



Processa Pharmaceuticals Announces Closing of a \$10.2 Million Private Placement

HANOVER, MD – March 1, 2021 – Processa Pharmaceuticals, Inc. (Nasdaq: PCSA) is pleased to announce it has closed its previously announced private placement to institutional and accredited investors of \$10.2 million. The Company sold 1,321,132 shares of the common stock at a purchase price of \$7.75 per share for \$10.2 million in the private placement. The Company received net proceeds of \$9.9 million.

The funding raised in this financing will enable Processa to be funded through 2023 and either expand the clinical development of PCS6422 or conduct the IND enabling toxicology studies to advance PCS11T to IND.

David Young, Pharm.D., Ph.D., Chairman and CEO said, “We are grateful for the support from our investors. This financing will not only strengthen our balance sheet but will allow us to further develop one of our cancer treatment drugs, PCS6422 or PCS11T. We anticipate that these two drugs will prove to be better than many of the present treatments in patients with colorectal cancer, breast cancer, pancreatic cancer or lung cancer.”

Tribal Capital Markets, LLC acted as sole placement agent for the offering. Allele Capital Partners, LLC through Tribal Capital Markets, LLC was responsible for sourcing and executing the offering.

The private placement is complete and was made pursuant to the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended, and Rule 506 of Regulation D as promulgated by the United States Securities and Exchange Commission (SEC) and the securities sold in the private placement may not be offered or sold in the United States absent registration with the SEC or an applicable exemption from such registration requirements. The Company has agreed to file a registration statement with the SEC covering the resale of the common shares as well as the common shares issuable upon exercise of the warrants issued in the private placement.

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

About Processa Pharmaceuticals, Inc.

The mission of Processa is to develop products with existing clinical evidence of efficacy for patients with unmet or underserved medical conditions who need treatment options that improve survival and/or quality of life. The Company uses these criteria for selection to further develop its pipeline programs to achieve high-value milestones effectively and efficiently. Active pipeline programs include: PCS6422 (metastatic colorectal cancer and breast cancer), PCS499 (ulcerative necrobiosis lipoidica) and PCS12852 (GI motility/gastroparesis). The members of the Processa development team have been involved with more than 30 drug approvals by the FDA (including drug products targeted to orphan disease conditions) and more than 100 FDA meetings throughout their careers. For more information, visit the company’s website at www.ProcessaPharma.com.

Forward-Looking Statements

This release contains forward-looking statements. The statements in this press release that are not purely historical are forward-looking statements which involve risks and uncertainties. Actual future performance outcomes and results may differ materially from those expressed in forward-looking statements. Please refer to the registration statement relating to the securities being sold in this offering, which identifies important risk factors which could cause actual results to differ from those contained in the forward-looking statements.

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