Dermira, Inc.
Form 424B5
March 18, 2019
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The information in this preliminary prospectus supplement is not complete and may be changed. A registration statement relating to these securities has been filed with the Securities and Exchange Commission and is effective. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell the securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated March 18, 2019

PRELIMINARY PROSPECTUS SUPPLEMENT

(To the Prospectus dated November 21, 2018)

$110,000,000

COMMON STOCK

We are offering an aggregate of $110.0 million in shares of our common stock pursuant to this prospectus supplement and the accompanying prospectus.

Our common stock is quoted on The Nasdaq Global Select Market under the symbol DERM. The last reported sale price of our common stock on March 18, 2019 was $12.61 per share.

An investment in our common stock involves a high degree of risk. Please read Risk Factors on page S-9 of this prospectus supplement and in the documents incorporated by reference into this prospectus supplement before investing in our securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	$	$
Underwriting discounts and commissions[(1)]	$	$
Proceeds, before expenses, to us	$	$

(1) We refer you to Underwriting beginning on page S-20 of this prospectus supplement for information regarding underwriting compensation.

We have granted the underwriters an option to purchase up to an additional $16.5 million in shares of our common stock from us at the public offering price, less the underwriting discounts and commissions, within 30 days from the date of this prospectus supplement.

The underwriters expect to deliver the shares against payment on or about , 2019.

Joint Book-Running Managers

Citigroup **Cowen** **Cantor** **Guggenheim Securities**

Co-Managers

Needham & Company **H.C. Wainwright & Co.**

The date of this prospectus supplement is , 2019.

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Prospectus Supplement

Prospectus

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is the prospectus supplement, including the documents incorporated by reference herein, which describes the specific terms of this offering and also adds to and updates the information contained in the accompanying prospectus and the documents incorporated by reference therein. The second part, the accompanying prospectus, including the documents incorporated by reference therein, provides more general information, some of which may not apply to this offering. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. Before you invest, you should carefully read this prospectus supplement, the accompanying prospectus and the information incorporated by reference herein and therein, as well as the additional information described in this prospectus supplement under Where You Can Find Additional Information. This prospectus supplement may add, update or change information contained in the accompanying prospectus. To the extent that any statement we make in this prospectus supplement is inconsistent with statements made in the accompanying prospectus or any documents incorporated by reference therein, the statements made in this prospectus supplement will be deemed to modify or supersede those made in the accompanying prospectus and such documents incorporated by reference therein. However, if any statement in one of these documents is inconsistent with a statement in another document with a later date that is incorporated by reference herein, the statement in the document having the later date modifies and supersedes the earlier statement. Before buying any of the shares of common stock that we are offering, we urge you to carefully read this prospectus supplement, the accompanying prospectus and any related free writing prospectus and all of the information incorporated by reference herein and therein, as well as the additional information described under the headings Where You Can Find Additional Information and Incorporation of Certain Information by Reference. These documents contain important information that you should consider when making your investment decision.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus, and any related free writing prospectus filed by us with the Securities and Exchange Commission, or SEC. Neither we nor the underwriters have authorized any other person to provide you with any information that is different. If anyone provides you with different or inconsistent information, you should not rely on it.

This prospectus supplement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the shares of common stock described in this prospectus supplement or an offer to sell or the solicitation of an offer to buy such securities in any circumstances in which such offer or solicitation is unlawful. Persons outside the United States who come into possession of this prospectus supplement must inform themselves about, and observe any restrictions relating to, the offering of the shares of common stock and the distribution of this prospectus supplement outside the United States.

You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference herein and therein and any related free writing prospectus is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed materially since those dates.

We further note that the representations, warranties and covenants made by us in any agreement that is filed as an exhibit to any document that is incorporated by reference in this prospectus supplement or the accompanying prospectus were made solely for the benefit of the parties to such agreement, including, in some cases, for the purpose of allocating risk among the parties to such agreements, and should not be deemed to be a representation, warranty or covenant to you. Moreover, such representations, warranties or covenants were accurate only as of the date when made. Accordingly, such representations, warranties and covenants should not be relied on as accurately representing the current state of our affairs.

Unless the context indicates otherwise, as used in this prospectus, the terms Company, Dermira, Registrant, we, u our refer to Dermira, Inc., a Delaware corporation, and its sole subsidiary, taken as a whole, unless otherwise noted. When we refer to you, we mean the holders of our common stock.

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This prospectus supplement and the information incorporated herein by reference may include trademarks, service marks and trade names owned by us or others. Dermira is a registered trademark in Australia, Canada, the European Union, Japan, Mexico, Switzerland and the United States. Dermira and logo and D and logo are registered trademarks in China, the European Union, Hong Kong, Japan and Mexico and are pending trademark applications in Canada and the United States. Qbrexza is a registered trademark in Japan, Mexico and the United States and is a pending trademark application in Canada, China, European Union, Hong Kong and South Korea. All other service marks, trademarks and tradenames appearing in this prospectus supplement are the property of their respective owners. Solely for convenience, the trademarks and tradenames referred to in this prospectus supplement appear without the ® and symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights, or the right of the applicable licensor to these trademarks and tradenames.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained in other parts of this prospectus supplement or incorporated by reference from our Annual Report on Form 10-K for the year ended December 31, 2018 and our other filings with the SEC listed under the section of the prospectus titled Incorporation of Certain Information by Reference contained in this prospectus supplement. This summary does not contain all of the information you should consider in making your investment decision. Before deciding to invest in our common stock, you should read this prospectus supplement, the accompanying prospectus, any related free writing prospectus and the information incorporated by reference herein and therein in their entirety. You should carefully consider, among other things, the matters discussed under the section titled Risk Factors contained in this prospectus supplement and any related free writing prospectus, and under similar headings in the other documents that are incorporated by reference in this prospectus supplement and the accompanying prospectus. Some of the statements in this prospectus supplement constitute forward-looking statements that involve risks and uncertainties. See the section titled Special Note Regarding Forward-Looking Statements.

Company Overview

We are a biopharmaceutical company dedicated to bringing biotech ingenuity to medical dermatology by delivering differentiated, new therapies to the millions of patients living with chronic skin conditions. We are committed to understanding the needs of both patients and physicians and using our insight to identify, develop and commercialize leading-edge medical dermatology products. Our approved treatment, QBREXZA (glycopyrronium) cloth, or QBREXZA, is indicated for pediatric and adult patients (ages nine and older) with primary axillary hyperhidrosis (excessive underarm sweating). In March 2019, we announced positive topline results from our Phase 2b dose-ranging study of lebrikizumab in adult patients for the treatment of moderate-to-severe atopic dermatitis (a severe form of eczema) and have early-stage research and development programs in other areas of dermatology.

We are focused on the development of therapeutic solutions in medical dermatology to treat skin conditions, such as hyperhidrosis and atopic dermatitis. These diseases impact millions of people worldwide and can have significant, multidimensional effects on patients quality of life, including their physical, functional and emotional well-being. According to multiple published studies, patients report that medical dermatology conditions affect quality of life in ways comparable to other serious diseases, such as cancer, heart disease, diabetes, epilepsy, asthma and arthritis.

Our portfolio consists of:

- QBREXZA, a topical, once-daily anticholinergic cloth that was approved by the U.S. Food and Drug Administration, or FDA, in June 2018 for the treatment of primary axillary hyperhidrosis in adult and pediatric patients nine years of age and older. Primary axillary hyperhidrosis is a medical condition with no known cause that results in underarm sweating beyond what is needed for normal body temperature regulation. Anticholinergics are a class of pharmaceutical products that exert their effect by blocking the action of acetylcholine, a neurotransmitter that transmits signals within the nervous system that are responsible for the activation of sweat glands. QBREXZA is applied directly to the skin and is designed to block underarm sweat production by inhibiting sweat gland activation. We began shipping QBREXZA to wholesalers and a preferred dispensing partner in September 2018, and QBREXZA became commercially available in pharmacies nationwide on October 1, 2018. We estimate peak sales potential for QBREXZA to be in the range of $500 million to $600 million in approximately six to seven years from our launch in October 2018.

Lebrikizumab, a novel, injectable, humanized monoclonal antibody targeting interleukin 13, or IL-13, that we are developing for the treatment of moderate-to-severe atopic dermatitis. IL-13 is a naturally occurring cytokine that is thought to play an important role in promoting allergic inflammation and

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mediating its effects on bodily tissues, including in patients with atopic dermatitis. Lebrikizumab is designed to bind to IL-13 with high affinity, specifically preventing formation of the IL-13 receptor/interleukin 4 receptor complex and subsequent signaling. In August 2017, we entered into a license agreement with F. Hoffmann-La Roche Ltd and Genentech, Inc., collectively, Roche, pursuant to which we obtained exclusive, worldwide rights to develop and commercialize lebrikizumab for atopic dermatitis and all other therapeutic indications. Based on the results of two exploratory Phase 2 clinical trials conducted by Roche in atopic dermatitis patients, we initiated a Phase 2b clinical trial in January 2018 to evaluate the safety and efficacy of lebrikizumab as a monotherapy compared with placebo and to establish the dosing regimen for a potential Phase 3 program in patients with moderate-to-severe atopic dermatitis. We completed enrollment of 280 patients ages 18 years and older in the Phase 2b clinical trial in October 2018 and we announced positive topline results in March 2019. All three doses of lebrikizumab met the primary endpoint, demonstrating greater improvements in the Eczema Area and Severity Index, or EASI, score compared to placebo. The safety profile for lebrikizumab observed in the study was consistent with prior studies evaluating this investigational therapy. Following an end-of-Phase 2 meeting with the FDA, we plan to initiate a Phase 3 clinical development program for lebrikizumab by the end of 2019.

Early-stage research and development programs in other areas of dermatology.

Dermira was founded by Thomas G. Wiggans, Eugene A. Bauer, M.D., Christopher M. Griffith and Luis C. Peña with the vision of building a leading dermatology company. Our management team has extensive experience within the dermatology field. This experience brings us significant insight into product and commercial opportunities, as well as a broad network of relationships with leaders within the industry and medical community.

Recent Developments

Topline Results from Phase 2b Dose-Ranging Study of Lebrikizumab

In March 2019, we announced positive topline results from our Phase 2b dose-ranging study of lebrikizumab in adult patients with moderate-to-severe atopic dermatitis, which enrolled 280 patients at 57 sites in the United States. Across all of the doses evaluated, lebrikizumab showed a dose-dependent and statistically significant improvement in the primary endpoint, the mean percent change in EASI score from baseline to week 16. The improvement in EASI score was 62.3% for patients receiving lebrikizumab, 125 milligrams (mg), every four weeks (p=0.0165), 69.2% for patients receiving lebrikizumab, 250 mg, every four weeks (p=0.0022) and 72.1% for patients receiving lebrikizumab, 250 mg, every two weeks (p=0.0005) compared to 41.1% for patients receiving placebo.

Patients treated with lebrikizumab at the 250 mg dose every two or four weeks achieved statistically significant improvements in other key efficacy measures compared to placebo after 16 weeks of treatment, including:

Lebrikizumab 250 mg every four weeks:

33.7% of lebrikizumab-treated patients achieved clearing or near-clearing of skin lesions, as measured by an investigator s global assessment (IGA) score of 0 or 1, and a reduction of at least 2 points from baseline, compared to 15.3% with placebo (p=0.0392).

56.1% of lebrikizumab treated patients achieved a reduction of at least 75% from baseline in EASI score (EASI-75), compared to 24.3% on placebo (p=0.0021).

36.1% of lebrikizumab treated patients achieved a reduction of at least 90% from baseline in EASI score (EASI-90), compared to 11.4% on placebo (p=0.0062).

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Lebrikizumab 250 mg every two weeks:

- 44.6% of lebrikizumab-treated patients achieved clearing or near-clearing of skin lesions, as measured by an IGA score of 0 or 1, and a reduction of at least 2 points from baseline, compared to 15.3% with placebo (p=0.0023).

- 60.6% of lebrikizumab treated patients achieved a reduction of at least 75% from baseline in EASI-75, compared to 24.3% on placebo (p=0.0005).

- 44.0% of lebrikizumab treated patients achieved a reduction of at least 90% from baseline in EASI-90, compared to 11.4% on placebo (p=0.0006).

The secondary endpoints for the 125 mg lebrikizumab dosing arm did not meet statistical significance.

In addition, 47.4% and 70.0% of the patients at the 250 Q2W and 250 Q4W doses, respectively, achieved a four point or greater drop in their itch on the 11-point pruritis numerical rating scale compared to 27.3% of patients on placebo. We are continuing to evaluate several other secondary efficacy measures including the overall improvement in sleep, onset of action and durability.

The most common adverse events reported across all three lebrikizumab dosing arms were upper respiratory tract infection (7.5% vs. 5.8% for placebo), nasopharyngitis (6.6% vs. 3.8% for placebo), headache (3.1% vs. 5.8% for placebo) and injection site pain (3.1% vs. 1.9% for placebo). Rates of conjunctivitis (2.6% compared to no reports for placebo) and herpes infections (2.2% compared to no reports for placebo) were low. Overall, adverse events observed in lebrikizumab-treated patients were primarily mild to moderate in severity and infrequently led to study discontinuation.

Key inclusion criteria for the study included: chronic atopic dermatitis that had been present for ³1 year before the screening visit; an EASI score ³16 at the screening and the baseline visit; an IGA score of 3 or 4 at the screening and the baseline visit; and ³10% body surface area of atopic dermatitis involvement at the screening and the baseline visit. Over the course of the 16-week treatment period, patients were seen by the investigators a total of 8 times.

For the primary analysis and key secondary analyses, all statistical tests were two-sided and performed at the 0.05 level of significance, and the primary method of handling missing efficacy data was the method of MCMC multiple imputation.

Patients requiring rescue therapy were permitted to use topical corticosteroids or systemic therapy. Any patient who required topical corticosteroids treatment was eligible to remain in the study and advised to continue the topical corticosteroids for as brief a period as possible. Any patient who required systemic therapy for atopic dermatitis during the study was discontinued from the study. Across the treatment arms, 12.7% of the patients in the lebrikizumab dosing arms recorded rescue therapy, compared to 34.6% of patients in the placebo arm.

During the first 16 weeks of the study, 21.9% of patients in the lebrikizumab dosing arms discontinued the study compared to 55.8% in the placebo arm.

Following an end-of-Phase 2 meeting with the FDA, we plan to initiate a Phase 3 clinical development program for lebrikizumab by the end of 2019. Once we enroll the first patient in the Phase 3 program, we estimate that topline data will be available 15 to 18 months later. Based on comparable biologics phase 3 trials in chronic skin diseases, a reasonable estimate of costs to conduct the Phase 3 clinical development program for lebrikizumab is approximately $200 million.

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Current research projections suggest that the atopic dermatitis market will continue to grow and is projected to be approximately $14.8 billion by 2025, making it the largest market segment in dermatology. Approximately 7 million people in the United States suffer from moderate-to-severe atopic dermatitis, and the impact of this condition on a patient s quality of life is significant.

Almirall Option and License Agreement

Our option and license agreement with Almirall, S.A., or Almirall, provides Almirall with an option to exclusively license rights to develop lebrikizumab for the treatment or prevention of dermatology indications, including but not limited to atopic dermatitis, and commercialize lebrikizumab for the treatment or prevention of all indications in Europe. Pursuant to the option and license agreement, we will provide a data package to Almirall consisting of topline and additional data from our Phase 2b clinical study of lebrikizumab in moderate-to-severe atopic dermatitis, along with a development plan, after which Almirall will have 45 days to exercise its option to exclusively license rights to develop lebrikizumab for the treatment or prevention of dermatology indications and commercialize lebrikizumab for the treatment or prevention of all indications in Europe. If exercised, we are entitled to a $50.0 million option exercise fee.

Corporate Information

We were incorporated in the State of Delaware in August 2010 under the name Skintelligence, Inc. We changed our name to Dermira, Inc. in September 2011. Our principal executive offices are located at 275 Middlefield Road, Suite 150, Menlo Park, California 94025, and our telephone number is (650) 421-7200. Our website address is www.dermira.com. The information contained on, or that can be accessed through, our website is not a part of this prospectus supplement or the accompanying prospectus. Investors should not rely on any such information in deciding whether to purchase our common stock.

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THE OFFERING

Common stock offered by us	8,723,235 shares
Option to purchase additional shares	We have granted the underwriters an option to purchase up to an additional 1,308,485 shares of our common stock for a period of 30 days from the date of this prospectus supplement.