

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

IN RE ZYNERBA PHARMACEUTICALS,
INC. DERIVATIVE LITIGATION

Lead Case No. 20-cv-557-CFC

**BRIEF IN SUPPORT OF PLAINTIFFS' UNOPPOSED
MOTION FOR PRELIMINARY APPROVAL OF SETTLEMENT**

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Plaintiffs Phillip Quartararo (“Quartararo”) and Dmitry Itkis (“Itkis”) (together, the “Derivative Plaintiffs”) in the above-captioned action respectfully submit this Brief in support of Plaintiffs’ Unopposed Motion for Preliminary Approval of the Settlement (the “Motion”).¹ Defendants do not oppose the relief sought in the Motion, but any analysis and characterizations in this Motion of the litigation and of the Settlement that are beyond facts taken from the record of this action are provided only on behalf of Plaintiffs and do not necessarily reflect the views of Defendants.

I. NATURE AND STAGE OF THE PROCEEDINGS

Derivative Plaintiffs’ claims brought on behalf of Zynerva Pharmaceuticals, Inc. (“Zynerva” or the “Company”) arise from alleged breaches of fiduciary duty, unjust enrichment, waste of corporate assets, and violations of Sections 14(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), and seek contribution under Sections 10(b) and 21D of the Exchange Act. On April 28, 2021, after extensive, arm’s-length negotiations overseen by a nationally reputed mediator, Michelle Yoshida of Phillips ADR (the “Mediator”), the Parties reached a Settlement in the Derivative Action resolving Derivative Plaintiffs’ claims. The Settlement also

¹ Unless otherwise defined herein, all capitalized terms have the same meaning as those set forth in the Stipulation and Agreement of Settlement dated April 28, 2021 (the “Stipulation”) attached as Exhibit 1 to the Declaration of Brian E. Farnan in support of the Motion.

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