# Zynerba Pharmaceuticals Enters Into Equity Purchase Agreement for Up to $20 Million with Lincoln Park Capital

July 21, 2022

DEVON, Pa., July 21, 2022 (GLOBE NEWSWIRE) -- Zynerba Pharmaceuticals, Inc. (Nasdaq: ZYNE), the leader in innovative pharmaceutically-produced transdermal cannabinoid therapies for orphan neuropsychiatric disorders, today announced it has entered into an equity purchase agreement for up to $20 million with Lincoln Park Capital Fund, LLC (LPC), a Chicago-based institutional investor.

Under the terms of the agreement, Zynerba will have the right in its sole discretion, but not the obligation, to sell to LPC up to $20 million worth of shares of its common stock over the 36-month term of the agreement. Zynerba controls the timing and amount of any future sales of its shares of common stock and LPC is obligated to make purchases in accordance with the terms of the purchase agreement, subject to various limitations including those under the Nasdaq listing rules. Any common stock that is sold by Zynerba will occur at a purchase price that is based on the market prices prevailing at the time of each sale to LPC. There is no upper limit to the price per share that LPC may pay for future stock issuances under the purchase agreement, and LPC has agreed not to cause or engage in any direct or indirect short selling or hedging of Zynerba's common stock. No warrants are being issued in this transaction and the purchase agreement does not contain any rights of first refusal, participation rights, penalties or liquidated damages provisions in favor of any party. Zynerba may terminate the purchase agreement at any time, at its sole discretion, without any cost or penalty.

The Company expects this commitment from LPC will provide financial flexibility and is aligned with Zynerba's long-term strategy for value creation. Zynerba intends to use any net proceeds from the sale of its common stock to LPC for working capital and general corporate purposes, including research and development expenses and capital expenditures.

"We are excited to enter into this transaction with Lincoln Park Capital and believe that this agreement provides us with another opportunity to access capital in an efficient manner," said Jim Fickenscher, Chief Financial Officer and Vice President, Corporate Development of Zynerba. "The financial flexibility provided by this agreement will further support our clinical development efforts with Zygel in Fragile X syndrome and 22q11.2 deletion syndrome."

Additional information regarding the purchase agreement is set forth in a Current Report on Form 8-K, which Zynerba filed today with the Securities and Exchange Commission.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy these securities, nor will there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction. The offering can be made only by means of the prospectus supplement and accompanying prospectus, copies of which may be obtained at the SEC's website at www.sec.gov or by request from Zynerba Pharmaceuticals at 80 W. Lancaster Avenue, Suite 300, Devon, Pennsylvania 19333 or by telephone at (484) 581-7505.

**Financial Outlook**

The Company believes its $69.7 million of cash and cash equivalents as of March 31, 2022 are sufficient to fund planned operations and capital requirements through the end of 2023 or into early 2024, after the expected availability of top line results from its confirmatory Pivotal Phase 3 RECONNECT trial of Zygel in patients with Fragile X syndrome.

**About Zynerba Pharmaceuticals, Inc.**

Zynerba Pharmaceuticals is the leader in innovative pharmaceutically-produced transdermal cannabinoid therapies for rare and near-rare neuropsychiatric disorders. We are committed to improving the lives of patients and their families living with severe, chronic health conditions including Fragile X syndrome, 22q11.2 deletion syndrome and autism spectrum disorder. Learn more at www.zynerba.com and follow us on Twitter at @ZynerbaPharma.

**Cautionary Note on Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. We may, in some cases, use terms such as "predicts," "believes," "potential," "proposed," "continue," "estimates," "anticipates," "expects," "plans," "intends," "may," "could," "might," "will," "should" or other words that convey uncertainty of future events or outcomes to identify these forward-looking statements. Such statements are subject to numerous important factors, risks and uncertainties that may cause actual events or results to differ materially from the Company's current expectations. Management's expectations and, therefore, any forward-looking statements in this press release could also be affected by risks and uncertainties relating to a number of other factors, including the following: the Company's cash and cash equivalents may not be sufficient to support its operating plan for as long as anticipated; the Company's expectations, projections and estimates regarding expenses, future revenue, capital requirements, incentive and other tax credit eligibility, collectability and timing, and availability of and the need for additional financing; the Company's ability to obtain additional funding to support its clinical development programs; the results, cost and timing of the Company's clinical development programs, including any delays to such clinical trials relating to enrollment or site initiation; clinical results for the Company's product candidates may not be replicated or continue to occur in additional trials and may not otherwise support further development in a specified indication or at all; actions or advice of the U.S. Food and Drug Administration, the European Medicines Agency and other foreign regulatory agencies may affect the design, initiation, timing, continuation and/or progress of clinical trials or result in the need for additional clinical trials; the Company's ability to obtain and maintain regulatory approval for its product candidates, and the labeling under any such approval; the Company's reliance on third parties

to assist in conducting pre-clinical and clinical trials for its product candidates; delays, interruptions or failures in the manufacture and supply of the Company's product candidates; the Company's ability to commercialize its product candidates; the size and growth potential of the markets for the Company's product candidates, and the Company's ability to service those markets; the Company's ability to develop sales and marketing capabilities, whether alone or with potential future collaborators; the rate and degree of market acceptance of the Company's product candidates; the Company's expectations regarding its ability to obtain and adequately maintain sufficient intellectual property protection for its product candidates; the extent to which health epidemics and other outbreaks of communicable diseases, including COVID-19, could disrupt our operations or adversely affect our business and financial conditions; and the extent to which inflation or global instability, including political instability, may disrupt our business operations or our financial condition. This list is not exhaustive and these and other risks are described in the Company's periodic reports, including the annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, filed with or furnished to the Securities and Exchange Commission and available at www.sec.gov. Any forward-looking statements that the Company makes in this press release speak only as of the date of this press release. The Company assumes no obligation to update forward-looking statements whether as a result of new information, future events or otherwise, after the date of this press release.

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