its net sales of Rapifort (the Japanese equivalent of Qbrexza) in Japan for sales occurring after October 1, 2023 and removes Maruho's obligation to pay $10.0 million to Journey in the event that Maruho achieves net sales of at least ¥4 billion (yen) of Rapifort during a single fiscal year. All other remaining potential milestone payment obligations, which aggregate to $45.0 million, remain in full force and effect.

Cutia License Agreement

In January 2022, as a part of the Vyne APA, the Company assumed a license agreement with Cutia Therapeutics (HK) Limited, a Hong Kong biopharmaceutical company with experience in developing pharmaceutical products in the greater China region (the "Cutia Agreement"). Pursuant to the agreement, Cutia was granted an exclusive license to obtain regulatory approval of and commercialize Amzeeq (topical 4% minocycline foam) and Zilxi (topical 1.5% minocycline foam) in mainland China, Taiwan, Hong Kong and Macau. The Company has agreed to supply the finished Licensed Products to Cutia for clinical and commercial use at an agreed price. On November 11, 2024, Cutia received marketing approval for topical 4% minocycline foam from the National Medical Products Administration (the "NMPA") of the People's Republic of China (the "PRC"). The approval triggered a $1.0 million milestone payment to the Company. The $1.0 million milestone payment was recorded as a component of other revenue on the approval date of November 11, 2024, in the Consolidated Statements of Operations included in the Company's 2024 Form 10-K. The Company received the cash payment from Cutia of $1.0 million on January 2, 2025.

NOTE 7. FAIR VALUE MEASUREMENTS

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability.

The accounting guidance requires fair value measurements be classified and disclosed in one of the following three categories:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices for similar assets or liabilities that are directly or indirectly observable in the marketplace.

Level 3: Unobservable inputs which are supported by little or no market activity and that are financial instruments whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Certain of the Company's financial instruments are not measured at fair value on a recurring basis but are recorded at amounts that approximate their fair value due to their liquid or short-term nature, such as accounts payable, accrued expenses and other current liabilities.

Financial assets and liabilities measured at fair value on a recurring basis are summarized below:

	March 31, 2025			
($'s in thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Cash and cash equivalents	$ 21,070	$ —	$ —	$ 21,070
Total	**$ 21,070**	**$ —**	**$ —**	**$ 21,070**

	December 31, 2024			
($'s in thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Cash and cash equivalents	$ 20,305	$ —	$ —	$ 20,305
Total	**$ 20,305**	**$ —**	**$ —**	**$ 20,305**

The Company did not carry any level 2 or level 3 assets or liabilities at March 31, 2025 or December 31, 2024. No transfers occurred between level 1, level 2, and level 3 instruments during the three-month periods ended March 31, 2025 and 2024.

NOTE 8. RELATED PARTY AGREEMENTS

Shared Services Agreement with Fortress

On November 12, 2021, the Company and Fortress entered into an arrangement to share the cost of certain employees (the "Shared Services Agreement"). Fortress' Executive Chairman and Chief Executive Officer is the Executive Chairman of the Company. Under the terms of the Shared Services Agreement, the Company will reimburse Fortress for the salary and benefit costs associated with these employees based upon actual hours worked on Journey-related projects following the completion of the Company's initial public offering, which occurred in November 2021. In addition, the Company reimburses Fortress for various payroll-related costs and selling, general and administrative costs incurred by Fortress for the benefit of the Company.

For the three-month periods ended March 31, 2025 and 2024, the Company recorded related party expenses to Fortress of approximately $11,703 and $9,361, respectively. The due to related party liability at March 31, 2025 and December 31, 2024 was $0.4 million and $0.5 million, respectively, and primarily relate to reimbursable expenses incurred by Fortress on behalf of the Company. The Company would have incurred these costs irrespective of the relationship with Fortress.

Fortress Income Tax

At March 31, 2025, 42.68% of all classes of the Company's outstanding common stock was owned by Fortress. Prior to the Company's initial public offering of securities in 2021, the Company had been filing consolidated federal tax returns and consolidated or combined state tax returns in multiple jurisdictions with Fortress. The Company may still be required to file combined tax returns in certain "combined filing states." These jurisdictions generally require corporations engaged in unitary business and meet the capital stock requirement of fifty percent to file a combined state tax return.

Additionally, see Note 16 below for a discussion of income taxes.

NOTE 9. ACCRUED EXPENSES

Accrued expenses consisted of the following:

($'s in thousands)	March 31, 2025	December 31, 2024
Accrued expenses:		
Accrued coupons and rebates	$ 12,869	$ 6,200
Accrued compensation	3,847	3,378
Return reserve	2,601	3,124
Accrued royalties payable	1,406	1,374
Accrued inventory	170	1,303
Accrued marketing and market access	728	1,185
Accrued legal, accounting and tax	670	413
Other	720	448
Total accrued expenses	**$ 23,011**	**$ 17,425**

NOTE 10. OPERATING LEASE OBLIGATIONS

The Company leases 3,801 square feet of office space in Scottsdale, Arizona. In July 2024, the Company amended the lease to extend the lease term for an additional 25 months at an annual rate of approximately $0.1 million. The amended lease commenced on February 1, 2025 and expires on February 28, 2027.

The Company recorded lease expense as follows:

($'s in thousands)	Three-Month Periods Ended March 31, 2025	2024
Operating lease cost	$ 25	$ 24
Variable lease cost	1	1
Total lease cost	**$ 26**	**$ 25**

The following table summarizes quantitative information about the Company's operating leases:

($'s in thousands)	Three-Month Periods Ended March 31, 2025	2024
Cash paid for amounts included in the measurement of lease liabilities	$ 17	$ 25
Weighted-average remaining lease term - operating leases	1.9	0.8
Weighted-average discount rate - operating leases	7.35 %	6.25 %

As of March 31, 2025, future minimum lease payments under lease agreements associated with the Company's operations were as follows:

$'s in thousands	
Remainder of 2025	$ 77
2026	105
2027	18
Total lease payments	200
Less: present value discount	(13)
Total operating lease liabilities	**$ 187**

NOTE 11. DEBT

The Company's debt obligations at March 31, 2025 and December 31, 2024 were as follows:

($'s in thousands)	March 31, 2025	December 31, 2024
Short-term portion of principal balance	$ 1,875	$ —
Long-term portion of principal balance	23,125	25,000
Principal balance	**$ 25,000**	**$ 25,000**
Plus: Exit fee	1,250	1,250
Less: Debt discount and fees	$ (1,270)	$ (1,371)
Net carry amount	**$ 24,980**	**$ 24,879**

SWK Credit Facility

On December 27, 2023, the Company entered into a Credit Agreement (the "Credit Agreement") with SWK. The Credit Agreement provides for a term loan facility (the "Credit Facility") in the original principal amount of up to $20.0 million. On the closing date of the facility, the Company drew $15.0 million. On June 26, 2024, the Company drew the remaining $5.0 million under the Credit Facility. On July 9, 2024, the Company entered into an amendment (the "Amendment") to the Credit Agreement with SWK. The Amendment increased the original principal amount of the Credit Facility from $20.0 million to $25.0 million. The $5.0 million of additional principal added in the Amendment was contractually required to be drawn upon FDA approval of Emrosi, subject to the Company receiving approval on or before June 30, 2025. The Company received FDA approval for Emrosi on November 1, 2024 and the Company drew on the remaining $5.0 million on November 25, 2024.

Term loans under the Credit Facility ("Term Loans") mature on December 27, 2027, accrue interest which is payable quarterly in arrears and bear interest at a rate per annum equal to the three-month term SOFR (subject to a SOFR floor of 5%) plus 7.75%. The interest rate resets quarterly.

Beginning in February 2026, the Company is required to repay a portion of the outstanding principal of the Term Loans quarterly in an amount equal to 7.5% of the principal amount of funded Term Loans, with any remaining principal balance due on the maturity date. If the total revenue of the Company, measured on a trailing twelve-month basis, is greater than $70.0 million as of December 31, 2025, the principal repayment start date is extended from February 2026 to February 2027, at which point the Company is required to repay a portion of the outstanding principal of the Term Loans quarterly in an amount equal to 15% of the principal amount of funded Term Loans, with any remaining principal balance due on the maturity date.

The Company may at any time prepay the outstanding principal balance of the Term Loans in whole or in part. Prepayment of the Term Loans is subject to payment of a prepayment premium equal to (i) 1% of the Term Loans prepaid if the Term Loans are prepaid on or after the first anniversary of the Closing Date but prior to the second anniversary of the Closing Date, or (ii) 0% if prepaid thereafter.

Upon repayment in full of the Term Loans, the Company will pay an exit fee equal to 5% of the original principal amount of the Term Loans. Additionally, the Company paid an origination fee of $0.2 million on the closing date of the Credit Facility and incurred issuance costs of $0.2 million, both of which have been recorded as a debt discount. The Company is accreting the carrying value of the Term Loans to the original principal balance plus the exit fee over the term of the loan using the effective interest method. The amortization of the discount is accounted for as interest expense. The effective interest rate on the Term Loans as of March 31, 2025 was 14.6%. The fair value of the debt approximates its carrying value.

The Credit Facility also includes both revenue and liquidity covenants, restrictions as to payment of dividends, and is secured by substantially all assets of the Company. As of March 31, 2025, the Company was in compliance with the financial covenants under the Credit Facility.

As of March 31, 2025, the contractual maturities of the long-term debt, including the payment of the exit fee, are as follows (dollars in thousands):

Years ending December 31,	Term Loan
Remainder of 2025	$ —
2026	7,500
2027	18,750
Total	26,250
Debt discount	(1,270)
Total, net	24,980
Current portion	(1,875)
Term-loan (long-term)	**$ 23,105**

NOTE 12: INTEREST EXPENSE AND FINANCING FEES

Interest expense and financing fees for the three months ended March 31, 2025 and 2024 consisted of the following:

	Three-Month Periods Ended March 31,	
($'s in thousands)	2025	2024
Interest on term loans and LOC	$ 789	$ 486
Amortization/Accretion	102	62
Total Interest expense and financing fees	**$ 891**	**$ 548**

NOTE 13. COMMITMENTS AND CONTINGENCIES

License Agreements

The Company has undertaken to make contingent milestone payments to the licensors of its portfolio of drug products and candidates. In addition, the Company is required to pay royalties to such licensors based on a percentage of net sales of each drug candidate following regulatory marketing approval. For additional information on future milestone payments and royalties, see Note 6.

NOTE 14. SHARE-BASED COMPENSATION

In 2015, the Company's Board of Directors adopted, and stockholders approved, the Journey Medical 2015 Stock Plan (the "Plan") authorizing the Company to grant shares of common stock to eligible employees, directors, and consultants in the form of restricted stock, restricted stock units ("RSUs"), stock options and other types of grants. The amount, terms, and exercisability provisions of grants are determined by the Board of Directors. At the Company's 2024 Annual Meeting of Stockholders, held on June 24, 2024, the Company's stockholders approved, among other matters, a second amendment to the Plan to increase the number of shares of Common Stock issuable under the Plan by 3,000,000 to 10,642,857. At March 31, 2025 there were 2,825,574 shares available for issuance under the Plan.

The Company grants stock options to employees, non-employees and Directors with exercise prices equal to the closing price of the underlying shares of the Company's common stock on the Nasdaq Capital Market on the date that the options are granted. Options granted have a term of ten years from the grant date. Options granted generally vest over a four-year period. Compensation cost for stock options is charged against operations on a straight-line basis over the vesting period. The Company estimates the fair value of stock options on the grant date by applying the Black-Scholes option pricing valuation model.

In 2023, the Company's Board of Directors adopted, and stockholders approved, the Journey Medical Corporation 2023 Employee Stock Purchase Plan (the "2023 ESPP"). The Company initially reserved 300,000 shares of common stock for future issuance under the 2023 ESPP. As of March 31, 2025, 189,895 shares were available for issuance under the 2023 ESPP.

The following table summarizes the components of share-based compensation expense in the consolidated statements of operations for the three-month periods ended March 31, 2025 and 2024:

($'s in thousands)	Three-Month Periods Ended March 31, 2025	2024
Research and development	$ —	$ 145
Selling, general and administrative	1,323	1,261
Total non-cash compensation expense related to share-based compensation included in operating expense	**$ 1,323**	**$ 1,406**

Stock Options

The following table summarizes the Company's stock option activities:

	Number of Shares	Weighted average exercise price	Aggregate intrinsic value	Weighted average remaining contractual life (years)
Outstanding options at December 31, 2024	2,471,945	$ 1.41	$ 6,191,995	3.20
Granted	—	—	—	—
Exercised	(40,043)	1.87	—	—
Forfeited	(7,500)	4.57	—	—
Expired	(1,250)	4.57	—	—
Outstanding options at March 31, 2025	**2,423,152**	**$ 1.39**	**$ 10,921,661**	**2.96**
Options vested and exercisable at March 31, 2025	**2,035,685**	**$ 1.08**	**$ 9,809,890**	**2.07**

For the three-month periods ended March 31, 2025 and 2024, approximately $57,000 and $73,000, respectively, of stock option compensation expense was charged against operations. For the three-month periods ended March 31, 2025 and 2024, the Company issued 40,043 and 55,375 shares of common stock upon the exercise of outstanding stock options, respectively, and received proceeds of $74,886 and $67,514, respectively. At March 31, 2025, the Company had unrecognized stock-based compensation expense related to all unvested options of $0.3 million, which the Company expects to recognize over a weighted-average period of approximately 1.3 years.

The aggregate intrinsic value in the previous table reflects the total pre-tax intrinsic value (the difference between the Company's closing stock price on the last trading day of the period and the exercise price of the options, multiplied by the number of in-the-money stock

options) that would have been received by the option holders had all option holders exercised their options on March 31, 2025. The intrinsic value of the Company's stock options changes based on the closing price of the Company's common stock.

Restricted Stock Units

The following table summarizes the activity related to the Company's RSUs for the three-month period ended March 31, 2025:

	Number of units	Weighted average grant date Fair value
Unvested balance at December 31, 2024	2,339,961	$ 4.33
Granted	—	—
Vested	(50,421)	4.35
Forfeited	(10,000)	3.90
Unvested balance at March 31, 2025	**2,279,540**	**$ 4.33**

For the three-month periods ended March 31, 2025 and 2024, approximately $1.2 million and $1.3 million, respectively, of stock compensation expense related to RSUs was charged against operations. For the three-month periods ended March 31, 2025 and 2024 the Company issued 50,421 and 211,028 shares of common stock, respectively, upon vesting of RSU's amounting to $0.2 million and $0.8 million, respectively, in total aggregate fair market value. At March 31, 2025, 2,279,540 RSUs remained unvested and there was approximately $4.3 million of unrecognized compensation cost related to restricted stock which the Company expects to recognize over a weighted-average period of approximately 1.6 years.

On July 9, 2024, the Board approved and adopted the Journey Medical Corporation Deferred Compensation Plan (the "Deferred Compensation Plan"), which is considered a non - qualified deferred compensation plan. As part of the Deferred Compensation Plan, the Company offers certain non - employee members of the Board ("Director Participants") and select executive - level employees (the "Executive Participants") the ability to defer up to 100% of the payment for services and annual bonuses, respectively, in the form of RSUs. As of March 31, 2025, the executive participants deferred 61,621 shares of Journey Medical Inc. common stock upon the vesting of RSU's.

Employee Stock Purchase Plan

The 2023 ESPP provides that eligible employees may contribute up to 10% of their eligible earnings toward a semi-annual purchase of the Company's common stock. The 2023 ESPP is qualified under Section 423 of the Internal Revenue Code. The employee's purchase price is derived from a formula based on the closing price of the common stock on the first day of the offering period versus the closing price on the last date of purchase (or, if not a trading day, on the immediately preceding trading day). The offering period under the 2023 ESPP has a duration of six months, and the purchase price with respect to each offering period beginning on or after such date is, until otherwise amended, equal to 85% of the lesser of (i) the fair market value of the Company's common stock at the commencement of the applicable six-month offering period or (ii) the fair market value of the Company's common stock on the purchase date. The Company estimates the fair value of the common stock under the 2023 ESPP using a Black-Scholes valuation model. The fair value was estimated on the date of grant for the offering period beginning February 1, 2025 using the Black-Scholes option valuation model and the straight-line attribution approach with the following assumptions: risk-free interest rate (4.3%); expected term (0.5 years); expected volatility (70.1%); and an expected dividend yield (0%). The Company recorded $25,387 of stock-based compensation under the 2023 ESPP for the three-month period ended March 31, 2025. As of March 31, 2025, there was unrecognized stock-based compensation expense of $34,415 related to the current ESPP offering period, which ends July 31, 2025.

NOTE 15. REVENUES FROM CONTRACTS WITH CUSTOMERS

Disaggregation of Net Revenues

The Company has the following actively marketed products: Emrosi™, Qbrexza®, Amzeeq®, Zilxi®, Accutane®, Exelderm®, Targadox®, and Luxamend®. All of the Company's product revenues are recorded in the U.S.

Revenues by product are summarized as follows:

($ in thousands)	Three-Month Periods Ended March 31, 2025	2024
Emrosi™	$ 2,070	$ —
Qbrexza®	5,161	5,017
Accutane®	3,655	5,819
Amzeeq®	1,100	755
Zilxi®	426	273
Other / legacy	727	1,166
Total product revenues	**$ 13,139**	**$ 13,030**

Significant Customers

For the three-month periods ended March 31, 2025 and 2024 there were no customers that accounted for more than 10% of the Company's total gross product revenue.

At March 31, 2025, none of the Company's customers accounted for more than 10% of its total accounts receivable balance. At December 31, 2024, one of the Company's customers accounted for more than 10% of its total accounts receivable balance at 10.3%.

NOTE 16. INCOME TAXES

($ in thousands)	Three-Month Periods Ended March 31, 2025	2024
Net Income (loss) before income taxes	$ (4,073)	$ (10,442)
Provision (benefit) for Income	—	—
Effective tax rate	0.0 %	0.0 %

The Company records income taxes using the asset and liability method. Deferred income tax assets and liabilities are recognized for the future tax effects attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective income tax bases, and operating loss and tax credit carryforwards. The Company establishes a valuation allowance if management believes it is more likely than not that the deferred tax assets will not be recovered based on an evaluation of objective verifiable evidence. Management has considered the Company's history of book and tax income and losses incurred since inception, and the other positive and negative evidence, and has concluded that it is more likely than not that the Company will not realize the benefits of the net deferred tax assets as of March 31, 2025.

As of March 31, 2025, the Company had no unrecognized tax benefits and does not anticipate any significant change to the unrecognized tax benefit balance.

NOTE 17. NET LOSS PER COMMON SHARE

The Company accounts for and discloses net earnings (loss) per share using the treasury stock method. Net earnings (loss) per share, or basic earnings (loss) per share, is computed by dividing net earnings (loss) by the weighted-average number of shares of common stock outstanding. Net earnings (loss) per share assuming dilutions, or diluted earnings (loss) per share, is computed by reflecting the potential dilution from the exercise of in-the-money stock options and the issuance of non-vested restricted stock units.

The Company's basic and diluted weighted-average number of common shares outstanding for the three-month periods ended March 31, 2025 and 2024 were as follows:

	Three-Month Periods Ended March 31,	
	2025	2024
Basic and diluted	22,611,040	19,757,449
Potentially dilutive securities:		
Unvested restricted stock units	2,279,540	1,973,395
Stock options	1,687,854	1,624,382
Total potentially dilutive securities	**3,967,394**	**3,597,777**

The Company's potentially dilutive securities, including unvested restricted stock and options have been excluded from the computation of diluted loss per share for the three-month periods ended March 31, 2025, and 2024, as the effect would be to reduce the loss per share. Therefore, the weighted average common stock outstanding used to calculate both basic and diluted income loss per share is the same for the three-month periods ended March 31, 2025 and 2024.

NOTE 18. SEGMENT INFORMATION

The Company's reportable segment net loss for the three months ending March 31, 2025 and 2024 consisted of the following:

	Three Months Ended March 31,	
($ in thousands)	2025	2024
Revenue	$ 13,139	$ 13,030
Less: Segment Expenses[1]		
Cost of goods sold – (excluding amortization of acquired intangible assets)	4,790	6,002
Research and development	39	7,884
Selling, general and administrative		
Employee related	4,031	3,701
Sales, operations, outside services and consulting	3,078	1,941
Marketing related	1,057	352
Stock compensation	1,323	1,261
Legal and administrative	513	440
Product compliance expense	275	411
Office and administrative	226	187
Other	66	125
Other segment items[2]	1,814	1,168
Segment expenses	17,212	23,472
Net loss	$ (4,073)	$ (10,442)
Reconciliation of net loss:		
Adjustments and reconciling items	—	—
Net loss	$ (4,073)	$ (10,442)

(1) The significant expense amounts align with the expenses that the CODM is regularly provided with to assess performance and allocate resources.

(2) Other segment items for the reportable segment include amortization of intangible assets, interest income (expense), foreign exchange transaction losses and income tax expense.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations Forward-Looking Statements

Certain matters discussed in this report may constitute forward-looking statements for purposes of the Securities Act of 1933, as amended (the "Securities Act"), and the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. The words "anticipate," "believe," "estimate," "may," "expect," "will," "could," "project," "should," "intend" and similar expressions are generally intended to identify forward-looking statements. Our actual results may differ materially from the results anticipated in or implied by these forward-looking statements due to a variety of factors, including, without limitation:

- *the fact that our products and product candidates are subject to time and cost intensive regulation and clinical testing and as a result, may never be successfully developed or commercialized;*
- *a substantial portion of our sales derive from products that are without patent protection and/or are or may become subject to third-party generic competition, the introduction of new competitor products, or an increase in market share of existing competitor products, any of which could have a significant adverse impact on our operating income;*
- *we operate in a heavily regulated industry, and we cannot predict the impact that any future legislation or administrative or executive action may have on our operations;*
- *our revenue is dependent mainly upon sales of our dermatology products and any setback relating to the sale of such products could impair our operating results;*
- *competition could limit our products' commercial opportunity and profitability, including competition from manufacturers of generic versions of our products;*
- *the risk that our products do not achieve broad market acceptance, including by government and third-party payors;*
- *our reliance third parties for several aspects of our operations;*
- *our dependence on our ability to identify, develop, and acquire or in-license products and integrate them into our operations, at which we may be unsuccessful;*
- *the dependence of the success of our business, including our ability to finance our company and generate additional revenue, on the successful commercialization of Emrosi™ and the successful development, regulatory approval and commercialization of any future product candidates that we may develop, in-license or acquire;*
- *clinical drug development is very expensive, time consuming, and uncertain and our clinical trials may fail to adequately demonstrate the safety and efficacy of our current or any future product candidates;*
- *our competitors could develop and commercialize products similar or identical to ours;*
- *risks related to the protection of our intellectual property and our potential inability to maintain sufficient patent protection for our technology and products;*
- *our business and operations would suffer in the event of computer system failures, cyber-attacks, or deficiencies in our or our third parties' cybersecurity;*
- *the effects of major public health issues, epidemics or pandemics on our product revenues and any future clinical trials;*
- *our potential need to raise additional capital;*
- *the substantial doubt expressed about our ability to continue as a going concern;*
- *Fortress controls a voting majority of our common stock, which could be detrimental to our other shareholders; and*

- *the risks described under the section titled "Risk Factors" in Item 1A below and in our Annual Report on Form 10-K for the year ended December 31, 2024 (the "2024 Form 10-K").*

The forward-looking statements contained in this report reflect our views and assumptions as of the effective date of this report. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us. Except as required by law, we assume no responsibility for updating any forward-looking statements.

We qualify all of our forward-looking statements by these cautionary statements. In addition, with respect to all of our forward-looking statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

Overview

We are a commercial-stage pharmaceutical company founded in October 2014 that primarily focuses on the selling and marketing of U.S. Food and Drug Administration ("FDA") approved prescription pharmaceutical products for the treatment of dermatological conditions. Our current portfolio includes eight FDA-approved prescription drugs for dermatological conditions that are marketed in the U.S. We are managed by experienced life science executives with a track record of creating value for their stakeholders and bringing novel medicines to the market, enabling patients to experience increased quality of life and physicians and other licensed medical professionals to provide better care for their patients. We acquire rights to products and product candidates by licensing or otherwise acquiring an ownership interest in, funding the research and development of, and eventually commercializing the products through our field sales organization. We are a controlled subsidiary of Fortress Biotech, Inc. ("Fortress" or "Parent").

Recent Corporate Highlights

On November 1, 2024, the FDA approved Emrosi™ (Minocycline Hydrochloride Extended Release Capsules, 40 mg), formerly referred to as DFD-29 ("Emrosi"), for the treatment of inflammatory lesions of rosacea in adults. Emrosi was developed by Journey in collaboration with Dr. Reddy's Laboratories, Ltd. ("DRL"). Our initial supply became available in March 2025. In addition, the initial distribution of Emrosi to pharmacies is ongoing and the first Emrosi prescriptions have been filled. We began sales promotion of Emrosi in April 2025, and are commercializing Emrosi in the U.S. with our existing commercial team.

Critical Accounting Polices and Uses of Estimates

Our discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which we have prepared in accordance with accounting principles generally accepted in the United States. Applying these principles requires our judgment in determining the appropriateness of acceptable accounting principles and methods of application in diverse and complex economic activities. The preparation of the accompanying financial statements requires us to make estimates and judgments that affect the reported amounts of revenues, expenses, assets and liabilities, and related disclosure of contingent assets and liabilities. We base our estimates on historical experience and other assumptions that we believe are reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

For a discussion of our critical accounting estimates, see the section of the 2024 Form 10-K titled "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies and Use of Estimates." There were no material changes in our critical accounting estimates or accounting policies from December 31, 2024.

Accounting Pronouncements

During the three-month period ended March 31, 2025, there were no new accounting pronouncements or updates to recently issued accounting pronouncements disclosed in the 2024 Form 10-K that are expected to materially affect the Company's present or future financial statements.

Emerging Growth Company and Smaller Reporting Company Status

We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 ("JOBS Act"). Under the JOBS Act, emerging growth companies can delay the adoption of new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. Other exemptions and reduced reporting requirements under the JOBS Act for emerging growth companies include presentation of only two years of audited financial statements in our annual reports on Form 10-K, an exemption from the requirement to provide an auditor's report on internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, as amended, an exemption from any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation and less extensive disclosure about our executive compensation arrangements. We have elected to use the extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that (i) we are no longer an emerging growth company or (ii) we affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act.

We are also a "smaller reporting company," meaning that either (i) the market value of our shares held by non-affiliates is less than $250 million or (ii) the market value of our shares held by non-affiliates is less than $700 million and our annual revenue was less than $100 million during the most recently completed fiscal year. We may continue to be a smaller reporting company if either (i) the market value of our shares held by non-affiliates is less than $250 million or (ii) our annual revenue was less than $100 million during the most recently completed fiscal year and the market value of our shares held by non-affiliates is less than $700 million. As a smaller reporting company, we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K, we have reduced disclosure obligations regarding executive compensation, and smaller reporting companies are permitted to delay adoption of certain recent accounting pronouncements discussed in Note 2 to our consolidated financial statements in this report on Form 10-Q.

Results of Operations

The following table summarizes our results of operations for the three-month periods ended March 31, 2025 and 2024:

Comparison of the Three-Month Periods Ended March 31, 2025 and 2024

($ in thousands, except per share data)	Three-Month Periods Ended March 31, 2025	2024	Change $	Change %
Revenue:				
Product revenue, net	$ 13,139	$ 13,030	$ 109	1 %
Operating expenses				
Cost of goods sold – (excluding amortization of acquired intangible assets)	4,790	6,002	(1,212)	-20%
Amortization of acquired intangible assets	1,065	814	251	31 %
Research and development	39	7,884	(7,845)	-100%
Selling, general and administrative	10,569	8,420	2,149	26 %
Total operating expenses	16,463	23,120	(6,657)	-29%
Loss from operations	(3,324)	(10,090)	6,766	-67%
Other expense (income)				
Interest income	(149)	(217)	68	-31%
Interest expense	891	548	343	63 %
Foreign exchange transaction losses	7	21	(14)	-67%
Total other expense (income)	749	352	397	113 %
Loss before income taxes	**(4,073)**	**(10,442)**	**6,369**	-61%
Income tax expense	—	—	—	0 %
Net loss	**$ (4,073)**	**$ (10,442)**	**6,369**	**-61%**

Revenues

The following table reflects our net product revenue for the three-month periods ended March 31, 2025 and 2024:

($ in thousands)	Three-Month Periods Ended March 31 2025	2024	Change $	Change %
Emrosi™	$ 2,070	$ —	$ 2,070	100 %
Qbrexza®	5,161	5,017	144	3 %
Accutane®	3,655	5,819	(2,164)	-37%
Amzeeq®	1,100	755	345	46 %
Zilxi®	426	273	153	56 %
Other / legacy	727	1,166	(439)	-38%
Total net product revenue	**$ 13,139**	**$ 13,030**	**$ 109**	**1 %**

Total net product revenues of $13.1 million for the first quarter of 2025 were consistent with $13.0 million of net product revenues for the first quarter of 2024. The first quarter of 2025 includes $2.0 million of incremental net product revenue related to the U.S. commercial launch of Emrosi™, offset by a decrease in Accutane, as a result of lower sales volume driven by recent market competition. Our Legacy products decreased by $0.4 million mainly due to continued generic competition for Targadox.

Gross-to-Net Sales Accruals

We record gross-to-net sales accruals for chargebacks, distributor service fees, prompt pay discounts, sales returns, coupons, managed care rebates, government rebates, and other allowances customary to the pharmaceutical industry.

Gross-to-net sales accruals and the balance in the related allowance accounts for the three-month periods ended March 31, 2025 and 2024, were as follows:

($'s in thousands)	Returns	Coupons	Managed Care Rebates	Other	Total
Balance as of December 31, 2024	**$ 3,124**	**$ 1,750**	**$ 3,717**	**$ 733**	**$ 9,324**
Current provision related to sales in the current period	(249)	27,415	5,431	1,410	34,007
Checks/credits issued to third parties	(274)	(20,497)	(5,708)	(1,382)	(27,861)
Balance as of March 31, 2025	**$ 2,601**	**$ 8,668**	**$ 3,440**	**$ 761**	**$ 15,470**

($'s in thousands)	Returns	Coupons	Managed Care Rebates	Other	Total
Balance as of December 31, 2023	**$ 4,077**	**$ 3,444**	**$ 5,210**	**$ 1,386**	**$ 14,117**
Current provision related to sales in the current period	128	18,742	4,721	1,981	25,572
Checks/credits issued to third parties	(1,399)	(19,429)	(6,486)	(2,429)	(29,743)
Balance as of March 31, 2024	**$ 2,806**	**$ 2,757**	**$ 3,445**	**$ 938**	**$ 9,946**

Gross-to-net sales accruals are primarily a function of product sales volume, mix of products sold, and contractual discounts or rebates. Our reserves for gross-to-net sales allowances were $15.5 million at March 31, 2025, compared to $9.9 million at March 31, 2024, an increase of $5.5 million. The increase is due to the coupon rebate allowance related to the launch and commercialization of Emrosi.

Cost of Goods Sold - (excluding amortization of acquired intangible assets)

Cost of goods sold - (excluding amortization of acquired intangible assets) decreased by $1.2 million, or 20%, to $4.8 million for the three-month period ended March 31, 2025, from $6.0 million for the three-month period ended March 31, 2024, due to lower overall product cost of goods related to product sales mix, driven mainly by the decrease in Accutane revenue.

Amortization of acquired intangible assets

Amortization of acquired intangible assets increased by $0.3 million, or 31%, to $1.1 million for the three-month period ended March 31, 2025, from $0.8 million for the three-month period ended March 31, 2024, driven by the addition of the Emrosi acquired intangible asset upon our payment to DRL of the milestone payment triggered by the FDA's approval of Emrosi in November 2024.

Research and Development

Research and development costs were nil in the first quarter of 2025, compared to $7.9 million in the first quarter of 2024. The first quarter of 2024 includes Emrosi pre-approval project expenses, milestones and fees.

Selling, General and Administrative

Selling, general and administrative expenses increased by $2.2 million, or 26%, to $10.6 million for the three-month period ended March 31, 2025, from $8.4 million for the three-month period ended March 31, 2024. The increase is primarily due to the incremental operational activities related to the launch and commercialization of Emrosi.

Interest Expense, net

Interest expense, net increased by $0.4 million, to $0.7 million for the three-month period ended March 31, 2025, from $0.3 million for the three-month period ended March 31, 2024. The increase is primarily attributable to a higher principal balance outstanding under the Credit Agreement with SWK (each as defined below) during the three-months ended March 31, 2025 of $25.0 million as compared to $15.0 million during the three-months ended March 31, 2024.

Liquidity and Capital Resources

At March 31, 2025, we had $21.1 million in cash and cash equivalents as compared to $20.3 million of cash and cash equivalents at December 31, 2024, and working capital of $13.8 million at March 31, 2025, compared to $13.0 million at December 31, 2024.

We rely primarily on cash on hand generated from the sales of our pharmaceutical products to our customers to fund our core operations. In addition, we have relied on the proceeds from our term loan Credit Facility (as defined below) with SWK (as defined below) and our at-the-market sales program with B. Riley to meet additional capital and liquidity needs, specifically to fund the research and development and commercialization of Emrosi.

We regularly evaluate market conditions, our liquidity profile, and financing alternatives, including out-licensing arrangements for our products, to enhance our capital structure. We may seek to raise capital through debt or equity financings, to expand our product portfolio, and for other strategic initiatives, which may include sales of securities under either our 2022 Shelf (as defined below) or a new registration statement. Additionally, as a result of recurring losses, primarily a result of the research and development costs associated with Emrosi, substantial doubt exists about our ability to continue as a going concern for a period of at least twelve months from the date of issuance of these financial statements.

Sources of Liquidity

SWK Credit Facility

On December 27, 2023, we entered into a Credit Agreement (the "Credit Agreement") with SWK Funding LLC ("SWK"). The Credit Agreement originally provided for a term loan facility (the "Credit Facility") in the original principal amount of up to $20.0 million. On the closing date, we drew $15.0 million. On June 26, 2024, we drew the remaining $5.0 million under the Credit Facility. Loans under the Credit Facility (the "Term Loans") mature on December 27, 2027, and bear interest at a rate per annum equal to the three-month term Secured Overnight Financing Rate ("SOFR") (subject to a SOFR floor of 5%) plus 7.75%. The interest rate resets quarterly. Interest

payments began in February 2024 and are paid quarterly. Beginning in February 2026, we are required to repay a portion of the outstanding principal of the Term Loans quarterly in an amount equal to 7.5% of the principal amount of funded Term Loans.

On July 9, 2024, we entered into an amendment (the "Amendment") to the Credit Agreement. The Amendment increased the original principal amount of the Credit Facility from $20.0 million to $25.0 million. The $5.0 million of additional principal added in the Amendment was contractually required to be drawn upon FDA approval of Emrosi, subject to us receiving approval on or before June 30, 2025. The FDA approved Emrosi on November 1, 2024, and we subsequently drew the remaining $5.0 million. The Credit Facility also includes both revenue and liquidity covenants, restrictions as to payment of dividends, and is secured by substantially all of our assets. As of March 31, 2025, we were in compliance with the financial covenants under the Credit Facility.

At-the-Market Offering

On December 30, 2022, we filed a shelf registration statement on Form S-3 (File No. 333-269079) (the "2022 Shelf"), which was declared effective by the Securities and Exchange Commission on January 26, 2023. This shelf registration statement covers the offering, issuance and sale by us of up to an aggregate of $150.0 million of our common stock, preferred stock, debt securities, warrants, and units. In connection with the 2022 Shelf, we entered into an At Market Issuance Sales Agreement (the "Sales Agreement") relating to shares of the Company's common stock with B. Riley Securities, Inc. We may offer and sell up to 4,900,000 shares of our common stock, from time to time, under the Sales Agreement. During the three-months ended March 31, 2025, we issued and sold 834,722 shares of common stock under the 2022 Shelf, generating net proceeds of $4.1 million. At March 31, 2025, 1,752,265 shares remain available for issuance under the Sales Agreement.

Cash Flows for the Three-Month Periods Ended March 31, 2025 and 2024

($'s in thousands)	Three-Month Periods Ended March 31, 2025	2024	Increase (Decrease)
Net cash used in operating activities	$ (2,832)	$ (5,019)	$ 2,187
Net cash provided by (used in) investing activities	—	—	—
Net cash provided by financing activities	3,597	1,637	1,960
Net change in cash and cash equivalents	**765**	**(3,382)**	**4,147**

Operating Activities

Net cash flows used in operating activities for the three-month period ended March 31, 2025 decreased by $2.2 million, to $2.8 million, from net cash flows used by operating activities of $5.0 million for the three-month period ended March 31, 2024. The decrease was driven primarily by the decrease in our net loss period-to-period, offset by changes in net working capital compared to the first quarter of 2024 primarily attributable to an increase in accounts receivable related to the launch of Emrosi.

Financing Activities

Net cash flows provided by financing activities for the three-month period ended March 31, 2025 increased by $2.0 million, to $3.6 million, from $1.6 million of cash flows provided by financing activities for the three-month period ended March 31, 2024. The increase is driven primarily by the net proceeds from issuances of common stock under our ATM program.

Material Cash Requirements

In the normal course of business, we enter into contractual obligations that contain cash requirements of which the most significant currently include the following:

- We are required to make regular payments under the SWK Credit Facility. Based on the amount currently outstanding under the SWK facility and current interest rates, and assuming we do not make further draws under the SWK facility, we expect to make the following payments:

	Payments by Period			
	Total	Remainder of 2025	2026	2027
	($'s in thousands)			
Interest	$ 7,322	$ 2,816	$ 2,745	$ 1,761
Principal	25,000	—	7,500	17,500
Exit fee	1,250	—	—	1,250
Total	$ 33,572	$ 2,816	$ 10,245	$ 20,511

- We are contractually obligated to pay certain milestone and sales-based royalty payments to the counterparties of our license and product acquisition agreements. Due to the contingent nature of these obligations, the amounts of these payments cannot be reasonably predicted.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness, as of March 31, 2025, of the design and operation of our disclosure controls and procedures, as such term is defined in Exchange Act Rules 13a-15(e) and 15d-15(e). Based on this evaluation, our principal executive officer and principal financial officer have concluded that, as of such date, our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

No change in internal control over financial reporting occurred during the most recent quarter with respect to our operations; which materially affected, or is reasonable likely to materially affect, our internal controls over financial reporting.

Part II. Other Information

Item 1. Legal Proceedings.

To our knowledge, there are no legal proceedings pending against us, other than routine actions, administrative proceedings, and other actions not deemed material, that are expected to have a material adverse effect on our financial condition, results of operations, or cash flows. In the ordinary course of business, however, the Company may be subject to both insured and uninsured litigation. Suits and claims may be brought against the Company by customers, suppliers, partners and/or third parties (including tort claims for personal injury arising from clinical trials of the Company's product candidates and property damage) alleging deficiencies in performance, breach of contract, etc., and seeking resulting alleged damages.

Item 1A. Risk Factors.

We have disclosed below and under the heading "Risk Factors" in the 2024 Form 10-K a number of risks which may materially affect our business, financial condition or results of operations. You should carefully consider these Risk Factors and other information set forth elsewhere in this Quarterly Report on Form 10-Q. You should be aware that these risk factors and other information may not describe every risk facing our Company. Additional risks and uncertainties not currently known to us may also materially adversely affect our business, financial condition and/or results of operations.

The Company's business may be materially adversely affected by the imposition of duties and tariffs and other trade barriers and retaliatory countermeasures implemented by the U.S. and other governments.

Recently there have been significant changes to United States trade policies, sanctions and tariffs, including, but not limited to, trade policies and tariffs affecting products imported from outside of the U.S. that could have negative impacts on our business operations. In this respect, on February 1, 2025, the U.S. government imposed a 25% tariff on imports from Canada and Mexico, which were subsequently suspended for a period of one month, and imposed substantial additional blanket tariffs on imports from China. In April 2025, the U.S. government announced additional 10% blanket tariffs on all imported goods. On April 14, 2025, the U.S. Department of Commerce Bureau of Industry and Security launched an investigation into the effects on U.S. national security as a result of imports of pharmaceuticals and pharmaceutical ingredients, and on May 5, 2025, the U.S. government announced plans to impose tariffs on pharmaceutical imports to the U.S. Historically, tariffs have led to increased trade and political tensions between the U.S. and other countries in the international community. In response to the U.S. tariffs, other countries have implemented retaliatory tariffs on U.S. goods. Currently, we import a large portion of our finished products from countries outside of the U.S., including, most significantly, from India. These tariffs or any new or additional tariffs on goods imported to the U.S. from India, or other countries, could increase the cost of sourcing of our products and therefore reduce our margins, reduce our net sales and/or cause us to increase prices. Further, the continued threats of tariffs, trade restrictions and trade barriers could have a generally disruptive impact on the global economy and, therefore, negatively impact our sales, overall business and results of operations. The impact of any adopted, new or proposed tariffs, trade restrictions or domestic sourcing requirements on our business is subject to a number of factors that we cannot predict, including, but not limited to, the scope, nature, amount, effective date and duration of any such measures. Such tariffs, trade restrictions or domestic sourcing requirements, if implemented, could have a material adverse effect on our business, prospects, financial condition or results of operations.

Our products and future product candidates may become subject to unfavorable pricing regulations, third-party coverage and reimbursement practices or healthcare reform initiatives, which could harm our business.

The ability to successfully commercialize any product candidate that receives marketing authorization depends in part on the extent to which coverage and reimbursement for these products and related treatments will be available from government health administration authorities, private health insurers and other organizations. Government authorities and other third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels. A primary trend in the healthcare industry in the United States and elsewhere is cost containment.

The United States and many foreign jurisdictions have enacted or proposed legislative and regulatory changes affecting the healthcare system, including implementing cost-containment programs to limit the growth of government-paid healthcare costs, including price controls, restrictions on reimbursement and requirements for substitution of generic products for branded prescription drugs. In the United States, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (the "Affordable Care Act"), was intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against fraud and abuse, add transparency requirements for the healthcare and health insurance industries, impose

new taxes and fees on the health industry and impose additional health policy reforms. We expect that changes to the Affordable Care Act, the Medicare and Medicaid programs, changes allowing the federal government to directly negotiate drug prices and changes stemming from other healthcare reform measures, especially with regard to healthcare access, financing or other legislation in individual states, may result in more rigorous coverage criteria and in additional downward pressure on the price that can be charged for drug products. In addition, on May 12, 2025, President Trump issued an executive order implementing the concept of most-favored nation pricing. Under this order, the Department of Health and Human Services, in coordination with other federal agencies, is directed to take actions to ensure that the price of prescription drugs paid by federal health insurers, including Medicare and Medicaid, is in line with the prices paid in comparably developed nations. Any reduction in reimbursement from Medicare, Medicaid, or other government programs may result in a similar reduction in payments from private payers.

The Inflation Reduction Act of 2022 (the "IRA") contains substantial drug pricing reforms, including the establishment of a drug price negotiation program within the U.S. Department of Health and Human Services that would require manufacturers to charge a negotiated "maximum fair price" for certain selected drugs or pay an excise tax for noncompliance, the establishment of rebate payment requirements on manufacturers of certain drugs payable under Medicare Parts B and D to penalize price increases that outpace inflation, and requires manufacturers to provide discounts on Part D drugs. Orphan drugs that treat only one rare disease are exempt from the IRA's drug negotiation program. Substantial penalties can be assessed for noncompliance with the drug pricing provisions in the IRA.

At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. Additional federal, state and foreign healthcare reform measures will be adopted in the future.

The implementation of any of the cost containment measures or other healthcare reforms discussed above may prevent us from being able to generate revenue, attain profitability or commercialize our products.

Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for drugs. It is uncertain whether additional legislative changes will be enacted, or whether the FDA regulations, guidance or interpretations will be changed, or what the impact of such may be. In addition, increased Congressional scrutiny of the FDA's approval process, as well as staffing cuts effected at the FDA in early 2025, may significantly delay or prevent marketing approval, and the industry could become subject to more stringent product labeling and post-marketing testing and other requirements, any of which could have a material adverse impact on the development and commercialization of drug products.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

During the period covered by this report, we have not sold any equity securities in transactions that were not registered under the Securities Act, and neither we nor our affiliates have purchased any equity securities issued by us.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not Applicable.

Item 5. Other Information.

Rule 10b5-1 Trading Plans

During the three months ended March 31, 2025, none of our directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended) adopted, modified or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933).

Employment Agreements

Joseph Benesch

On May 15, 2025, we entered into a second amended and restated employment agreement (the "Benesch Employment Agreement") with our Chief Financial Officer, Joseph Benesch, pursuant to which he will receive: (i) an annualized base salary of $318,270; (ii) eligibility to receive a cash bonus target of 40% of his base salary based on the Company's performance and his individual performance on behalf of the Company; (iii) eligibility to participate in the Company's 2015 Stock Plan, as amended, and related equity grant agreements; (iv) eligibility to receive additional equity awards based upon the Company's performance, his individual performance on behalf of the Company and such other factors as the Board may determine; and (v) eligibility to participate in such other benefits as are generally made available to similarly situated senior executive employes of the Company.

The Benesch Employment Agreement provides Mr. Benesch with severance benefits upon certain terminations of employment, as described below. In each case, the severance benefits are conditioned upon Mr. Benesch's execution and non-revocation of a release of claims against the Company.

Termination Without Cause; Resignation for Good Reason. If the Company terminates Mr. Benesch's employment without "cause" or Mr. Benesch resigns for "good reason" (as such terms are defined in the Benesch Employment Agreement) he will receive: (i) his base salary for a period of twelve (12) months beginning on the sixtieth (60th) day following the termination of his employment with the Company and (ii) if timely elected, the premiums necessary to continue health insurance coverage under COBRA for twelve (12) months or until Mr. Benesch becomes eligible for group health insurance coverage under another employer's plan, whichever occurs first.

Termination due to Change in Control Event. If Mr. Benesch's terminates three (3) months prior to, upon or following the occurrence of a Change in Control (as defined in the Benesch Employment Agreement) by the Company (or its successor) without "cause" or by Mr. Benesch for "good reason" (as such terms are defined in the Benesch Employment Agreement), then, provided that within forty-five (45) days after the date of termination he has executed a release, he will receive: (i) a lump sum severance payment equal to his annual base salary and target bonus; (ii) continued participation in the Executive group health benefits for a period of twelve (12) months following the date of termination; (iii) his prorated Target Bonus; (iv) any accrued by unpaid Target Bonus earned prior to the date of his termination; and (v) any expense reimbursement amounts owed by the Company. Additionally, on the date of his termination (x) any restricted stock awards outstanding on the date of his termination shall become fully-vested and non-forfeitable as of the date of his termination and (y) any stock options outstanding on the date of his termination shall become fully-vested and, provided that such stock options are not cancelled and cashed-out in connection with the Change in Control, shall remain exercisable for twelve (12) months following the date of his termination (or, if earlier, the normal expiration date of such stock options).

Item 6. Exhibits

Exhibit No.	Description
3.1	Third Amended and Restated Certificate of Incorporation of Journey Medical Corporation, filed as Exhibit 3.1 to Form 10-K, filed on March 26, 2025 and incorporated herein by reference.
3.2	Amended and Restated Bylaws of Journey Medical Corporation, filed as Exhibit 3.2 to Form 10-K, filed on March 28, 2022 and incorporated herein by reference.
4.1	Form of Common Stock Certificate, filed as Exhibit 4.1 to Form S-1, filed on October 22, 2021 and incorporated herein by reference.
10.1	Amended and Restated Employment Agreement with Ramsey Alloush, dated March 31, 2025.**
10.2	Second Amended and Restated Employment Agreement with Joseph Benesch, dated May 15, 2025.**
31.1	Certification of Chief Executive Officer of Journey Medical Corporation pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated May 15, 2025.**
31.2	Certification of Principal Financial Officer of Journey Medical Corporation pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated May 15, 2025.**
32.1	Certification of Chief Executive Officer of Journey Medical Corporation pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated May 15, 2025.***
32.2	Certification of Principal Financial Officer of Journey Medical Corporation pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated May 15, 2025.***
101	The following financial information from the Company's quarterly report on Form 10-Q for the period ended March 31, 2025, formatted in Inline Extensible Business Reporting Language (XBRL): (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations, (iii) the Condensed Consolidated Statement of Stockholders' Equity, (iv) the Condensed Consolidated Statements of Cash Flows, and (v) Notes to the Condensed Consolidated Financial Statements (filed herewith).**
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).**

** Filed herewith.
*** Furnished herewith.

SIGNATURES

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

Journey Medical Corporation
(Registrant)

Date: May 15, 2025

By: /s/ Claude Maraoui
Claude Maraoui
President and Chief Executive Officer
(Principal Executive Officer)

Date: May 15, 2025

By: /s/ Joseph Benesch
Joseph Benesch
Chief Financial Officer
(Principal Financial Officer)

Exhibit 10.1

FIRST AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT

This **First Amended and Restated Executive Employment Agreement** (this "***Agreement***") is made and entered into as of March 31, 2025 (the "***Effective Date***") by and between **Journey Medical Corporation** (the "***Company***") and **Ramsey Allousb** ("***Executive***"). The Company and Executive are hereinafter collectively referred to as the "***Parties***", and individually referred to as a "***Party***".

Recitals

WHEREAS, Executive currently serves as General Counsel and Corporate Secretary for the Company;

WHEREAS, the Company's Board of Directors appointed Executive to Chief Operating Officer, and *Acting* General Counsel and Corporate Secretary, effective April 1, 2025;

WHEREAS, the Company desires to continue to employ Executive and Executive desires to accept such continued employment, on the terms and conditions set forth in this Agreement;

WHEREAS, in his position, Executive has and will have access to confidential information concerning the Company's business, its customers and employees; and

WHEREAS, the Company wishes to protect itself from unauthorized use of this information and to protect its investment in its employees, customer relationships and confidential information.

NOW, THEREFORE, in consideration of the foregoing, the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Agreement

1. Employment.

1.1 Term. This Agreement will take effect on the Effective Date and will continue in effect until it is terminated pursuant to Section 4 herein.

1.2 Title. Executive will be employed by the Company in the position of Chief Operating Officer, *Acting* General Counsel and Corporate Secretary. Executive will report to the Company's Chief Executive Officer (the "***CEO***").

1.3 Duties. Executive will do and perform all services, acts or things necessary or advisable to conduct the business of the Company and that are normally associated with the position of Chief Operating Officer, *Acting* General Counsel and Corporate Secretary. Executive's duties will also include such other duties as the CEO may direct from time to time. Executive will devote his full business time, attention, knowledge and skills to the affairs of the Company and to his duties hereunder and will perform such duties diligently and to the best of his

ability, in compliance with the Company's policies and procedures and the laws and regulations that apply to the Company's business.

1.4 Location. Unless the Parties otherwise agree in writing, Executive will work remotely. Notwithstanding the foregoing, Executive understands and agrees that the Company may from time to time require Executive to travel temporarily to other locations in connection with the Company's business, including but not limited to the Company's headquarters in Scottsdale, Arizona.

2. RESTRICTIVE COVENANTS.

2.1 Agreement Protecting Confidential and Proprietary Information. In connection with the Company's employment of Executive, Executive entered into the Company's Proprietary Information and Inventions Agreement ("***PIIA***"). Executive understands, acknowledges and agrees that the PIIA remains in effect and is not amended or superseded by this Agreement. Executive acknowledges and agrees that his services to the Company pursuant to this Agreement are unique and extraordinary and that in the course of performing such services Executive will have access to and knowledge of significant confidential, proprietary, and trade secret information belonging to the Company. Executive agrees that the provisions and restrictions set forth in the PIIA are reasonable and necessary to protect the Company's legitimate business interests in its goodwill, its confidential, proprietary, and trade secret information, and its investment in the unique and extraordinary services to be provided by Executive pursuant to this Agreement.

2.2 Non-Competition and Non-Solicitation.

2.2.1 Purpose. Executive understands and agrees that the purpose of this Section 2.2 is to protect the Company's legitimate business interests, including, but not limited to its confidential and proprietary information, customer relationships and goodwill, and the Company's competitive advantage, and will not unreasonably impair Executive's ability or right to work or earn a living. Therefore, Executive agrees to be subject to restrictive covenants under the following terms.

2.2.2 Definitions. As used in this Agreement, the following terms have the meanings given to such terms below.

(i) "**Business**" means the business(es) in which the Company is or was engaged at the time of, or during the 12-month period prior to, the termination of Executive's employment with the Company for any reason.

(ii) "**Customer**" means any person or entity who is or was a customer or client of the Company at the time of, or during the 12-month period prior to, the termination of Executive's employment with the Company for any reason.

(iii) "**Company Employee**" means any person who is or was an employee of the Company at the time of, or during the 12-month period prior to, the termination of Executive's employment with the Company for any reason.

(iv) "**Restricted Period**" means the period commencing on the date of termination of Executive's employment with the Company for any reason and ending 12 months after such date; provided, however, that the period will be tolled and will not run during any time Executive is in violation of this Section 2.2, it being the intent of the parties that the Restricted Period will be extended for any period of time in which Executive is in violation of this Section 2.2.

(v) "**Territory**" means the United States of America, it being understood that the Company's business is nationwide in scope and a nationwide restriction is reasonable and necessary to protect the Company's interests.

2.2.3 Non-Participation with the Company's Competitors. During his employment with the Company, Executive will not, on his own behalf or on behalf of any other person, engage in any business competitive with or adverse to that of the Company. In addition, during his employment with the Company, Executive will not acquire, assume or participate in, directly or indirectly, any position, investment or interest known by Executive to be adverse or antagonistic to the Company, its business, or prospects, financial or otherwise, or in any company, person, or entity that is, directly or indirectly, in competition with the business of the Company or any of its affiliates. Ownership by Executive, in professionally managed funds over which the Executive does not have control or discretion in investment decisions, or as a passive investment, of less than 2% of the outstanding shares of capital stock of any corporation with one or more classes of its capital stock listed on a national securities exchange or publicly traded on a national securities exchange or in the over-the-counter market will not constitute a breach of this Section 2.2.3.

2.2.4 Non-Competition. During his employment with the Company and during the Restricted Period, Executive will not, directly or indirectly, (i) engage in the Business in the Territory (other than on behalf of the Company), or (ii) hold a position based in or with responsibility for all or part of the Territory, with any person or entity engaging in the Business, whether as an employee, consultant, or otherwise, in which Executive will have duties, or will perform or be expected to perform services for such person or entity, that is or are the same as or substantially similar to the position held by Executive or those duties or services actually performed by Executive for the Company within the 12-month period immediately preceding the termination of Executive's employment with the Company, or in which Executive will use or disclose or be reasonably expected to use or disclose any confidential or proprietary information of the Company for the purpose of providing, or attempting to provide, such person or entity with a competitive advantage with respect to the Business. Notwithstanding anything to the contrary in this Agreement, nothing set forth herein restricts the right of Executive to engage in the practice of law after his employment with the Company ends to the extent such restriction would violate Rule 5.6 of the District of Columbia Rules of Professional Conduct or any other applicable ethics rules.

2.2.5 Non-Solicitation. During his employment with the Company and during the Restricted Period, Executive will not, directly or indirectly, on Executive's own behalf or on behalf of any other party (except on behalf of the Company):

(i) Call upon, solicit, divert, encourage or attempt to call upon, solicit, divert, or encourage any Customer for purposes of marketing, selling, or providing products or services to such Customer that are competitive with those offered by the Company;

(ii) Accept as a customer any Customer for purposes of marketing, selling, or providing products or services to such Customer that are competitive with those offered by the Company;

(iii) Induce, encourage, or attempt to induce or encourage any Customer to reduce, limit, or cancel its business with the Company;

(iv) Solicit, induce, or attempt to solicit or induce any Company Employee to terminate his or her employment with the Company; or

(v) Otherwise interfere with or engage in any conduct that would have the effect of interfering with the business relationship between the Company and any of its vendors, suppliers, consultants, or contractors.

2.2.6 Reasonableness of Restrictions. Executive acknowledges and agrees that (i) his services to the Company under this Agreement are unique and extraordinary; (ii) the restrictive covenants in this Agreement are essential elements of Executive's employment by the Company and are reasonable given Executive's access to the Company's confidential information and the substantial knowledge and goodwill Executive will acquire with respect to the business of the Company as a result of his employment with the Company, and the unique and extraordinary services to be provided by Executive to the Company; (iii) the restrictive covenants contained in this Agreement are reasonable in time, territory, and scope, and in all other respects; and (iv) enforcement of the restrictions contained herein will not deprive the Executive of the ability to earn a reasonable living.

2.2.7 Judicial Modification. Should any part or provision of this Section 2.2 be held invalid, void, or unenforceable in any court of competent jurisdiction, such invalidity, voidness, or unenforceability will not render invalid, void, or unenforceable any other part or provision of this Agreement. The parties further agree that if any portion of this Section 2.2 is found to be invalid or unenforceable by a court of competent jurisdiction because its duration, territory, or other restrictions are deemed to be invalid or unreasonable in scope, the invalid or unreasonable terms will be replaced by terms that are valid and enforceable and that come closest to expressing the intention of such invalid or unenforceable terms.

2.2.8 Enforcement. Executive acknowledges and agrees that the Company will suffer irreparable harm in the event that Executive breaches any of Executive's obligations under this Section 2.2 and that monetary damages would be inadequate to compensate the Company for such breach. Accordingly, Executive agrees that, in the event of a breach by Executive of any of Executive's obligations under this Section 2.2, the Company will be entitled to obtain from any court of competent jurisdiction preliminary and permanent injunctive relief, in order to prevent or to restrain any such breach. Executive agrees to waive any requirement for the securing or posting of any bond in connection with such remedies. The Company will be entitled

to recover its costs incurred in connection with enforcing this Section 2.2, including reasonable attorneys' fees and expenses.

3. Compensation of Executive.

3.1 Base Salary. The Company will pay Executive a base salary at the annualized rate of $392,945 (the "***Base Salary***"), to be paid in equal installments in accordance with the Company's normal payroll practices. The Base Salary will be prorated for any partial year of employment on the basis of a 365-day fiscal year and may be increased in the discretion of the Company. The Base Salary may only be decreased in connection with a Company-wide decrease in compensation to similarly-situated executive employees of the Company; provided, however, that Executive will not be subject to any greater percentage reduction than any other similarly-situated Company executive.

3.2 Annual Bonus Compensation. Executive will be eligible to receive an annual bonus targeted at 50% of his Base Salary (the "***Target Bonus***") based upon the Company's performance and his individual performance on behalf of the Company during the preceding calendar year. Whether to award a bonus for any calendar year, and if so, in what amount, will be determined by the Company in its discretion. Except as specified in Section 4.5.3, Executive must remain employed by the Company through the bonus payment date in order to earn or receive any discretionary annual bonus and no *pro rata* bonus will be earned or payable for partial years of employment.

3.3 Equity Participation. Executive has previously been granted one or more equity awards pursuant to the Company's 2015 Stock Plan, as amended from time to time, and related equity grant agreement(s) and may be entitled to additional grants subject to approval of the Company's Board of Directors. This Agreement does not amend or supersede any prior equity grant agreement between Executive and the Company. Executive will be eligible to receive additional equity awards, as determined by the Company's Board of Directors in its discretion, based upon the Company's performance, his individual performance on behalf of the Company, and such other factors as the Board may determine.

3.4 Expense Reimbursements. The Company will reimburse Executive for all reasonable business expenses incurred by Executive in connection with the performance of his duties hereunder, subject to the Company's reimbursement policies in effect from time to time.

3.5 Benefits. Executive will be entitled to such other benefits, and to participate in such benefit plans, as are generally made available to similarly situated senior executive employees of the Company from time to time, subject to Company policy and the terms and conditions of any applicable benefit plans. Nothing in this Agreement will be deemed to alter the Company's rights to modify or terminate any such plans or programs in its sole discretion.

3.6 Holidays and Vacation. Executive will be eligible to accrue up to four weeks of paid vacation per year and will receive paid Company holidays in accordance with Company policy. All available time off must be used in accord with the Company's policies and procedures. To the extent Executive would be entitled to a greater number of vacation days under any other Company policy, such other policy will govern.

3.7 Withholdings. The Company may withhold from any amounts payable under this Agreement such federal, state and local taxes as the Company determines are required to be withheld pursuant to any applicable law or other amount properly requested by Executive.

4. TERMINATION.

4.1 Termination by the Company. Executive's employment with the Company is at will and may be terminated by the Company at any time and for any reason, or for no reason, including, but not limited to, under the following conditions:

4.1.1 Termination by the Company for Cause. The Company may terminate Executive's employment for "Cause" (as defined below) by delivery of written notice to Executive in accordance with the definition and procedures set forth in Section 4.6.2 below. Any notice of termination given pursuant to this Section 4.1.1 will effect termination as of the date of the notice or as of such other date as specified in the notice, subject to Section 4.6.2.

4.1.2 Termination by the Company without Cause. The Company may terminate Executive's employment without Cause at any time and for any reason or for no reason. Such termination will be effective on the date Executive is so informed or as otherwise specified by the Company.

4.2 Termination by Resignation of Executive. Executive's employment with the Company is at will and may be terminated by Executive at any time and for any reason or for no reason, including via a resignation for Good Reason in accordance with the Good Reason Process set forth in Section 4.6.4 below.

4.3 Termination for Death or Complete Disability. Executive's employment with the Company will terminate effective upon the date of Executive's death or upon notice by the Company as a result of Executive's Complete Disability (as defined below); provided, however, nothing herein will give the Company the right to terminate Executive prior to discharging its obligations to Executive, if any, under the Family and Medical Leave Act, the Americans with Disabilities Act, or any other applicable law.

4.4 Termination by Mutual Agreement of the Parties. Executive's employment with the Company may be terminated at any time upon a mutual agreement in writing of the Parties. Any such termination of employment will have the consequences specified in such agreement.

4.5 Compensation Upon Termination.

4.5.1 Generally. When Executive's employment is terminated for any reason, Executive, or his estate, as the case may be, will be entitled to receive the compensation and benefits earned through the effective date of termination, including, but not limited to, as applicable, any Base Salary earned by Executive through the date of termination, expenses subject to reimbursement pursuant to Company policy incurred by Executive through the date of termination, and accrued and unused vacation benefits earned through the date of termination at the rate in effect at the time of termination.

4.5.2 Termination Without Cause or Resignation For Good Reason. If the Company terminates Executive's employment without Cause or if Executive resigns for Good Reason, then, in addition to the amounts described in Section 4.5.1, and conditioned upon Executive executing and not revoking a release of claims in a form acceptable to the Company (the "***Release***") within the time periods specified therein, the Company will provide Executive with the following separation benefits (together, the "***Separation Benefits***"): (i) the Company will pay Executive severance in an amount equal to twenty four (24) months of Executive's Base Salary (at the rate in effect as of the termination); and (ii) if Executive timely elects continued health insurance coverage under COBRA, the Company will pay the entire premium necessary to continue such coverage for Executive and Executive's eligible dependents for a period of twenty four (24) months or, if earlier, when Executive becomes eligible for group health insurance coverage under another employer's plan, provided, however, that the Company will have the right to terminate such payment of COBRA premiums on behalf of Executive and instead pay Executive a lump sum amount equal to the COBRA premium times the number of months remaining in the specified period if the Company determines in its discretion that continued payment of the COBRA premiums is or may be discriminatory under Section 105(h) of the Internal Revenue Code. The severance payments under clause (i) above will be payable to Executive over time in accordance with the Company's payroll practices and procedures beginning on the 60th day following the termination of Executive's employment with the Company, provided that the first installment will include all installments that would have been paid if the payments had commenced immediately following the date of termination. Notwithstanding the foregoing, if Executive is entitled to receive the Separation Benefits but violates any provisions of Section 2 hereof or the PIIA, the Company will be entitled to immediately stop paying any further installments of the Separation Benefits, in addition to any other remedies that may be available to the Company in law or at equity.

4.5.3 Termination in Change in Control Event. If, during the Term, the Executive's employment is terminated three (3) months prior to, upon or following the occurrence of a Change in Control (as defined below) (X) by the Company (or its successor) without Cause or other than as a result of the Executive's death or Disability, or (Y) by the Executive for Good Reason, then, provided that within forty-five (45) days after the date of termination, the Executive shall have executed a Release, the Company (or its successor, as applicable) shall (i) pay to the Executive a lump sum severance payment equal to one (1) times the sum of his Base Salary and Target Bonus; (ii) continue to provide to the Executive group health benefits for a period of twenty four (24) months following the Executive's date of termination; (iii) pay the prorated Target Bonus; (iv) pay any accrued but unpaid Target Bonus earned by the Executive prior to the date of his termination; (v) pay any expense reimbursement amounts owed the Executive; (vi) any shares restricted stock awards outstanding on the date of his termination shall become fully-vested and non-forfeitable as of the date of his termination; and (vii) any stock options outstanding on the date of his termination shall become fully-vested and, provided that such stock options are not cancelled and cashed-out in connection with the Change in Control (as defined below), shall remain exercisable by the Executive for twenty four (24) months following the date of his termination (or, if earlier, the normal expiration date of such stock options). The payments specified in clauses (i), (iii), (iv) and (v) shall be paid to the Executive in a lump sum within sixty (60) days following the Executive's date of termination.

4.5.4 No Further Obligations. Except as expressly provided above or as otherwise required by law, the Company will have no obligations to Executive in the event of the termination of this Agreement for any reason.

4.6 Definitions. For purposes of this Agreement, the following terms will have the following meanings:

4.6.1 Complete Disability. As used herein, "***Complete Disability***" means the inability of Executive, due to the condition of his physical, mental or emotional health, effectively to perform the essential functions of his job with or without reasonable accommodation for a continuous period of more than 90 days or for 90 days in any period of 180 consecutive days. In the event that a question should arise as to whether a Complete Disability exists, then for purposes of making such a determination, at the Company's request Executive agrees to make himself available and to cooperate in a reasonable examination by a licensed independent physician retained by the Company and to authorize the disclosure and release to the Company of all medical records related to such examination.

4.6.2 Cause. As used herein, "***Cause***" means: (i) Executive's fraud, embezzlement or misappropriation with respect to the Company; (ii) Executive's material breach of this Agreement; (iii) Executive's material breach of the PIIA; (iv) Executive's breach of fiduciary duties to the Company; (v) Executive's willful failure or refusal to perform his material duties under this Agreement or failure to follow any specific lawful instructions of the CEO; (vi) Executive's conviction or plea of nolo contendere in respect of a felony or of a misdemeanor involving moral turpitude; (vii) Executive's willful or negligent act or omission that has or may reasonably be expected to have a material adverse effect on the property, business, or reputation of the Company; (viii) Executive's material failure to comply with the Company's workplace rules, policies, or procedures; or (ix) Executive's failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation. In the event that the Company concludes that Executive has engaged in acts constituting in Cause as defined in clause (ii) or (v) above, prior to terminating this Agreement for Cause the Company will provide Executive with at least 10 days' notice of the circumstances constituting such Cause and an opportunity to correct such circumstances, to the extent such circumstances are susceptible of being corrected.

4.6.3 For purposes of this Agreement, "***Change in Control***" means and includes the occurrence of any one of the following events but shall specifically exclude a Public Offering (as defined herein): (i) the acquisition, directly or indirectly, following the date hereof by any person (as such term is defined in Section 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended), in one transaction or a series of related transactions, of securities of the Company representing in excess of fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities if such person or his or its affiliate(s) do not own in excess of fifty percent (50%) of such voting power on the Effective Date, but excluding an acquisition where the stockholders holding fifty percent (50%) of the voting power of the Company's then outstanding securities continue to hold fifty percent (50%) or more of the voting

power of an entity that holds fifty percent (50%) or more of the voting power of the Company's then outstanding voting securities, or (ii) the future disposition by the Company (whether direct or indirect, by sale of assets or stock, merger, consolidation or otherwise) of all or substantially all of its business and/or assets in one transaction or series of related transactions (other than a merger effected exclusively for the purpose of changing the domicile of the Company). For purposes of this Agreement, "Public Offering" means a public offering of any class or series of the Company's equity securities pursuant to a registration statement filed by the Company under the Securities Act of 1933 Act, as amended.

4.6.4 Good Reason. Executive may resign for Good Reason by complying with the Good Reason Process. As used in this Agreement, "***Good Reason Process***" means that (i) Executive reasonably determines in good faith that a "Good Reason" condition has occurred; (ii) Executive notifies the Company in writing of the first occurrence of the Good Reason condition within 30 days of the first occurrence of such condition; (iii) Executive cooperates in good faith with the Company's efforts, for a period of 30 days following such notice (the "***Good Reason Cure Period***"), to remedy the condition; (iv) notwithstanding such efforts, the Good Reason condition continues to exist; and (v) Executive terminates Executive's employment within 30 days after the end of the Good Reason Cure Period. If the Company cures the Good Reason condition during the Good Reason Cure Period, Good Reason shall be deemed not to have occurred with respect to the particular circumstances claimed to have constituted Good Reason. For purposes of this Agreement, "***Good Reason***" means the occurrence of any of the following events without Executive's consent: (x) a material reduction of Executive's Base Salary, except in connection with a Company-wide decrease in executive compensation as provided in Section 3.1 of this Agreement, (y) a material diminution of Executive's authority, duties, or responsibilities, or (z) the Company's material breach of this Agreement.

4.7 Survival of Certain Sections. Sections 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, and 17 of this Agreement will survive the termination of this Agreement.

4.8 Section 409A Compliance. The Parties intend that all provisions of this Agreement and the payments made pursuant thereto will comply with, or be exempt from, the application of Section 409A of the Internal Revenue Code of 1986 as amended and the regulations and other guidance thereunder and any state law of similar effect (collectively "***Section 409A***"), and all provisions of this Agreement will be construed, to the maximum extent possible, in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. Notwithstanding anything to the contrary set forth herein, any payments and benefits provided under this Section 4 that constitute "deferred compensation" within the meaning of Section 409A will not commence in connection with Executive's termination of employment unless and until Executive has also incurred a "separation from service" (as such term is defined in Treasury Regulation Section 1.409A-1(h)), unless the Company reasonably determines that such amounts may be provided to Executive without causing Executive to incur the additional 20% tax pursuant to Section 409A. The parties intend that each installment of any series of payments provided for in this Agreement is a separate "payment" for purposes of Treasury Regulation Section 1.409A-2(b)(2)(i). For the avoidance of doubt, the parties intend that payments of the Separation Benefits set forth in this Agreement satisfy, to the greatest extent possible, the exemptions from the application of Section 409A provided under Treasury Regulation Sections 1.409A-1(b)(4) and 1.409A-1(b)(9). If the Company determines that the Separation Benefits constitute "deferred

compensation" under Section 409A and Executive is, on the termination of service, a "specified employee" of the Company or any successor entity thereto, as such term is defined in Section 409A, then, solely to the extent necessary to avoid the incurrence of the adverse personal tax consequences under Section 409A, the timing of the Separation Benefits payments will be delayed until the earlier to occur of: (i) the date that is six months and one day after Executive's separation from service, or (ii) the date of Executive's death (such applicable date, the "***Specified Employee Initial Payment Date***"), and the Company (or the successor entity thereto, as applicable) will (A) pay to Executive a lump sum amount equal to the sum of the Separation Benefits payments that Executive would otherwise have received through the Specified Employee Initial Payment Date if the commencement of the payment of the Separation Benefits had not been so delayed pursuant to this Section and (B) commence paying the balance of the Separation Benefits in accordance with the applicable payment schedules set forth in this Agreement.

5. Assignment and Binding Effect.

This Agreement will be binding upon and inure to the benefit of Executive and Executive's heirs, executors, personal representatives, assigns, administrators and legal representatives. Because of the unique and personal nature of Executive's duties under this Agreement, neither this Agreement nor any rights or obligations under this Agreement will be assignable by Executive. This Agreement will be binding upon and inure to the benefit of the Company and its successors, assigns and legal representatives. Any such successor of the Company will be deemed substituted for the Company under the terms of this Agreement for all purposes. For this purpose, "successor" means any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company.

6. Notices.

Any notice required or permitted to be given pursuant to this Agreement must be in writing and will be deemed effectively given to the other party (i) on the date it is actually delivered by personal delivery of such notice in person, (ii) one business day after its deposit in the custody of a reputable overnight courier service (such as FedEx) next business day delivery charges prepaid; or (iii) three business days after its deposit in the custody of the U.S. mail, certified or registered postage prepaid, return receipt requested; in each case to the appropriate address shown below (or to such other address as a party may designate by notice to the other party):

If to the Company:

Journey Medical Corporation
9237 E. Via de Ventura Blvd, Suite 105
Scottsdale, AZ 85258
Attn: Chief Executive Officer

If to Executive:

Ramsey Alloush
[***]

[***]
Attn: Ramsey Alloush

7. Choice of Law.

This Agreement will be construed and interpreted in accordance with the internal laws of the State of New York without regard to its conflict of laws principles.

8. Integration.

This Agreement, including the PIIA and all other documents referenced herein, contains the complete, final and exclusive agreement of the Parties relating to the terms and conditions of Executive's employment and the termination of Executive's employment, and supersedes all prior and contemporaneous oral and written employment agreements or arrangements between the Parties.

9. Amendment.

This Agreement cannot be amended or modified except by a written agreement signed by Executive and the Company.

10. Waiver.

No term, covenant or condition of this Agreement or any breach thereof will be deemed waived, except with the written consent of the Party against whom the wavier is claimed, and any waiver or any such term, covenant, condition or breach will not be deemed to be a waiver of any preceding or succeeding breach of the same or any other term, covenant, condition or breach.

11. Severability.

The finding by a court of competent jurisdiction of the unenforceability, invalidity or illegality of any provision of this Agreement will not render any other provision of this Agreement unenforceable, invalid or illegal. Such court will have the authority to modify or replace the invalid or unenforceable term or provision with a valid and enforceable term or provision, which most accurately represents the Parties' intention with respect to the invalid or unenforceable term, or provision.

12. Interpretation; Construction.

The headings set forth in this Agreement are for convenience of reference only and will not be used in interpreting this Agreement. This Agreement has been drafted by legal counsel representing the Company, but Executive has been encouraged to consult with, and has consulted with, Executive's own independent counsel and tax advisors with respect to the terms of this Agreement. The Parties acknowledge that each Party and its counsel has reviewed and revised, or had an opportunity to review and revise, this Agreement, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party will not be employed in the interpretation of this Agreement.

13. Attorneys Fees.

Except as otherwise prohibited by law, in the event a Party brings an action to enforce the terms of this Agreement, in addition to any other remedies, the prevailing party will be entitled to recovery of its reasonable attorneys' fees and costs incurred by it arising out of such breach or the defense thereof.

14. Representations and Warranties.

14.1 Obligations to Prior Employers. Executive represents and warrants to the Company that Executive is not obligated or restricted under any agreement (including any non-competition or confidentiality agreement), judgment, decree, order or other restraint of any kind that could impair Executive's ability to perform the duties and obligations required of Executive hereunder. Executive further represents and warrants to the Company that he has not violated any confidentiality agreement or other similar obligation that he has to any former employer and that he has not disclosed any confidential or trade secret information belonging to any former employer to the Company or its agents. Executive agrees that he will not use confidential information and/or trade secrets belonging to any former employer in his employment with the Company or otherwise as a resource for building the business of the Company and will structure his and the Company's work environment and practices in such a way to ensure that any such information will not be used or disclosed during the course of his relationship with the Company.

14.2 Litigation Support. Both during and after Executive's employment with the Company, if the Company is evaluating, pursuing, contesting or defending any proceeding, charge, complaint, claim, demand, notice, action, suit, litigation, hearing, audit, investigation, arbitration or mediation, in each case whether initiated by or against the Company (collectively, a "***Proceeding***"), other than a Proceeding initiated by or against Executive, Executive will reasonably cooperate with the Company and its counsel in the evaluation, pursuit, contest or defense of the Proceeding and provide such testimony and access to books and records as may be necessary in connection therewith. Any such cooperation will be done at times mutually convenient for Executive and the Company, and the Company will undertake reasonable efforts to minimize the interference such cooperation may cause to any duties or obligations that Executive may have to a third party, including any future employer. The Company will reimburse Executive for Executive's reasonable out-of-pocket expenses related to such cooperation.

14.3 Future Employment. In the event of Executive's separation from the Company, regardless of the reason or cause of that separation, Executive agrees that for a period of 12 months from the date his employment terminates, he will provide the Company with no fewer than three business days' notice of his intent to accept employment with or for an organization other than Company for the express purpose of allowing the Company to determine if such proposed employment interferes with any of Executive's surviving obligations under this Agreement. The notice of intent to accept employment will identify the new employer, list Executive's anticipated title and describe his anticipated duties.

15. Counterparts.

This Agreement may be executed in two counterparts, each of which will be deemed an original, all of which together will contribute one and the same instrument. Signatures to this Agreement transmitted by fax, by email in "portable document format" (".pdf") or by any other electronic means intended to preserve the original graphic and pictorial appearance of this Agreement will have the same effect as physical delivery of the paper document bearing original signature.

16. Jurisdiction; Venue.

The Parties agree that any litigation arising out of or related to this Agreement or Executive's employment by the Company will be brought exclusively in any state or federal court in New York, New York. Each Party (i) consents to the personal jurisdiction of said courts, (ii) waives any venue or inconvenient forum defense to any proceeding maintained in such courts, and (iii) except as otherwise provided in this Agreement, agrees not to bring any proceeding arising out of or relating to this Agreement or Executive's employment by the Company in any other court.

17. Advertising Waiver.

Executive agrees to permit the Company, and persons or other organizations authorized by the Company, to use, publish and distribute advertising or sales promotional literature concerning the products and/or services of the Company, or the machinery and equipment used in the provision thereof, in which Executive's name and/or pictures of Executive taken in the course of Executive's provision of services to the Company appear. Executive hereby waives and releases any claim or right Executive may otherwise have arising out of such use, publication or distribution.

[Signature Page Immediately Follows]

In Witness Whereof, the Company has caused this Agreement to be signed by its duly authorized officer and Executive has hereunto set his hand and seal.

Journey Medical Corporation

/s/ Claude Maraoui	March 31, 2025
Claude Maraoui	**Date**
President and CEO	

Executive:

/s/ Ramsey Alloush	March 31, 2025
Ramsey Alloush	**Date**

Exhibit 10.2

SECOND AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT

This **Executive Employment Agreement** (this "***Agreement***") is made and entered into as of May 15, 2025 (the "***Effective Date***") by and between **Journey Medical Corporation** (the "***Company***") and **Joseph Benesch** ("***Executive***"). The Company and Executive are hereinafter collectively referred to as the "***Parties***", and individually referred to as a "***Party***".

Recitals

WHEREAS, Executive currently serves as Chief Financial Officer for the Company;

WHEREAS, the Company desires to continue to employ Executive and Executive desires to accept such continued employment, on the terms and conditions set forth in this Agreement;

WHEREAS, in his position, Executive has and will have access to confidential information concerning the Company's business, its customers and employees; and

WHEREAS, the Company wishes to protect itself from unauthorized use of this information and to protect its investment in its employees, customer relationships and confidential information.

NOW, THEREFORE, in consideration of the foregoing, the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Agreement

1. Employment.

1.1 Term. This Agreement will take effect on the Effective Date and will continue in effect until it is terminated pursuant to Section 4 herein.

1.2 Title. Executive will be employed by the Company in the position of Chief Financial Officer (the "***CFO***"). Executive will report to the President and Chief Executive Officer (the "***CEO***").

1.3 Duties. Executive will do and perform all services, acts or things necessary or advisable to conduct the business of the Company and that are normally associated with the position of CFO. Executive's duties will also include such other duties as the CEO may direct from time to time. Executive will devote his full business time, attention, knowledge and skills to the affairs of the Company and to his duties hereunder and will perform such duties diligently and to the best of his ability, in compliance with the Company's policies and procedures and the laws and regulations that apply to the Company's business.

1.4 Location. Unless the Parties otherwise agree in writing, Executive will work at the Company's headquarters in Scottsdale, Arizona. Notwithstanding the foregoing, Executive understands and agrees that the Company may from time to time require Executive to travel temporarily to other locations in connection with the Company's business.

2. RESTRICTIVE COVENANTS.

2.1 Agreement Protecting Confidential and Proprietary Information. In connection with the Company's employment of Executive, Executive entered into the Company's Proprietary Information and Inventions Agreement ("***PIIA***"). Executive understands, acknowledges and agrees that the PIIA remains in effect and is not amended or superseded by this Agreement. Executive acknowledges and agrees that his services to the Company pursuant to this Agreement are unique and extraordinary and that in the course of performing such services Executive will have access to and knowledge of significant confidential, proprietary, and trade secret information belonging to the Company. Executive agrees that the provisions and restrictions set forth in the PIIA are reasonable and necessary to protect the Company's legitimate business interests in its goodwill, its confidential, proprietary, and trade secret information, and its investment in the unique and extraordinary services to be provided by Executive pursuant to this Agreement.

2.2 Non-Competition and Non-Solicitation.

2.2.1 Purpose. Executive understands and agrees that the purpose of this Section 2.2 is to protect the Company's legitimate business interests, including, but not limited to its confidential and proprietary information, customer relationships and goodwill, and the Company's competitive advantage, and will not unreasonably impair Executive's ability or right to work or earn a living. Therefore, Executive agrees to be subject to restrictive covenants under the following terms.

2.2.2 Definitions. As used in this Agreement, the following terms have the meanings given to such terms below.

(i) "**Business**" means the business(es) in which the Company is or was engaged at the time of, or during the 12-month period prior to, the termination of Executive's employment with the Company for any reason.

(ii) "**Customer**" means any person or entity who is or was a customer or client of the Company at the time of, or during the 12-month period prior to, the termination of Executive's employment with the Company for any reason.

(iii) "**Company Employee**" means any person who is or was an employee of the Company at the time of, or during the 12-month period prior to, the termination of Executive's employment with the Company for any reason.

(iv) "**Restricted Period**" means the period commencing on the date of termination of Executive's employment with the Company for any reason and ending 12 months after such date; provided, however, that the period will be tolled and will not run during any time Executive is in violation of this Section 2.2, it being the intent of the parties that the Restricted Period will be extended for any period of time in which Executive is in violation of this Section 2.2.

(v) "**Territory**" means the United States of America, it being understood that the Company's business is nationwide in scope and a nationwide restriction is reasonable and necessary to protect the Company's interests.

2.2.3 Non-Participation with the Company's Competitors. During his employment with the Company, Executive will not, on his own behalf or on behalf of any other person, engage in any business competitive with or adverse to that of the Company. In addition, during his employment with the Company, Executive will not acquire, assume or participate in, directly or indirectly, any position, investment or interest known by Executive to be adverse or antagonistic to the Company, its business, or prospects, financial or otherwise, or in any company, person, or entity that is, directly or indirectly, in competition with the business of the Company or any of its affiliates. Ownership by Executive, in professionally managed funds over which the Executive does not have control or discretion in investment decisions, or as a passive investment, of less than 2% of the outstanding shares of capital stock of any corporation with one or more classes of its capital stock listed on a national securities exchange or publicly traded on a national securities exchange or in the over-the-counter market will not constitute a breach of this Section 2.2.3.

2.2.4 Non-Competition. During his employment with the Company and during the Restricted Period, Executive will not, directly or indirectly, (i) engage in the Business in the Territory (other than on behalf of the Company), or (ii) hold a position based in or with responsibility for all or part of the Territory, with any person or entity engaging in the Business, whether as an employee, consultant, or otherwise, in which Executive will have duties, or will perform or be expected to perform services for such person or entity, that is or are the same as or substantially similar to the position held by Executive or those duties or services actually performed by Executive for the Company within the 12-month period immediately preceding the termination of Executive's employment with the Company, or in which Executive will use or disclose or be reasonably expected to use or disclose any confidential or proprietary information of the Company for the purpose of providing, or attempting to provide, such person or entity with a competitive advantage with respect to the Business. Notwithstanding anything to the contrary in this Agreement, nothing set forth herein restricts the right of Executive to engage in the practice of law after his employment with the Company ends to the extent such restriction would violate Rule 5.6 of the District of Columbia Rules of Professional Conduct or any other applicable ethics rules.

2.2.5 Non-Solicitation. During his employment with the Company and during the Restricted Period, Executive will not, directly or indirectly, on Executive's own behalf or on behalf of any other party (except on behalf of the Company):

(i) Call upon, solicit, divert, encourage or attempt to call upon, solicit, divert, or encourage any Customer for purposes of marketing, selling, or providing products or services to such Customer that are competitive with those offered by the Company;

(ii) Accept as a customer any Customer for purposes of marketing, selling, or providing products or services to such Customer that are competitive with those offered by the Company;

(iii) Induce, encourage, or attempt to induce or encourage any Customer to reduce, limit, or cancel its business with the Company;

(iv) Solicit, induce, or attempt to solicit or induce any Company Employee to terminate his or her employment with the Company; or

(v) Otherwise interfere with or engage in any conduct that would have the effect of interfering with the business relationship between the Company and any of its vendors, suppliers, consultants, or contractors.

2.2.6 Reasonableness of Restrictions. Executive acknowledges and agrees that (i) his services to the Company under this Agreement are unique and extraordinary; (ii) the restrictive covenants in this Agreement are essential elements of Executive's employment by the Company and are reasonable given Executive's access to the Company's confidential information and the substantial knowledge and goodwill Executive will acquire with respect to the business of the Company as a result of his employment with the Company, and the unique and extraordinary services to be provided by Executive to the Company; (iii) the restrictive covenants contained in this Agreement are reasonable in time, territory, and scope, and in all other respects; and (iv) enforcement of the restrictions contained herein will not deprive the Executive of the ability to earn a reasonable living.

2.2.7 Judicial Modification. Should any part or provision of this Section 2.2 be held invalid, void, or unenforceable in any court of competent jurisdiction, such invalidity, voidness, or unenforceability will not render invalid, void, or unenforceable any other part or provision of this Agreement. The parties further agree that if any portion of this Section 2.2 is found to be invalid or unenforceable by a court of competent jurisdiction because its duration, territory, or other restrictions are deemed to be invalid or unreasonable in scope, the invalid or unreasonable terms will be replaced by terms that are valid and enforceable and that come closest to expressing the intention of such invalid or unenforceable terms.

2.2.8 Enforcement. Executive acknowledges and agrees that the Company will suffer irreparable harm in the event that Executive breaches any of Executive's obligations under this Section 2.2 and that monetary damages would be inadequate to compensate the Company for such breach. Accordingly, Executive agrees that, in the event of a breach by Executive of any of Executive's obligations under this Section 2.2, the Company will be entitled to obtain from any court of competent jurisdiction preliminary and permanent injunctive relief, in order to prevent or to restrain any such breach. Executive agrees to waive any requirement for the securing or posting of any bond in connection with such remedies. The Company will be entitled to recover its costs incurred in connection with enforcing this Section 2.2, including reasonable attorneys' fees and expenses.

3. Compensation of Executive.

3.1 Base Salary. The Company will pay Executive a base salary at the annualized rate of $318,270 (the "***Base Salary***"), to be paid in equal installments in accordance with the Company's normal payroll practices. The Base Salary will be prorated for any partial year of employment on the basis of a 365-day fiscal year and may be increased in the discretion of

the Company. The Base Salary may only be decreased in connection with a Company-wide decrease in compensation to similarly-situated executive employees of the Company; provided, however, that Executive will not be subject to any greater percentage reduction than any other similarly-situated Company executive.

3.2 Annual Bonus Compensation. Executive will be eligible to receive an annual bonus targeted at 40% of his Base Salary (the "***Target Bonus***") based upon the Company's performance and his individual performance on behalf of the Company during the preceding calendar year. Whether to award a bonus for any calendar year, and if so, in what amount, will be determined by the Company in its discretion. Except as specified in Section 4.5.3, Executive must remain employed by the Company through the bonus payment date in order to earn or receive any discretionary annual bonus and no *pro rata* bonus will be earned or payable for partial years of employment.

3.3 Equity Participation. Executive has previously been granted one or more equity awards pursuant to the Company's 2015 Stock Plan, as amended from time to time, and related equity grant agreement(s) and may be entitled to additional grants subject to approval of the Company's Board of Directors. This Agreement does not amend or supersede any prior equity grant agreement between Executive and the Company. Executive will be eligible to receive additional equity awards, as determined by the Company's Board of Directors in its discretion, based upon the Company's performance, his individual performance on behalf of the Company, and such other factors as the Board may determine.

3.4 Expense Reimbursements. The Company will reimburse Executive for all reasonable business expenses incurred by Executive in connection with the performance of his duties hereunder, subject to the Company's reimbursement policies in effect from time to time.

3.5 Benefits. Executive will be entitled to such other benefits, and to participate in such benefit plans, as are generally made available to similarly situated senior executive employees of the Company from time to time, subject to Company policy and the terms and conditions of any applicable benefit plans. Nothing in this Agreement will be deemed to alter the Company's rights to modify or terminate any such plans or programs in its sole discretion.

3.6 Holidays and Vacation. Executive will be eligible to accrue up to four weeks of paid vacation per year and will receive paid Company holidays in accordance with Company policy. All available time off must be used in accord with the Company's policies and procedures. To the extent Executive would be entitled to a greater number of vacation days under any other Company policy, such other policy will govern.

3.7 Withholdings. The Company may withhold from any amounts payable under this Agreement such federal, state and local taxes as the Company determines are required to be withheld pursuant to any applicable law or other amount properly requested by Executive.

4. TERMINATION.

4.1 Termination by the Company. Executive's employment with the Company is at will and may be terminated by the Company at any time and for any reason, or for no reason, including, but not limited to, under the following conditions:

4.1.1 Termination by the Company for Cause. The Company may terminate Executive's employment for "Cause" (as defined below) by delivery of written notice to Executive in accordance with the definition and procedures set forth in Section 4.6.2 below. Any notice of termination given pursuant to this Section 4.1.1 will effect termination as of the date of the notice or as of such other date as specified in the notice, subject to Section 4.6.2.

4.1.2 Termination by the Company without Cause. The Company may terminate Executive's employment without Cause at any time and for any reason or for no reason. Such termination will be effective on the date Executive is so informed or as otherwise specified by the Company.

4.2 Termination by Resignation of Executive. Executive's employment with the Company is at will and may be terminated by Executive at any time and for any reason or for no reason, including via a resignation for Good Reason in accordance with the Good Reason Process set forth in Section 4.6.4 below.

4.3 Termination for Death or Complete Disability. Executive's employment with the Company will terminate effective upon the date of Executive's death or upon notice by the Company as a result of Executive's Complete Disability (as defined below); provided, however, nothing herein will give the Company the right to terminate Executive prior to discharging its obligations to Executive, if any, under the Family and Medical Leave Act, the Americans with Disabilities Act, or any other applicable law.

4.4 Termination by Mutual Agreement of the Parties. Executive's employment with the Company may be terminated at any time upon a mutual agreement in writing of the Parties. Any such termination of employment will have the consequences specified in such agreement.

4.5 Compensation Upon Termination.

4.5.1 Generally. When Executive's employment is terminated for any reason, Executive, or his estate, as the case may be, will be entitled to receive the compensation and benefits earned through the effective date of termination, including, but not limited to, as applicable, any Base Salary earned by Executive through the date of termination, expenses subject to reimbursement pursuant to Company policy incurred by Executive through the date of termination, and accrued and unused vacation benefits earned through the date of termination at the rate in effect at the time of termination.

4.5.2 Termination Without Cause or Resignation For Good Reason. If the Company terminates Executive's employment without Cause or if Executive resigns for Good Reason, then, in addition to the amounts described in Section 4.5.1, and conditioned upon Executive executing and not revoking a release of claims in a form acceptable to the Company (the "***Release***") within the time periods specified therein, the Company will provide Executive with the following separation benefits (together, the "***Separation Benefits***"): (i) the Company will pay Executive severance in an amount equal to twelve (12) months of Executive's Base Salary (at the rate in effect as of the termination); and (ii) if Executive timely elects continued health insurance coverage under COBRA, the Company will pay the entire premium necessary to

continue such coverage for Executive and Executive's eligible dependents for a period of twelve (12) months or, if earlier, when Executive becomes eligible for group health insurance coverage under another employer's plan, provided, however, that the Company will have the right to terminate such payment of COBRA premiums on behalf of Executive and instead pay Executive a lump sum amount equal to the COBRA premium times the number of months remaining in the specified period if the Company determines in its discretion that continued payment of the COBRA premiums is or may be discriminatory under Section 105(h) of the Internal Revenue Code. The severance payments under clause (i) above will be payable to Executive over time in accordance with the Company's payroll practices and procedures beginning on the 60th day following the termination of Executive's employment with the Company, provided that the first installment will include all installments that would have been paid if the payments had commenced immediately following the date of termination. Notwithstanding the foregoing, if Executive is entitled to receive the Separation Benefits but violates any provisions of Section 2 hereof or the PIIA, the Company will be entitled to immediately stop paying any further installments of the Separation Benefits, in addition to any other remedies that may be available to the Company in law or at equity.

4.5.3 Termination in Change in Control Event. If, during the Term, the Executive's employment is terminated three (3) months prior to, upon or following the occurrence of a Change in Control (as defined below) (X) by the Company (or its successor) without Cause or other than as a result of the Executive's death or Disability, or (Y) by the Executive for Good Reason, then, provided that within forty-five (45) days after the date of termination, the Executive shall have executed a Release, the Company (or its successor, as applicable) shall (i) pay to the Executive a lump sum severance payment equal to one (1) times the sum of his Base Salary and Target Bonus; (ii) continue to provide to the Executive group health benefits for a period of twelve (12) months following the Executive's date of termination; (iii) pay the prorated Target Bonus; (iv) pay any accrued but unpaid Target Bonus earned by the Executive prior to the date of his termination; (v) pay any expense reimbursement amounts owed the Executive; (vi) any shares restricted stock awards outstanding on the date of his termination shall become fully-vested and non-forfeitable as of the date of his termination; and (vii) any stock options outstanding on the date of his termination shall become fully-vested and, provided that such stock options are not cancelled and cashed-out in connection with the Change in Control (as defined below), shall remain exercisable by the Executive for twelve (12) months following the date of his termination (or, if earlier, the normal expiration date of such stock options). The payments specified in clauses (i), (iii), (iv) and (v) shall be paid to the Executive in a lump sum within sixty (60) days following the Executive's date of termination.

4.5.4 No Further Obligations. Except as expressly provided above or as otherwise required by law, the Company will have no obligations to Executive in the event of the termination of this Agreement for any reason.

4.6 Definitions. For purposes of this Agreement, the following terms will have the following meanings:

4.6.1 Complete Disability. As used herein, "***Complete Disability***" means the inability of Executive, due to the condition of his physical, mental or emotional health, effectively to perform the essential functions of his job with or without reasonable accommodation

for a continuous period of more than 90 days or for 90 days in any period of 180 consecutive days. In the event that a question should arise as to whether a Complete Disability exists, then for purposes of making such a determination, at the Company's request Executive agrees to make himself available and to cooperate in a reasonable examination by a licensed independent physician retained by the Company and to authorize the disclosure and release to the Company of all medical records related to such examination.

4.6.2 **Cause**. As used herein, "***Cause***" means: (i) Executive's fraud, embezzlement or misappropriation with respect to the Company; (ii) Executive's material breach of this Agreement; (iii) Executive's material breach of the PIIA; (iv) Executive's breach of fiduciary duties to the Company; (v) Executive's willful failure or refusal to perform his material duties under this Agreement or failure to follow any specific lawful instructions of the CEO; (vi) Executive's conviction or plea of nolo contendere in respect of a felony or of a misdemeanor involving moral turpitude; (vii) Executive's willful or negligent act or omission that has or may reasonably be expected to have a material adverse effect on the property, business, or reputation of the Company; (viii) Executive's material failure to comply with the Company's workplace rules, policies, or procedures; or (ix) Executive's failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation. In the event that the Company concludes that Executive has engaged in acts constituting in Cause as defined in clause (ii) or (v) above, prior to terminating this Agreement for Cause the Company will provide Executive with at least 10 days' notice of the circumstances constituting such Cause and an opportunity to correct such circumstances, to the extent such circumstances are susceptible of being corrected.

4.6.3 For purposes of this Agreement, "***Change in Control***" means and includes the occurrence of any one of the following events but shall specifically exclude a Public Offering (as defined herein): (i) the acquisition, directly or indirectly, following the date hereof by any person (as such term is defined in Section 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended), in one transaction or a series of related transactions, of securities of the Company representing in excess of fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities if such person or his or its affiliate(s) do not own in excess of fifty percent (50%) of such voting power on the Effective Date, but excluding an acquisition where the stockholders holding fifty percent (50%) of the voting power of the Company's then outstanding securities continue to hold fifty percent (50%) or more of the voting power of an entity that holds fifty percent (50%) or more of the voting power of the Company's then outstanding voting securities, or (ii) the future disposition by the Company (whether direct or indirect, by sale of assets or stock, merger, consolidation or otherwise) of all or substantially all of its business and/or assets in one transaction or series of related transactions (other than a merger effected exclusively for the purpose of changing the domicile of the Company). For purposes of this Agreement, "Public Offering" means a public offering of any class or series of the Company's equity securities pursuant to a registration statement filed by the Company under the Securities Act of 1933 Act, as amended.

4.6.4 Good Reason. Executive may resign for Good Reason by complying with the Good Reason Process. As used in this Agreement, "***Good Reason Process***" means that (i) Executive reasonably determines in good faith that a "Good Reason" condition has occurred; (ii) Executive notifies the Company in writing of the first occurrence of the Good Reason condition within 30 days of the first occurrence of such condition; (iii) Executive cooperates in good faith with the Company's efforts, for a period of 30 days following such notice (the "***Good Reason Cure Period***"), to remedy the condition; (iv) notwithstanding such efforts, the Good Reason condition continues to exist; and (v) Executive terminates Executive's employment within 30 days after the end of the Good Reason Cure Period. If the Company cures the Good Reason condition during the Good Reason Cure Period, Good Reason shall be deemed not to have occurred with respect to the particular circumstances claimed to have constituted Good Reason. For purposes of this Agreement, "***Good Reason***" means the occurrence of any of the following events without Executive's consent: (x) a material reduction of Executive's Base Salary, except in connection with a Company-wide decrease in executive compensation as provided in Section 3.1 of this Agreement, (y) a material diminution of Executive's authority, duties, or responsibilities, or (z) the Company's material breach of this Agreement.

4.7 Survival of Certain Sections. Sections 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, and 17 of this Agreement will survive the termination of this Agreement.

4.8 Section 409A Compliance. The Parties intend that all provisions of this Agreement and the payments made pursuant thereto will comply with, or be exempt from, the application of Section 409A of the Internal Revenue Code of 1986 as amended and the regulations and other guidance thereunder and any state law of similar effect (collectively "***Section 409A***"), and all provisions of this Agreement will be construed, to the maximum extent possible, in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. Notwithstanding anything to the contrary set forth herein, any payments and benefits provided under this Section 4 that constitute "deferred compensation" within the meaning of Section 409A will not commence in connection with Executive's termination of employment unless and until Executive has also incurred a "separation from service" (as such term is defined in Treasury Regulation Section 1.409A-1(h)), unless the Company reasonably determines that such amounts may be provided to Executive without causing Executive to incur the additional 20% tax pursuant to Section 409A. The parties intend that each installment of any series of payments provided for in this Agreement is a separate "payment" for purposes of Treasury Regulation Section 1.409A-2(b)(2)(i). For the avoidance of doubt, the parties intend that payments of the Separation Benefits set forth in this Agreement satisfy, to the greatest extent possible, the exemptions from the application of Section 409A provided under Treasury Regulation Sections 1.409A-1(b)(4) and 1.409A-1(b)(9). If the Company determines that the Separation Benefits constitute "deferred compensation" under Section 409A and Executive is, on the termination of service, a "specified employee" of the Company or any successor entity thereto, as such term is defined in Section 409A, then, solely to the extent necessary to avoid the incurrence of the adverse personal tax consequences under Section 409A, the timing of the Separation Benefits payments will be delayed until the earlier to occur of: (i) the date that is six months and one day after Executive's separation from service, or (ii) the date of Executive's death (such applicable date, the "***Specified Employee Initial Payment Date***"), and the Company (or the successor entity thereto, as applicable) will (A) pay to Executive a lump sum amount equal to the sum of the Separation Benefits payments that Executive would otherwise have received through the Specified Employee Initial Payment Date if

the commencement of the payment of the Separation Benefits had not been so delayed pursuant to this Section and (B) commence paying the balance of the Separation Benefits in accordance with the applicable payment schedules set forth in this Agreement.

5. Assignment and Binding Effect.

This Agreement will be binding upon and inure to the benefit of Executive and Executive's heirs, executors, personal representatives, assigns, administrators and legal representatives. Because of the unique and personal nature of Executive's duties under this Agreement, neither this Agreement nor any rights or obligations under this Agreement will be assignable by Executive. This Agreement will be binding upon and inure to the benefit of the Company and its successors, assigns and legal representatives. Any such successor of the Company will be deemed substituted for the Company under the terms of this Agreement for all purposes. For this purpose, "successor" means any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company.

6. Notices.

Any notice required or permitted to be given pursuant to this Agreement must be in writing and will be deemed effectively given to the other party (i) on the date it is actually delivered by personal delivery of such notice in person, (ii) one business day after its deposit in the custody of a reputable overnight courier service (such as FedEx) next business day delivery charges prepaid; or (iii) three business days after its deposit in the custody of the U.S. mail, certified or registered postage prepaid, return receipt requested; in each case to the appropriate address shown below (or to such other address as a party may designate by notice to the other party):

If to the Company:

Journey Medical Corporation
9237 E. Via de Ventura Blvd, Suite 105
Scottsdale, AZ 85258
Attn: Chief Executive Officer

If to Executive:

Ramsey Alloush
[***]
[***]
Attn: Ramsey Alloush

7. Choice of Law.

This Agreement will be construed and interpreted in accordance with the internal laws of the State of New York without regard to its conflict of laws principles.

8. Integration.

This Agreement, including the PIIA and all other documents referenced herein, contains the complete, final and exclusive agreement of the Parties relating to the terms and conditions of Executive's employment and the termination of Executive's employment, and supersedes all prior and contemporaneous oral and written employment agreements or arrangements between the Parties.

9. AMENDMENT.

This Agreement cannot be amended or modified except by a written agreement signed by Executive and the Company.

10. WAIVER.

No term, covenant or condition of this Agreement or any breach thereof will be deemed waived, except with the written consent of the Party against whom the wavier is claimed, and any waiver or any such term, covenant, condition or breach will not be deemed to be a waiver of any preceding or succeeding breach of the same or any other term, covenant, condition or breach.

11. SEVERABILITY.

The finding by a court of competent jurisdiction of the unenforceability, invalidity or illegality of any provision of this Agreement will not render any other provision of this Agreement unenforceable, invalid or illegal. Such court will have the authority to modify or replace the invalid or unenforceable term or provision with a valid and enforceable term or provision, which most accurately represents the Parties' intention with respect to the invalid or unenforceable term, or provision.

12. INTERPRETATION; CONSTRUCTION.

The headings set forth in this Agreement are for convenience of reference only and will not be used in interpreting this Agreement. This Agreement has been drafted by legal counsel representing the Company, but Executive has been encouraged to consult with, and has consulted with, Executive's own independent counsel and tax advisors with respect to the terms of this Agreement. The Parties acknowledge that each Party and its counsel has reviewed and revised, or had an opportunity to review and revise, this Agreement, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party will not be employed in the interpretation of this Agreement.

13. ATTORNEYS FEES.

Except as otherwise prohibited by law, in the event a Party brings an action to enforce the terms of this Agreement, in addition to any other remedies, the prevailing party will be entitled to recovery of its reasonable attorneys' fees and costs incurred by it arising out of such breach or the defense thereof.

14. REPRESENTATIONS AND WARRANTIES.

14.1 Obligations to Prior Employers. Executive represents and warrants to the Company that Executive is not obligated or restricted under any agreement (including any non-competition or confidentiality agreement), judgment, decree, order or other restraint of any kind that could impair Executive's ability to perform the duties and obligations required of Executive hereunder. Executive further represents and warrants to the Company that he has not violated any confidentiality agreement or other similar obligation that he has to any former employer and that he has not disclosed any confidential or trade secret information belonging to any former employer to the Company or its agents. Executive agrees that he will not use confidential information and/or trade secrets belonging to any former employer in his employment with the Company or otherwise as a resource for building the business of the Company and will structure his and the Company's work environment and practices in such a way to ensure that any such information will not be used or disclosed during the course of his relationship with the Company.

14.2 Litigation Support. Both during and after Executive's employment with the Company, if the Company is evaluating, pursuing, contesting or defending any proceeding, charge, complaint, claim, demand, notice, action, suit, litigation, hearing, audit, investigation, arbitration or mediation, in each case whether initiated by or against the Company (collectively, a "***Proceeding***"), other than a Proceeding initiated by or against Executive, Executive will reasonably cooperate with the Company and its counsel in the evaluation, pursuit, contest or defense of the Proceeding and provide such testimony and access to books and records as may be necessary in connection therewith. Any such cooperation will be done at times mutually convenient for Executive and the Company, and the Company will undertake reasonable efforts to minimize the interference such cooperation may cause to any duties or obligations that Executive may have to a third party, including any future employer. The Company will reimburse Executive for Executive's reasonable out-of-pocket expenses related to such cooperation.

14.3 Future Employment. In the event of Executive's separation from the Company, regardless of the reason or cause of that separation, Executive agrees that for a period of 12 months from the date his employment terminates, he will provide the Company with no fewer than three business days' notice of his intent to accept employment with or for an organization other than Company for the express purpose of allowing the Company to determine if such proposed employment interferes with any of Executive's surviving obligations under this Agreement. The notice of intent to accept employment will identify the new employer, list Executive's anticipated title and describe his anticipated duties.

15. Counterparts.

This Agreement may be executed in two counterparts, each of which will be deemed an original, all of which together will contribute one and the same instrument. Signatures to this Agreement transmitted by fax, by email in "portable document format" (".pdf") or by any other electronic means intended to preserve the original graphic and pictorial appearance of this Agreement will have the same effect as physical delivery of the paper document bearing original signature.

16. Jurisdiction; Venue.

The Parties agree that any litigation arising out of or related to this Agreement or Executive's employment by the Company will be brought exclusively in any state or federal court in New York, New York. Each Party (i) consents to the personal jurisdiction of said courts, (ii) waives any venue or inconvenient forum defense to any proceeding maintained in such courts, and (iii) except as otherwise provided in this Agreement, agrees not to bring any proceeding arising out of or relating to this Agreement or Executive's employment by the Company in any other court.

17. Advertising Waiver.

Executive agrees to permit the Company, and persons or other organizations authorized by the Company, to use, publish and distribute advertising or sales promotional literature concerning the products and/or services of the Company, or the machinery and equipment used in the provision thereof, in which Executive's name and/or pictures of Executive taken in the course of Executive's provision of services to the Company appear. Executive hereby waives and releases any claim or right Executive may otherwise have arising out of such use, publication or distribution.

[Signature Page Immediately Follows]

In Witness Whereof, the Company has caused this Agreement to be signed by its duly authorized officer and Executive has hereunto set his hand and seal.

Journey Medical Corporation

/s/ Claude Maraoui	May 15, 2025
Claude Maraoui	**Date**
President & CEO	

Executive:

/s/ Joseph Benesch	May 15, 2025
Joseph Benesch	**Date**

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO RULES 13A-14(A) AND 15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Claude Maraoui, certify that:

1. I have reviewed this report on Form 10-Q of Journey Medical Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Claude Maraoui
Claude Maraoui
President and Chief Executive Officer
(Principal Executive Officer)
May 15, 2025

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO RULES 13A-14(A) AND 15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Joseph Benesch certify that:

1. I have reviewed this report on Form 10-Q of Journey Medical Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15I and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principle;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Joseph Benesch
Joseph Benesch
Chief Financial Officer
(Principal Financial Officer)
May 15, 2025

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Claude Maraoui, President and Chief Executive Officer of Journey Medical Corporation (the "Company"), in compliance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that, to the best of my knowledge, the Company's quarterly report on Form 10-Q for the period ended March 31, 2025 (the "Report") filed with the Securities and Exchange Commission:

- Fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Claude Maraoui
Claude Maraoui
President and Chief Executive Officer
(Principal Executive Officer)
May 15, 2025

Exhibit 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Joseph Benesch, Chief Financial Officer of Journey Medical Corporation (the "Company"), in compliance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that, to the best of my knowledge, the Company's quarterly report on Form 10-Q for the period ended March 31, 2025 (the "Report") filed with the Securities and Exchange Commission:

- Fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joseph Benesch
Joseph Benesch
Chief Financial Officer
(Principal Financial Officer)
May 15, 2025