

August 12, 2021



Dermata Therapeutics, Inc. Announces Pricing of Upsized \$18.0 Million Initial Public Offering

SAN DIEGO, CA / ACCESSWIRE / August 12, 2021 / Dermata Therapeutics, Inc. ("Dermata" or the "Company") (NASDAQ:DRMA)(NASDAQ:DRMAW), a clinical-stage medical dermatology company focused on identifying, developing and commercializing innovative pharmaceutical product candidates for the treatment of medical and aesthetic skin diseases and conditions, today announced the pricing of its initial public offering of 2,571,428 shares of its common stock and accompanying warrants to purchase up to 2,571,428 shares of common stock. Each share of common stock is being sold together with one warrant to purchase one share of common stock with an exercise price of \$7.00 per share at a combined offering price of \$7.00, for gross proceeds of approximately \$18.0 million, before deducting underwriting discounts and offering expenses. In addition, Dermata has granted the underwriters a 45-day option to purchase up to an additional 385,714 shares of common stock and/or warrants to purchase 385,714 shares of common stock to cover over-allotments at the initial public offering price, less the underwriting discount. All of the shares of common stock and warrants are being offered by the Company.

The shares of common stock and warrants are expected to begin trading on the Nasdaq Capital Market on August 13, 2021, under the symbols "DRMA" and "DRMAW," respectively. The offering is expected to close on August 17, 2021, subject to satisfaction of customary closing conditions.

The Company intends to use substantially all of the net proceeds from the offering to advance the clinical development of DMT310 for the treatment of rosacea and psoriasis, to advance the clinical development of DMT410 for the treatment of various aesthetic indications, to fund its planned non-clinical trials and the pharmacokinetic study for its DMT310 program, for manufacturing drug product for its clinical trials in acne, rosacea and psoriasis, for a payment to a licensor, and for working capital and other general corporate purposes.

Maxim Group LLC is acting as the sole book-running manager and Brookline Capital Markets, a division of Arcadia Securities, LLC, is acting as a co-manager in connection with the offering.

A registration statement on Form S-1 (File Nos. 333-256997 and 333-258772) was filed with the Securities and Exchange Commission ("SEC"), which became effective on August 12, 2021. A final prospectus relating to the offering will be filed with the SEC and will be available on the SEC's website at <http://www.sec.gov>. The offering is being made only by means of a prospectus forming part of the effective registration statement. Electronic copies of the prospectus relating to this offering, when available, may be obtained from Maxim Group LLC, 300 Park Avenue, 16th Floor, New York, New York 10022, at (212) 895-3745. Before investing in this offering, interested parties should read in its entirety the registration

statement that the Company has filed with the SEC, which provides additional information about the Company and this offering.

This press release shall not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Dermata Therapeutics

Dermata is a clinical-stage dermatology company focused on identifying, developing and commercializing innovative pharmaceutical product candidates for the treatment of medical and aesthetic skin diseases and conditions the Company believe represent significant market opportunities because current therapies are inadequate or non-existent. For more information, please visit www.dermatarx.com.

Forward Looking Statements

This press release contains certain forward-looking statements, including those relating to the anticipated timing of completion of the offering and other statements that are predictive in nature. Forward-looking statements are based on the Company's current expectations and assumptions. The Private Securities Litigation Reform Act of 1995 provides a safe-harbor for forward-looking statements. These statements may be identified by the use of forward-looking expressions, including, but not limited to, 'expect,' 'anticipate,' 'intend,' 'plan,' 'believe,' 'estimate,' 'potential,' 'predict,' 'project,' 'should,' 'would' and similar expressions and the negatives of those terms. Prospective investors are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this presentation. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Important factors that could cause actual results to differ materially from those in the forward-looking statements are set forth in the Company's filings with the Securities and Exchange Commission, including its registration statement on Form S-1, as amended from time to time, under the caption 'Risk Factors.'

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