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THE HONORABLE THOMAS S. ZILLY

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

ANTONIO BACHAALANI NACIF and  
WIES RAFI, individually and on behalf of all  
others similarly situated,

Plaintiffs,

v.

ATHIRA PHARMA, INC., et al.,

Defendants.

CASE NO.: 2:21-cv-00861-TSZ

**PLAINTIFFS' RENEWED UNOPPOSED  
MOTION FOR PRELIMINARY  
APPROVAL OF CLASS ACTION  
SETTLEMENT**

**NOTE ON MOTION CALENDAR:  
SAME DAY MOTION**

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**PRELIMINARY STATEMENT**

1  
2           Lead plaintiffs Wies Rafi (“Rafi”)<sup>1</sup> and Antonio Bachaalani Nacif (“Nacif,” and together  
3 with Rafi, “Lead Plaintiffs”) initially moved for preliminary approval of a proposed settlement of  
4 the above-captioned class action (the “Action”) on April 28, 2023, in the amount of \$10,000,000  
5 in cash (the “Settlement Amount”), pursuant to Federal Rules of Civil Procedure 23(a), 23(b)(3),  
6 and 23(e). Dkt. No. 118. Thereafter, on May 31, 2023, the Court entered a Minute Order,  
7 directing counsel to meet and confer and to file a Joint Status Report addressing a variety of  
8 issues, including, *inter alia*: (i) the definition of the proposed settlement class in light of the  
9 Court’s prior dismissal of the claims brought pursuant to the Securities Exchange Act of 1934  
10 (“Exchange Act”); (ii) traceability and its effect on the proposed class period; (iii) the allocation  
11 of the Settlement Amount between class members with claims under the Securities Act of 1933  
12 (“Securities Act”) and those with only Exchange Act claims; (iv) numerosity; (v) *cy pres*  
13 recipients; and the (vi) suitability of an “opt in” approach requiring a claims process. Dkt. No.  
14 119. On June 30, 2023, the Parties submitted the 29-page Joint Status Report, which included  
15 several declarations and revised documents, as well as under seal filings of documents requested  
16 by the Court (*i.e.*, the confidential supplemental agreement concerning requests for exclusion and  
17 the confidential documents produced by Athira as part of the settlement process). *See* Dkt. Nos.  
18 120-122.

19  
20  
21           On September 27, 2023, the Court entered an Order (the “September 27 Order”) denying  
22 the preliminary approval motion and allowing the Parties to submit a renewed motion. *See* Dkt.  
23

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<sup>1</sup> All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Amended Stipulation and Agreement of Settlement, dated December 15, 2023 (“Amended Stipulation”), which is attached as Exhibit 1 to the concurrently filed Supplemental Declaration of Thomas G. Hoffman, Jr. (“Hoffman Declaration”). Attached as Exhibit 2 to the Hoffman Declaration is a redlined comparison of the Amended Stipulation to the original Stipulation and Agreement of Settlement.

1 No. 123. The Court noted that “[n]otwithstanding the concerns raised by the Court in its Minute  
2 Order entered May 31, 2023, docket no. 119, the parties have made no changes to their Stipulation  
3 . . . .” *Id.* at 5. According to the Order, there were two main issues that resulted in the denial of  
4 the preliminary approval motion.

5 *First*, the Court found that there was an intraclass conflict of interest between Lead  
6 Plaintiffs and the settlement class because Lead Plaintiffs’ Exchange Act claims had been  
7 dismissed, without a subsequent amendment or notice of appeal, putting them in a different  
8 position relative to other putative class members whose Exchange Act claims had not been  
9 dismissed. *See id.* at 5-6.

10 *Second*, the Court found the proposed settlement was not equitable and fair because “class  
11 members with Exchange Act Claims could recover, in the aggregate, more than class members  
12 with Securities Act (or both Securities Act and Exchange Act) Claims, even though their claims  
13 have little value in light of the Court’s Dismissal Order.” *Id.* at 7-8. Following further analysis,  
14 the Court held that “[g]iven the intraclass competition inherent in plaintiffs’ Proposed Plan of  
15 Allocation, and the lack of evidentiary or analytic support for the proposition that a 25% increase  
16 would adequately protect the interests of class members who can trace their shares to the IPO  
17 and/or SPO, the Court cannot conclude that the proposed settlement is equitable and fair in light  
18 of the procedural postures of the respective claims.” *Id.* at 9.

19 The Court ordered that “if plaintiffs renew their motion for preliminary approval of a class  
20 settlement, they should further address the following topics that were raised in the prior Minute  
21 Order, docket no. 119”: traceability and the expected range (minimum and maximum) of  
22 payments among class members. *See id.* at 11-12.

23 In light of the Court’s September 27 Order, the Parties have now entered into the Amended  
24 Stipulation. The Amended Stipulation is informed by the Court’s September 27 Order, is the  
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1 result of additional settlement negotiations between the parties (including an additional plaintiff  
2 with claims under the Exchange Act), and proposes a revised Plan of Allocation that is the result  
3 of an adversarial arm's-length process between (i) counsel advocating for a larger share of the  
4 Settlement Fund for Settlement Class Members with Securities Act claims (the "Securities Act  
5 Class"), and (ii) counsel advocating for those Settlement Class Members with Exchange Act  
6 claims (the "Exchange Act Class"). This arm's-length process was overseen by Jed Melnick,  
7 Esq., of JAMS, the mediator who originally assisted the parties in settling this Action and was  
8 thus already familiar with the facts and issues in the case. This time, however, Mr. Melnick's  
9 role was not to assist the parties in agreeing on a settlement amount; rather, he was asked to  
10 determine the appropriate allocation of the Settlement Fund between shareholders with Securities  
11 Act claims, and those with Exchange Act claims, given, *inter alia*, the procedural posture of the  
12 case and damages sustained by each group of investors. *See* Declaration of Jed Melnick, Esq.  
13 ("Melnick Decl."), at ¶2, attached as Exhibit 3 to Hoffman Declaration.  
14

15  
16 As part of the supplemental mediation process and to ensure the interests of the Exchange  
17 Act Class Members were protected, Lead Plaintiffs invited Hang Gao ("Gao"; and together with  
18 Lead Plaintiffs, "Plaintiffs"), who was a named plaintiff in the initial Complaint in this Action  
19 (*see* Dkt. No. 1), and his counsel, Block & Leviton LLP, to participate in the process (the  
20 "Allocation Mediation").<sup>2</sup> At the Allocation Mediation, Rafi and his counsel represented the  
21 Securities Act Class, Nacif and Gao and their respective counsel represented the Exchange Act  
22 Class, and counsel for Athira represented Defendants. In advance of the Allocation Mediation,  
23 all parties submitted detailed written mediation statements to the mediator and the mediator was  
24 provided with a damages analysis of the two sets of claims. Thereafter, all parties participated in  
25  
26

27  
28 <sup>2</sup> The Amended Stipulation adds Mr. Gao as an additional named plaintiff, and Block & Leviton  
as additional Plaintiffs' Counsel. *See* Amended Stipulation ¶¶1(hh) and 1(ii).

1 a virtual mediation session. As a result of this process, Mr. Melnick (who sets out his rationale  
 2 in a declaration filed herewith) allocated *at least* 91.5% of the Net Settlement Fund to the  
 3 Securities Act Class and *no more than* 8.5% to the Exchange Act Class. *See* Melnick Decl., at  
 4 ¶3. This allocation was subsequently incorporated into the revised plan of allocation. *See* Notice  
 5 ¶¶45-69, Ex. A-1 to Amended Stipulation. Plaintiffs believe the revised plan of allocation is fair  
 6 and reasonable, and respectfully submit that the adversarial process upon which it was based cures  
 7 any potential intraclass conflicts and concerns about the recovery of those with claims under the  
 8 Securities Act.  
 9

10 The Parties have also revised the settlement documents to address the Court’s other  
 11 concerns. Principally, the Settlement Class has been broken into two classes (*i.e.*, the Securities  
 12 Act Class and Exchange Act Class), each with its own class period and a simplified way of  
 13 distinguishing between Securities Act claims and Exchange Act claims, and Plaintiffs have  
 14 provided an estimated minimum and maximum potential recovery of a Settlement Class Member.  
 15 *See* Amended Stipulation at ¶¶1(r), (s), (xx), (tt) and (uu), and Notice at ¶4.  
 16

17 In addition, Plaintiffs are submitting herewith: (i) the Declaration of Zachary Nye Ph.D.  
 18 (“Nye Declaration”), which provides the Court with information on per-share damages and  
 19 recoveries, class-wide damages for the Securities Act and Exchange Act Classes, as well as the  
 20 estimated maximum recovery for Athira’s largest publicly-known investor; (ii) the Declaration of  
 21 Peter Joy, Esq. (“Joy Declaration”), an expert in ethics addressing issues related to the Court’s  
 22 conflict of interest concerns; and (iii) the Declaration of Laura S. Duncan (“Duncan Declaration”),  
 23 which discusses the IPO lock-up period and expiration thereof.<sup>3</sup>  
 24

25 Based on information provided herewith, and the argument set forth below and in Lead  
 26

27 <sup>3</sup> The Nye Declaration, Joy Declaration, and Duncan Declaration are attached to the Hoffman  
 28 Declaration as Exhibits 4, 5 and 6, respectively.

1 Plaintiffs' prior submissions concerning the standards of preliminary approval of class action  
 2 settlements under Rule 23(e), Plaintiffs respectfully request the Court grant preliminary approval  
 3 of the revised Settlement.<sup>4</sup>

4 **I. THE SETTLEMENT CLASS HAS BEEN BROKEN INTO TWO DISTINCT**  
 5 **CLASSES AND PROVIDES A CLEAR DEMARCATION BETWEEN**  
 6 **SECURITIES ACT AND EXCHANGE ACT CLAIMS**

7 Defendants have confirmed that the “lock-up” restrictions applied to all non-IPO Athira  
 8 shares from the IPO through and including March 16, 2021. *See* Duncan Declaration ¶¶3-8.<sup>5</sup> As  
 9 such, tracing is not an issue from September 17, 2020 through March 16, 2021. *Id.* As set forth  
 10 in the Duncan Declaration, the lock-up expired before the market opened on March 17, 2021, and  
 11 thus certain Athira affiliated shareholders with non-IPO shares were free to trade their shares on  
 12 the open market, making tracing impossible from that date until the end of the Class Period on  
 13 June 17, 2021. *Id.* at ¶7. Thus, the Parties were able to cleanly divide the Settlement Class (and  
 14 the Class Period) into two distinct parts, the Securities Act Class and the Exchange Act Class:  
 15

- 16 • The Securities Act Class is comprised of all persons and entities who or which  
 17 purchased or otherwise acquired Athira Pharma, Inc. (“Athira”) publicly traded  
 18 common stock during the period from September 17, 2020 through March 16,  
 19 2021, inclusive (the “Securities Act Period”), and were damaged thereby.  
 20 Amended Stipulation, ¶¶1(tt) and 1(uu); and

21  
 22 <sup>4</sup> This memorandum focuses on the issues the Court indicated in the September 27 Order that it  
 23 wanted Plaintiffs to address. Plaintiffs respectfully refer the Court to their earlier motion for an  
 24 analysis of the Rule 23 factors and the adequacy of the notice program. *See* Dkt. No. 118.  
 25 Moreover, since “[t]he parties have addressed the Court’s concerns and/or questions about  
 numerosity, the proposed cy pres recipient, the requisite notices to Attorneys General pursuant to  
 28 U.S.C. § 1715, and the status of the related derivative actions” and the “parties have also  
 provided support for a hybrid opt-in/opt-out settlement structure [.]” this memorandum does not  
 address these issues. September 27 Order at 10-11.

26 <sup>5</sup> Defendants further confirm that as of the closing of Athira’s IPO, there were 19,087,472 shares  
 27 of common stock subject to lock-up or market stand-off restrictions. *See* Duncan Decl., at ¶4;  
 28 September 27 Order at 12 n. 12 (explaining that the Joint Status Report “does not indicate how  
 many shares were affected or expressly state that no shares pre-existing the IPO were traded  
 before March 16, 2021”).



- The Exchange Act Class is comprised of all persons and entities who or which purchased or otherwise acquired Athira publicly traded common stock during the period from March 17, 2021 through June 17, 2021, inclusive (the “Exchange Act Period”), and were damaged thereby. Amended Stipulation, ¶¶1(r)-(s).<sup>6</sup>

Plaintiffs’ damages expert has estimated the amount of potential damages for each Class as follows:<sup>7</sup>

	<b>Damaged Shares</b>	<b>Damages</b>	<b>Avg Per-Share</b>
Securities Act Class	12.72 million	\$83.10 million	\$6.53
Exchange Act Class	8.64 million	\$60.76 million	\$7.03
<b>Total</b>	<b>21.36 million</b>	<b>\$143.86 million</b>	<b>\$6.73</b>

The Amended Stipulation and its exhibits reflect this new, two-class structure.

**II. ANY POTENTIAL INTRACLASS CONFLICT HAS BEEN REMEDIED BY THE INCLUSION OF PLAINTIFF GAO AND THE MEDIATION PROCESS**

**A. There Is No Conflict Between The Lead Plaintiffs And The Settlement Class**

The Court reasoned that “the dismissal of (and decision not to replead) the Exchange Act Claims binds only the co-lead plaintiffs” and, as a result, “that Nacif’s and Rafi’s positions are not typical of those of the absent class members.” September 27 Order, at 5. According to the Court, this is because “the only way that Nacif can recover from this lawsuit is through settlement, and thus, his interests are antagonistic toward all class members; although Rafi still has viable Securities Act Claims, his interests nevertheless conflict with those of other class members.” *Id.*

<sup>6</sup> In its September 27 Order, the Court reasoned that the prior class definition was inconsistent with Section 11 to the extent it included purchasers who acquired Athira stock “pursuant” to the registration statements for the relevant offerings rather than stock “traceable” to them. September 27 Order at 4 n.5 (emphasis in original). However, Section 11 provides a cause of action to persons who acquire securities pursuant or traceable to a defective registration statement. See “Section 11 of the 1933 Act—Who Can Sue; Nature of Suit Under Section 11,” 2 Law Sec. Reg. § 7:18 (“There are two distinct ways to establish section 11 standing: either (1) by showing plaintiff acquired the securities directly from the registered offering or (2) by tracing the shares if they were acquired in the aftermarket.”). As such, purchasers in the IPO and SPO have Section 11 claims that are independent of the dismissed Section 12(a)(2) claims.

<sup>7</sup> See Nye Decl., at ¶15; see also *id.* at ¶18 (calculating the estimated maximum recovery of any shareholder for purposes of the Notice).

1 Plaintiffs respectfully submit there is no conflict.

2       *First*, Co-Lead Counsel conducted an exhaustive investigation into the facts underlying  
3 the claims in this case. While they disagree with the Court’s decision dismissing the Exchange  
4 Act claims as a matter of law, absent changed factual circumstances or new evidence coming to  
5 light, the ability of any plaintiff to amend the Exchange Act claim and prevail at the District Court  
6 level appear to be nonexistent. Yet, the Lead Plaintiffs still have appellate rights as to the  
7 Exchange Act claims and there is a value to those rights, as evidenced by the fact that Defendants  
8 are willing to pay to extinguish these rights, thus ensuring they do not have to expend the costs  
9 and expenses of an appeal and eliminating the risk that the Exchange Act claims could be revived.

11       *Second*, Lead Plaintiffs and their counsel do not believe there is a conflict of interest,  
12 and respectfully submit the declaration of Peter A. Joy, Esq., a leading expert on legal ethics, in  
13 support thereof. *See* Joy Declaration ¶¶2-10 (outlining his significant qualifications as an expert  
14 on legal ethics and professional responsibility issues). As Professor Joy explains, because the  
15 “Defendants wish to settle Nacif’s claims as well as the claims of other class members with  
16 Exchange Act Claims” “Nacif is similarly situated to class members with Exchange Act Claims  
17 because neither Nacif nor such other putative plaintiffs can trace some of their stock purchases  
18 to the IPO or SPO.” Joy Decl. ¶19. As such, even though the Court has found that “the only  
19 way Nacif can recover from this lawsuit is through settlement, and thus, his interests are  
20 antagonistic toward all class members,” this is not a conflict because “as the authors of a leading  
21 treatise explain: ‘All that is required—as the phrase ‘absence of conflict’ suggests—is such  
22 sufficient similarity of interest that there is no affirmative antagonism between the  
23 representative and the class.’ 1 *Newberg and Rubenstein on Class Actions* § 3:58 (6th ed.  
24 2023).” *Id.*

27       *Third*, because “the Defendants seek to settle all claims, including all Exchange Act  
28

1 Claims and Securities Act Claims,” the Lead Plaintiffs do not have a conflict of interest. *See* Joy  
 2 Decl. at 7. As Professor Joy further explains, courts find a putative class member inadequate  
 3 under two situations: (i) where a plaintiff has antagonistic or conflicting interests with the class  
 4 and (ii) where the economic interests and objectives of the named representatives differ  
 5 significantly from the economic interests and objectives of unnamed class members. Neither  
 6 situation applies to the circumstances before the Court. *See* Joy Decl. ¶¶16-17.

8 **B. Any Potential Conflict Between The Lead Plaintiffs And The Settlement Class**  
 9 **Was Remedied By The Inclusion Of Hang Gao And The Mediation Process**  
 10 **For Determining The Proposed Allocation**

11 In the September 27 Order, the Court questioned whether the proposed Plan of Allocation  
 12 potentially allotted too much money to those that have Exchange Act claims relative to those that  
 13 have Securities Act claims:

14 [U]nder plaintiffs’ proposed *pro rata* distribution plan, class members with  
 15 Exchange Act Claims could recover, in the aggregate, more than class members  
 16 with Securities Act (or both Securities Act and Exchange Act) Claims, *even*  
 17 *though their claims have little value in light of the Court’s Dismissal Order. . . .*

18 Given the intraclass competition inherent in plaintiffs’ Proposed Plan of  
 19 Allocation, and the lack of evidentiary or analytic support for the proposition that  
 20 a 25% increase would adequately protect the interests of class members who can  
 21 trace their shares to the IPO and/or SPO, the Court cannot conclude that the  
 22 proposed settlement is equitable and fair in light of the procedural postures of the  
 23 respective claims.<sup>8</sup>

24 September 27 Order at 7-9.

25 Following the Court’s determination that the allocation was too generous to those with  
 26 Exchange Act claims, the parties decided that the best way forward and to avoid any potential  
 27 conflicts of interest and reach the most appropriate allocation between claims under the Securities  
 28 Act and claims under the Exchange Act was to engage in an arm’s-length mediation process

<sup>8</sup> All emphasis is added unless otherwise stated.

1 before Mr. Melnick, who had mediated the original settlement. In this process, the proposed  
2 Securities Act Class was represented by Lead Plaintiff Wies Rafi (and his counsel, Glancy  
3 Prongay & Murray LLP), the proposed Exchange Act Class was represented by Lead Plaintiff  
4 Antonio Nacif and Hang Gao (and their counsel, Labaton Sucharow LLP and Block & Leviton  
5 LLP, respectively), and Defendants were represented by Defendant Athira (and Athira's counsel  
6 Wilson Sonsini Goodrich & Rosati, P.C).

8 In advance of the mediation session, counsel for each of the Parties submitted letter briefs  
9 supporting their views and Plaintiffs provided Mr. Melnick a summary of their damages expert's  
10 report. Moreover, counsel for Plaintiffs explained that the amended settlement would propose  
11 two distinct settlement classes and provided Mr. Melnick with damages estimates for each  
12 settlement class.

14 On November 16, 2023, counsel for the Parties participated in a half-day session, via  
15 Zoom videoconference, with Mr. Melnick. During the session, counsel shared competing  
16 perspectives on the strengths and weaknesses of the Securities Act and Exchange Act claims, the  
17 relative value of the claims, the amount of damages available under each, the potential number of  
18 Securities Act and/or Exchange Act shares, the likelihood of a successful appeal of the Court's  
19 dismissal of the Exchange Act claims, and Defendants' reasons and motivations for settling the  
20 Action and agreeing to the Settlement Amount.

22 Following this process, Mr. Melnick determined that a fair and reasonable distribution of  
23 the Settlement Fund is to assign no less than ninety-one and a half percent (91.5%) of the net  
24 settlement proceeds to the Securities Act Class and up to eight and a half percent (8.5%) of the  
25 net settlement proceeds to the Exchange Act Class.<sup>9</sup>

27 <sup>9</sup> A summary of the process and Mr. Melnick's rationale for the allocation between the two types  
28 of claims can be found in his declaration. Melnick Decl. at ¶¶3-4, 10-19.

1 The Parties believe this allocation, which provides almost all the Settlement Amount to  
 2 the Securities Act Class and some recovery for the Exchange Act Class in light of its appellate  
 3 rights and Defendants' desire for litigation peace, is fair and equitable. Moreover, to ensure the  
 4 Exchange Act Class will not receive a windfall recovery in the event that a very small portion of  
 5 the Exchange Act Class submits claims, the revised Plan of Allocation includes a provision that  
 6 limits the Exchange Act Class to its actual percentage of recovery in the event that the value of  
 7 its claims does not constitute 8.5% of the Net Settlement Fund. *See* Notice at ¶67 (“If the total  
 8 cumulative payments of all Exchange Act Claims of Authorized Claimants is less than 8.5% of  
 9 the Net Settlement Fund, then the Exchange Act Claims will be limited to their actual lesser  
 10 proportion of the Net Settlement Fund. Any excess will be transferred to the Securities Act  
 11 Allocation.”).<sup>10</sup> Additionally, any order approving the revised Plan of Allocation will be binding  
 12 on the Parties and will be implemented by Co-Lead Counsel.  
 13  
 14

### 15 **III. THE PARTIES HAVE REVISED THE SETTLEMENT DOCUMENTS IN** 16 **ACCORDANCE WITH THE COURT’S DIRECTIVES**

17 Following the mediation and the decision on the appropriate allocation between the two  
 18 classes, the Parties have entered into the Amended Stipulation, including its exhibits that, among  
 19 other things, provide notice to the classes to reflect these revisions, and a completely revised Plan  
 20 of Allocation drafted with the assistance of Plaintiffs' expert Zachary Nye.<sup>11</sup> *See generally*  
 21 Exhibit 2 (Redlined Amended Stipulation and Notice at ¶¶45-69, Ex. A-1 to Amended  
 22 Stipulation). Moreover, the Parties have revised the Settlement documents to reflect that any  
 23

24 <sup>10</sup> For example, in the very unlikely event that the total value of claims attributed to the Exchange  
 25 Act Class total only 5% of the Net Settlement Fund, then the Exchange Act Class would only be  
 allocated 5% of the Net Settlement Fund and the Securities Act Class would be allocated the  
 remaining 95%.

26 <sup>11</sup> Moreover, the revised Notice (at ¶¶7 and 70) advises class members that, as part of the Fee  
 27 and Expense Application, the Plaintiffs will be seeking an award pursuant to the PSLRA to  
 compensate them for their effort in the Action, which will be no more than \$30,000 in the  
 28 aggregate.

1 disputes about the amounts of class member claims will be resolved by Co-Lead Counsel with  
2 the assistance of the Claims Administrator, rather than the Court. *See* Exhibit 2, redlined  
3 Amended Stipulation at ¶24.<sup>12</sup> Additionally, the revised Notice now provides for an estimated  
4 range (minimum and maximum) of payments from the Net Settlement Fund, as the Court directed.  
5 *See* Exhibit 2, redlined Notice at ¶4.<sup>13</sup>

6  
7 **CONCLUSION**

8 For the foregoing reasons, Plaintiffs respectfully request that the Court issue an order  
9 substantially in the form of the proposed revised Preliminary Approval Order: (i) preliminarily  
10 approving the Settlement; (ii) approving the manner and forms of notice to the Settlement Class;  
11 (iii) setting a date for the Settlement Hearing; (iv) appointing SCS as Claims Administrator; (v)  
12 preliminarily certifying the Settlement Class; and (vi) granting such other and further relief as  
13 may be required.

14  
15  
16 Dated: December 15, 2023

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21  
22 *Co-Lead Counsel and Counsel for Lead Plaintiff Antonio  
Bachaalani Nacif*

23  
24  
25 <sup>12</sup> *Compare with* September 27 Order, at 10 (“In addition, the parties have agreed that any  
26 disputes about the amounts of class member distributions may be resolved by plaintiffs’ counsel  
and/or the Claims Administrator, as opposed to the Court, but they have not amended their  
Stipulation accordingly.”).

27 <sup>13</sup> *Compare with* September 27 Order, at 13 (“Thus, any notice to class members should set forth  
28 the ‘nominal amount’ as the minimum recovery. The parties have not offered any reason why  
they cannot compute the maximum anticipated award.”).

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*Counsel for Hang Gao*

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**CERTIFICATE OF SERVICE**

I hereby certify that on December 15, 2023, I authorized the electronic filing of the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to the e-mail addresses denoted on the attached Electronic Mail Notice List served via ECF on all registered participants only.

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on December 15, 2023

/s/ Thomas G. Hoffman, Jr.  
Thomas G. Hoffman, Jr.



THE HONORABLE THOMAS S. ZILLY

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UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

ANTONIO BACHAALANI NACIF and WIES  
RAFI, individually and on behalf of all others  
similarly situated,

Plaintiffs,

v.

ATHIRA PHARMA, INC., et al.,

Defendants.

CASE NO.: 2:21-cv-00861-TSZ

**SUPPLEMENTAL DECLARATION OF  
THOMAS G. HOFFMAN, JR.**

1 I, Thomas G. Hoffman, Jr., declare as follows:

2 1. I am a member of the law firm of Labaton Sucharow LLP, one of the Court-appointed  
3 Co-Lead Counsel in this proposed class action, and I am admitted to practice *pro hac vice* before this  
4 Court. I respectfully submit this declaration in support of Plaintiffs' Renewed Unopposed Motion for  
5 Preliminary Approval of Class Action Settlement.

6 2. True and correct copies of the following documents are annexed hereto:

7 **Exhibit 1:** Amended Stipulation and Agreement of Settlement, dated December 15, 2023,  
8 with exhibits thereto;

9 **Exhibit 2:** Redlined comparison of the Amended Stipulation and Agreement of  
10 Settlement and the previously filed Stipulation and Agreement of Settlement, dated as of  
11 April 27, 2023, Dkt. No. 118-2;

12 **Exhibit 3:** Declaration of Jed D. Melnick, Esq., dated December 15, 2023;

13 **Exhibit 4:** Declaration of Zachary Nye Ph.D., dated December 14, 2023;

14 **Exhibit 5:** Declaration of Peter A. Joy, Esq., dated December 13, 2023; and

15 **Exhibit 6:** Declaration of Laura S. Duncan, dated December 14, 2023

16 I declare under penalty of perjury under the laws of the United States of America that the  
17 foregoing is true and correct.

18 Executed this 15th day of December, 2023, at New York, New York.

19  
20  
21 By: s/ Thomas G. Hoffman, Jr.  
**LABATON SUCHAROW LLP**  
22 Thomas G. Hoffman, Jr.  
140 Broadway  
23 New York, New York 10005  
Phone: (212) 907-0700  
24 Fax: (212) 818-0477  
25 Email: thoffman@labaton.com

26 *Co-Lead Counsel and Counsel for Lead Plaintiff*  
27 *Antonio Bachaalani Nacif*

# **Exhibit 1**

EXECUTION VERSION

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THE HONORABLE THOMAS S. ZILLY

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

ANTONIO BACHAALANI NACIF and  
WIES RAFI, Individually and on behalf of all  
others similarly situated,

Plaintiffs,

v.

ATHIRA PHARMA, INC., et al.,

Defendants.

CASE NO.: 2:21-cv-00861-TSZ  
(Consolidated with 21-cv-00862-TSZ and 21-  
cv-00864-TSZ)

**AMENDED STIPULATION AND AGREEMENT OF SETTLEMENT**

This Amended Stipulation and Agreement of Settlement, dated as of December 15, 2023, (the “Amended Stipulation”) is entered into by and among (a) Court-appointed lead plaintiffs Antonio Bachaalani Nacif and Wies Rafi (collectively, “Lead Plaintiffs”) and additional plaintiff Hang Gao (together with Lead Plaintiffs, “Plaintiffs”), on behalf of themselves and the Settlement Class (defined below); (b) Athira Pharma, Inc. (“Athira” or the “Company”); (c) Dr. Leen Kawas, Glenna Mileson, Dr. Tadataka Yamada, Joseph Edelman, James A. Johnson, and John M. Fluke, Jr. (the “Individual Defendants”); and (d) Goldman Sachs & Co. LLC, Jefferies LLC, Stifel, Nicolaus & Company, Inc., and JMP Securities LLC (the “Underwriter Defendants,” together with Athira and Individual Defendants, “Defendants” and, Defendants together with Plaintiffs, the “Parties”), and embodies the terms and conditions of the settlement of the above-captioned action (the

1 “Action”). This Amended Stipulation amends the parties’ Stipulation and Agreement of Settlement,  
2 dated as of April 27, 2023 (the “Stipulation”).<sup>1</sup> Subject to the approval of the Court and the terms  
3 and conditions expressly provided herein, this Amended Stipulation is intended to fully, finally and  
4 forever compromise, settle, release, resolve, and dismiss with prejudice the Action and all claims  
5 asserted or that could have been asserted therein against Defendants.  
6

7 WHEREAS:

8 A. Plaintiff Gao filed a class action complaint on June 25, 2021 in the United States  
9 District Court for the Western District of Washington (the “Court”), styled *Fan Wang and Hang*  
10 *Gao v. Athira Pharma, Inc. et al.*, Case No. 2:21-cv-00861, alleging claims under Sections 10(b)  
11 and 20(a) of the Securities Exchange Act of 1934 (“Exchange Act”). ECF No. 1. Thereafter,  
12 complaints in the following actions were also filed: *Jawandha v. Athira Pharma, Inc., et al.*, Case  
13 No. 2:21-cv-00862-JCC (W.D. Wash.) and *Slyne et al. v. Athira Pharma, Inc., et al.*, 2:21-cv-00864-  
14 JLR (W.D. Wash.). The cases were consolidated by Order dated August 9, 2021, and assigned to  
15 the Honorable Thomas S. Zilly. ECF No. 15.  
16

17 B. By Order dated October 5, 2021, Nacif and Rafi were appointed Lead Plaintiffs,  
18 Labaton Sucharow LLP and Glancy Prongay & Murray LLP were approved as Co-Lead Counsel,  
19 and Breskin Johnson & Townsend, PLLC and Rossi Vucinovich, P.C. were approved as Liaison  
20 Counsel. ECF No. 60.  
21

22 C. On January 7, 2022, Lead Plaintiffs filed and served the operative consolidated  
23 amended complaint in this Action asserting claims against Athira and the Individual Defendants  
24 under Section 10(b) and Section 20(a) of the Exchange Act, and Rule 10b-5 promulgated thereunder,  
25 claims against all Defendants under Sections 11 and 12(a)(2) of the Securities Act of 1933 (the  
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27 <sup>1</sup> All terms with initial capitalization not otherwise defined herein shall have the meanings ascribed  
28 to them in ¶ 1 herein.

1 “Securities Act”) with respect to the Company’s Initial Public Offering (“IPO”) and Secondary  
2 Public Offering (“SPO”), and claims against the Individual Defendants under Section 15 of the  
3 Securities Act with respect to the Company’s IPO and SPO (the “Complaint”). ECF No. 74.  
4 Among other things, the Complaint alleged that Defendants made materially false and misleading  
5 statements and/or failed to disclose that the Company’s president and chief executive officer, Dr.  
6 Kawas, had improperly enhanced images in certain research papers she co-authored that were  
7 published from 2011 to 2014, which were referenced in certain applications by Washington State  
8 University (“WSU”) for patents that were then exclusively licensed to Athira. The Complaint  
9 further alleged that when the information regarding the allegedly enhanced images was disclosed,  
10 the Company’s stock price was negatively impacted.  
11

12 D. Following briefing on the Defendants’ motions to dismiss, the Court granted in part  
13 and denied in part Defendants’ motions to dismiss on July 29, 2022 (“MTD Order”). ECF No. 89.  
14 The MTD Order denied Defendants’ motion with respect to Lead Plaintiffs’ claims under Sections  
15 11 and 15 of the Securities Act against Dr. Kawas and Athira solely as to “Statement 3,” which was  
16 contained in Athira’s IPO and SPO Registration Statements and discussed Athira’s exclusive patent  
17 licensing agreement with WSU. MTD Order at 49. The MTD Order granted Defendants’ motions  
18 to dismiss with respect to Lead Plaintiffs’ claims under Sections 11 and 15 of the Securities Act  
19 against Athira and Dr. Kawas with regard to all statements in the IPO and SPO Registration  
20 Statements other than “Statement 3.” In addition, the MTD Order dismissed all claims under Section  
21 12(a)(2) of the Securities Act, all claims under the Exchange Act, all claims against the other  
22 Individual Defendants, and all claims against the Underwriter Defendants.  
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25 E. On August 12, 2022, Dr. Kawas moved for partial reconsideration of the MTD Order  
26 (ECF No. 90), which Lead Plaintiffs opposed (ECF Nos. 92-93).  
27  
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1 F. Following the MTD Order and the denial of Dr. Kawas’s motion for partial  
2 reconsideration of the MTD Order on October 4, 2022 (ECF No. 95), Athira and Dr. Kawas  
3 separately filed answers to the Complaint. ECF Nos. 101-02.<sup>2</sup>

4 G. Thereafter, the Private Securities Litigation Reform Act of 1995 (“PSLRA”)  
5 discovery stay was lifted, and the remaining parties began discovery. Discovery included the filing  
6 of a joint discovery plan, a protective order and ESI Protocol governing the production of electronic  
7 discovery. Lead Plaintiffs and the remaining Defendants propounded requests for production of  
8 documents and interrogatories. The remaining Defendants and Lead Plaintiffs responded to this  
9 discovery, including providing verified interrogatory responses and producing documents. At the  
10 time the Settlement was reached, Lead Plaintiffs were preparing for class certification and fact  
11 depositions.  
12

13 H. On February 16, 2023, Co-Lead Counsel and counsel for the remaining Defendants  
14 participated in a full-day mediation session with Jed Melnick, Esq. of JAMS. In advance of the  
15 session, the Lead Plaintiffs and the remaining Defendants exchanged, and provided to Mr. Melnick,  
16 detailed mediation statements and exhibits, which addressed issues of both liability and damages.  
17 The session culminated in an agreement in principle to settle the Action.  
18

19 I. Over the course of the next several weeks, the parties negotiated a term sheet (the  
20 “Term Sheet”) containing the essential terms of the settlement, which was executed on February 28,  
21 2023.  
22

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26 <sup>2</sup> The Underwriter Defendants filed a Motion for Entry of Final Judgment under Rule 54(b) on  
27 December 19, 2022. ECF No. 105. Following briefing on the motion, the Court entered an order  
28 deferring and renoticing the motion for March 17, 2023. ECF No. 114. Based on the proposed  
settlement, the Underwriter Defendants entered a stipulation to withdraw that motion without  
prejudice to refiling it if the settlement is not completed for any reason.

1 J. In connection with the agreement in principle to settle the Action set forth in the  
2 Term Sheet, Athira also provided Co-Lead Counsel with additional document discovery, which  
3 consisted of documents the Special Committee of Athira’s Board of Directors considered and relied  
4 on in its investigation into the conduct at issue. Review of the additional documents produced by  
5 Athira, together with the previous discovery and Co-Lead Counsel’s investigation to date, confirmed  
6 to Lead Plaintiffs and Co-Lead Counsel that the proposed settlement would be fair, reasonable and  
7 adequate to Lead Plaintiffs and the other members of the Settlement Class.  
8

9 K. On April 28, 2023, Lead Plaintiffs filed a motion for preliminary approval of the  
10 proposed settlement. ECF No. 118. On May 31, 2023, the Court issued a minute order (“Minute  
11 Order”) raising certain questions and concerns about the proposed settlement. ECF No. 119. The  
12 parties filed a Joint Status Report in response on June 30, 2023. ECF No. 122.  
13

14 L. By order dated September 27, 2023, ECF No. 123, the Court denied Lead Plaintiffs’  
15 motion for preliminary approval without prejudice to renew, if appropriate, after further settlement  
16 negotiations. The Court questioned, *inter alia*, the treatment of claims under the Exchange Act  
17 relative to claims under the Securities Act given that, among other things, the Court had previously  
18 sustained the Section 11 claims based on the Company’s IPO and SPO, but dismissed the Section  
19 10(b) claims based on the same misstatements for lack of scienter.  
20

21 M. In light of the Court’s denial of preliminary approval, the parties discussed the  
22 parameters of the proposed settlement and the scope of the proposed settlement class. To advance  
23 a settlement and achieve a comprehensive resolution of the claims in the Action, in an abundance  
24 of caution, Lead Plaintiff Nacif invited Plaintiff Gao—who also holds Section 10(b) claims and  
25 would have been entitled to request exclusion from the proposed Settlement Class to pursue his own  
26 individual claims—to join him in representing the interests of class members with Exchange Act  
27 claims to negotiate their settlement.  
28



1 N. Following the Court’s denial of preliminary approval, which rejected the proposed  
2 plan of allocation, the parties decided that the best way to avoid any potential conflicts of interest  
3 and reach the most appropriate allocation between claims under the Securities Act and claims under  
4 the Exchange Act was to engage in an arm’s-length mediation process before Mr. Melnick, who had  
5 mediated the original settlement. In this process, the Securities Act claims were represented by  
6 Lead Plaintiff Wies Rafi (and his counsel, Glancy Prongay & Murray LLP), the Exchange Act  
7 claims were represented by Lead Plaintiff Antonio Nacif and Hang Gao (and their counsel, Labaton  
8 Sucharow LLP and Block & Leviton LLP, respectively), and defendants were represented by  
9 Defendant Athira (and their counsel Wilson Sonsini Goodrich & Rosati, P.C).

11 O. In advance of the mediation session, counsel for each of the parties submitted letter  
12 briefs supporting their views and Plaintiffs provided Mr. Melnick a summary of their damages  
13 expert report. On November 16, 2023, Mr. Melnick conducted a half-day mediation session, via  
14 Zoom videoconference. During the session, Counsel shared competing perspectives on the strengths  
15 and weaknesses of the class’s claims under Exchange Act and Securities Act theories, the relative  
16 value of the claims, the amount of damages available under each, the number of potential Exchange  
17 Act and/or Securities Act claimants, the likelihood of a successful appeal of the Court’s dismissal  
18 of the Exchange Act claims, and Defendants’ reasons and motivations for settling and agreeing to  
19 the Settlement Amount. Following this process, Mr. Melnick determined that a fair and reasonable  
20 distribution of the Settlement Fund is to assign no less than ninety-one and a half percent (91.5%)  
21 of the net settlement proceeds to Securities Act claims and up to eight and a half percent (8.5%) of  
22 the net settlement proceeds to the Exchange Act claims.

25 P. This Amended Stipulation (together with the exhibits hereto) reflects the final and  
26 binding agreement to settle among all Parties (the “Settlement”).  
27  
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1 Q. Based upon their investigation, prosecution and mediation of the case, Plaintiffs and  
2 Co-Lead Counsel have concluded that the terms and conditions of this Amended Stipulation and the  
3 Settlement are fair, reasonable, and adequate to Plaintiffs and the other members of the Settlement  
4 Class, and in their best interests. Based on Plaintiffs' direct oversight of the prosecution of this  
5 Action and with the advice of their counsel, each of the Plaintiffs has agreed to settle and release  
6 the claims raised in the Action pursuant to the terms and provisions of this Amended Stipulation,  
7 after considering, among other things: (a) the substantial financial benefit that Plaintiffs and the  
8 other members of the Settlement Class will receive under the proposed Settlement; and (b) the  
9 significant risks and costs of continued litigation and trial.  
10

11 R. This Amended Stipulation constitutes a compromise of matters that are in dispute  
12 between the Parties. Defendants are entering into this stipulation solely to eliminate the uncertainty,  
13 burden, and expense of further protracted litigation. Each of the Defendants denies any wrongdoing  
14 or liability, and this Amended Stipulation shall in no event be construed or deemed to be evidence  
15 of or an admission or concession on the part of any of the Defendants or any other of the Released  
16 Defendants' Parties with respect to any claim or allegation of any fault or liability or wrongdoing  
17 or damage whatsoever, or any infirmity in the defenses that the Defendants have, or could have,  
18 asserted. The Defendants expressly deny that Plaintiffs have asserted any valid claims as to any of  
19 them, and expressly deny any and all allegations of fault, liability, wrongdoing or damages  
20 whatsoever. Similarly, this Amended Stipulation shall in no event be construed or deemed to be  
21 evidence of or an admission or concession on the part of any Plaintiff of any infirmity in any of the  
22 claims asserted in the Action, or an admission or concession that any of the Defendants' defenses  
23 to liability had any merit. Each of the Parties recognizes and acknowledges, however, that the  
24 Action has been initiated, filed and prosecuted by Plaintiffs in good faith and defended by  
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1 Defendants in good faith, that the Action is being voluntarily settled with the advice of counsel, and  
2 that the terms of the Settlement are fair, adequate and reasonable.

3 NOW THEREFORE, it is hereby STIPULATED AND AGREED, by and among Plaintiffs  
4 (individually and on behalf of all other members of the Settlement Class) and Defendants, by and  
5 through their respective undersigned attorneys and subject to the approval of the Court pursuant to  
6 Rule 23(e) of the Federal Rules of Civil Procedure, that, in consideration of the benefits flowing to  
7 the Parties from the Settlement, all Released Plaintiffs' Claims as against the Released Defendants'  
8 Parties and all Released Defendants' Claims as against the Released Plaintiffs' Parties shall be  
9 settled and released, upon and subject to the terms and conditions set forth below.  
10

11 **DEFINITIONS**

12 1. As used in this Amended Stipulation and any exhibits attached hereto and made a  
13 part hereof, the following capitalized terms shall have the following meanings:

14 (a) "Action" means the consolidated securities class action in the matter styled  
15 *Nacif et al., v. Athira Pharma, Inc. et al.*, Case No.: 2:21-cv-00861-TSZ (W.D. Wash.), and includes  
16 all actions consolidated therein.

17 (b) "Alternate Judgment" means a form of final judgment that may be entered by  
18 the Court herein but in a form other than the form of Judgment provided for in this Amended  
19 Stipulation.  
20

21 (c) "Athira" or the "Company" means Athira Pharma, Inc.

22 (d) "Authorized Claimant" means a Settlement Class Member who submits a  
23 Proof of Claim Form to the Claims Administrator that is approved for payment from the Net  
24 Settlement Fund.  
25

26 (e) "Claim" means a Proof of Claim Form submitted to the Claims  
27 Administrator.  
28

1 (f) “Claim Form” or “Proof of Claim Form” means the form, substantially in the  
2 form attached hereto as Exhibit 2 to Exhibit A, that a Claimant must complete and submit should  
3 that Claimant seek to share in a distribution of the Net Settlement Fund.

4 (g) “Claimant” means a person or entity who or which submits a Claim Form to  
5 the Claims Administrator seeking to be eligible to share in the proceeds of the Net Settlement Fund.  
6

7 (h) “Claims Administrator” means the firm retained by Lead Plaintiffs and Co-  
8 Lead Counsel, subject to approval of the Court, to provide all notices approved by the Court to  
9 potential Settlement Class Members and to administer the Settlement.

10 (i) “Class Period” means the period from September 17, 2020 through June 17,  
11 2021, inclusive.

12 (j) “Co-Lead Counsel” means the law firms of Glancy Prongay & Murray, LLP  
13 and Labaton Sucharow LLP.  
14

15 (k) “Complaint” means the Consolidated Amended Complaint for Violations of  
16 the Federal Securities Laws filed by Lead Plaintiffs in the Action on January 7, 2022.

17 (l) “Court” means the United States District Court for the Western District of  
18 Washington.

19 (m) “Defendants” means Athira, the Individual Defendants, and the Underwriter  
20 Defendants.  
21

22 (n) “Defendants’ Counsel” means the law firms of Wilson Sonsini Goodrich &  
23 Rosati, P.C., Perkins Coie LLP, and DLA Piper LLP (US).

24 (o) “Effective Date” with respect to the Settlement means the first date by which  
25 all of the events and conditions specified in ¶ 31 of this Amended Stipulation have been met and  
26 have occurred or have been waived.  
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1 (p) “Escrow Account” means an account maintained at Citibank N.A. (Private  
2 Bank) wherein the Settlement Amount shall be deposited and held in escrow under the control of  
3 Co-Lead Counsel.

4 (q) “Escrow Agent” means Citibank N.A. (Private Bank).

5 (r) “Exchange Act Class” means all persons and entities who or which purchased  
6 or otherwise acquired Athira Pharma, Inc. publicly traded common stock during the period from  
7 March 17, 2021 through June 17, 2021, inclusive, and were damaged thereby.

8 (s) “Exchange Act Period” means the period from March 17, 2021 through June  
9 17, 2021, inclusive.

10 (t) “Excluded Claim(s)” means (i) any claims relating to enforcement of the  
11 Settlement; (ii) any claims of any person or entity who or which submits a request for exclusion  
12 from the Settlement Class that is accepted by the Court; and (iii) any derivative claims asserted by  
13 shareholders on behalf of Athira in the related consolidated shareholder derivative lawsuits,  
14 captioned *Bushansky v. Kawas et al.*, No. 2:22-cv-497-TSZ (W.D. Wash.) and *Houlihan v. Kawas*  
15 *et al.*, No. 2:22-cv-620-TSZ (W.D. Wash.).

16 (u) “Final,” with respect to the Judgment or, if applicable, the Alternate  
17 Judgment, or any other court order, means: (i) if no appeal is filed, the expiration date of the time  
18 provided for filing or noticing any appeal under the Federal Rules of Appellate Procedure, *i.e.*, thirty  
19 (30) days after entry of the judgment or order; or (ii) if there is an appeal from the judgment or order,  
20 (a) the date of final dismissal of all such appeals, or the final dismissal of any proceeding on  
21 certiorari or otherwise, or (b) the date the judgment or order is finally affirmed on an appeal, the  
22 expiration of the time to file a petition for a writ of certiorari or other form of review, or the denial  
23 of a writ of certiorari or other form of review, and, if certiorari or other form of review is granted,  
24 the date of final affirmance following review pursuant to that grant. However, any appeal or  
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1 proceeding seeking subsequent judicial review pertaining solely to an order issued with respect to  
2 (i) attorneys' fees, costs or expenses, or (ii) the plan of allocation of Settlement proceeds (as  
3 submitted or subsequently modified), shall not in any way delay or preclude a judgment from  
4 becoming Final.

5 (v) "Immediate Family" means any immediate family member as that term is  
6 defined in 17 C.F.R. § 229.404, Instructions (1)(a)(iii) and (1)(b)(ii).

7 (w) "Individual Defendants" means Dr. Leen Kawas, Glenna Mileson, Dr.  
8 Tadataka Yamada, Joseph Edelman, James A. Johnson, and John M. Fluke, Jr.

9 (x) "Investment Vehicle" means any investment company or pooled investment  
10 fund, including, but not limited to, mutual funds, mutual fund families, exchange traded funds, fund  
11 of funds, and hedge funds, in which any of the Underwriter Defendants have, has or may have a  
12 direct or indirect interest, or as to which it or its affiliates may act as an investment advisor, but in  
13 which any of the Underwriter Defendants alone or together with their respective affiliates is not a  
14 majority owner or does not hold a majority beneficial interest.

15 (y) "IPO" means Athira's September 2020 initial public offering.

16 (z) "Judgment" means the final judgment, substantially in the form attached  
17 hereto as Exhibit B, to be entered by the Court approving the Settlement.

18 (aa) "Lead Plaintiffs" means Antonio Bachaalani Nacif and Wies Rafi.

19 (bb) "Litigation Expenses" means costs and expenses incurred in connection with  
20 commencing, prosecuting and settling the Action (which may include the costs and expenses of  
21 Plaintiffs directly related to their representation of the Settlement Class), for which Co-Lead  
22 Counsel intend to apply to the Court for reimbursement from the Settlement Fund.  
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1 (cc) “Net Settlement Fund” means the Settlement Fund less: (i) any Taxes;  
2 (ii) any Notice and Administration Costs; (iii) any Litigation Expenses awarded by the Court;  
3 (iv) any attorneys’ fees awarded by the Court; and (v) any other costs and fees awarded by the Court.

4 (dd) “Notice” means the Notice of (I) Pendency of Class Action and Proposed  
5 Settlement; (II) Settlement Hearing; and (III) Motion for an Award of Attorneys’ Fees and Payment  
6 of Litigation Expenses, substantially in the form attached hereto as Exhibit 1 to Exhibit A, which is  
7 to be mailed to Settlement Class Members.

8 (ee) “Notice and Administration Costs” means the costs, fees and expenses that  
9 are incurred by the Claims Administrator and/or Co-Lead Counsel in connection with: (i) providing  
10 notices to the Settlement Class; and (ii) administering the Settlement, including but not limited to  
11 the Claims process, as well as the costs, fees and expenses incurred in connection with the Escrow  
12 Account.  
13

14 (ff) “Parties” means Defendants and Plaintiffs, on behalf of themselves and the  
15 Settlement Class.  
16

17 (gg) “Person” means any individual, corporation (including all divisions and  
18 subsidiaries), general or limited partnership, association, joint stock company, joint venture, limited  
19 liability company, professional corporation, estate, legal representative, trust, unincorporated  
20 association, government or any political subdivision or agency thereof, and any other business or  
21 legal entity.  
22

23 (hh) “Plaintiffs” means Wies Rafi, Antonio Bachaalani Nacif, and Hang Gao.

24 (ii) “Plaintiffs’ Counsel” means Labaton Sucharow LLP, Glancy Prongay &  
25 Murray LLP, Rossi Vucinovich, P.C., the Schall Law Firm, and Block & Leviton LLP.

26 (jj) “Plan of Allocation” means the proposed plan of allocation of the Net  
27 Settlement Fund set forth in the Notice.  
28

1 (kk) "Preliminary Approval Order" means the order, substantially in the form  
2 attached hereto as Exhibit A, to be entered by the Court preliminarily approving the Settlement and  
3 directing that notice of the Settlement be provided to the Settlement Class.

4 (ll) "PSLRA" means the Private Securities Litigation Reform Act of 1995, Public  
5 Law No. 104-67, 109 Stat. 737 (codified as amended in scattered sections of 15 U.S.C.).

6 (mm) "Released Claims" means all Released Defendants' Claims and all Released  
7 Plaintiffs' Claims.

8 (nn) "Released Defendants' Claims" means all claims and causes of action of  
9 every nature and description, whether known claims or Unknown Claims, whether arising under  
10 federal, state, local, common, statutory, administrative, or foreign law, or any other law, rule, or  
11 regulation, at law or in equity, whether fixed or contingent, whether foreseen or unforeseen, whether  
12 accrued or unaccrued, whether liquidated or unliquidated, whether matured or unmatured, whether  
13 direct, representative, class, or individual in nature that arise out of or relate in any way to the  
14 institution, prosecution, or settlement of the claims against the Defendants. Released Defendants'  
15 Claims do not include any claims relating to the enforcement of the Settlement or any claims against  
16 any person or entity who or which submits a request for exclusion from the Settlement Class that is  
17 accepted by the Court.

18 (oo) "Released Defendants' Parties" means (a) each Defendant; (b) the Immediate  
19 Family members (as defined above) of the Individual Defendants; (c) direct or indirect parent  
20 entities, subsidiaries, related entities, and affiliates of Athira and the Underwriter Defendants; (d)  
21 any trust of which any Individual Defendant is the settlor or which is for the benefit of any Individual  
22 Defendant and/or his or her Immediate Family members; (e) for any of the entities listed in parts (a)  
23 through (d), their respective past and present general partners, limited partners, principals,  
24 shareholders, joint venturers, members, officers, directors, managers, managing directors,  
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1 supervisors, employees, contractors, consultants, experts, auditors, accountants, financial advisors,  
2 professional advisors, investment bankers, representatives, insurers, trustees, trustors, agents,  
3 attorneys, professionals, predecessors, successors, assigns, legal representatives, heirs, executors,  
4 administrators, and any controlling person thereof; and (f) any entity in which a Defendant has a  
5 controlling interest; all in their capacities as such.

6  
7 (pp) “Released Plaintiffs’ Claims” means any and all claims, demands, rights,  
8 liabilities, and causes of action of every nature and description, whether known claims or Unknown  
9 Claims, contingent or absolute, mature or not mature, liquidated or unliquidated, accrued or not  
10 accrued, concealed or hidden, whether direct, representative, class, or individual in nature,  
11 regardless of legal or equitable theory and whether arising under federal, state, common, or foreign  
12 law, that Plaintiffs or any other member of the Settlement Class: (a) asserted in the Action; or (b)  
13 could have asserted in any court or forum, that arise out of or are based upon (i) the allegations,  
14 transactions, facts, matters or occurrences, representations or omissions set forth or referred to in  
15 the complaints filed in the Action, and (ii) the purchase, acquisition, sale, or holding of Athira  
16 publicly traded common stock during the Class Period or pursuant and/or traceable to the  
17 registration statements and prospectuses issued in connection with Athira’s IPO or SPO. Released  
18 Plaintiffs’ Claims do not include: (a) any claims relating to enforcement of the Settlement; (b) any  
19 claims of any person or entity who or which submits a request for exclusion from the Settlement  
20 Class that is accepted by the Court; and (c) any derivative claims asserted by shareholders on behalf  
21 of Athira in the related consolidated shareholder derivative lawsuits, captioned *Bushansky v. Kawas,*  
22 *et al.*, No. 2:22-cv-497-TSZ (W.D. Wash.) and *Houlihan v. Kawas et al.*, No. 2:22-cv-620-TSZ  
23 (W.D. Wash.).

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25  
26 (qq) “Released Plaintiffs’ Parties” means (a) Plaintiffs, all Settlement Class  
27 members, Plaintiffs’ Counsel, and (b) each of their respective family members, and their respective  
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1 general partners, limited partners, principals, shareholders, joint venturers, members, officers,  
2 directors, managers, managing directors, supervisors, employees, contractors, consultants, experts,  
3 auditors, accountants, financial advisors, professional advisors, investment bankers, representatives,  
4 insurers, trustees, trustors, agents, attorneys, legal representatives, professionals, predecessors,  
5 successors, assigns, heirs, executors, administrators, and any controlling person thereof, in their  
6 capacities as such.

7  
8 (rr) “Releasee(s)” means each and any of the Released Defendants’ Parties and  
9 each and any of the Released Plaintiffs’ Parties.

10 (ss) “Releases” means the releases set forth in ¶¶ 5-6 of this Amended Stipulation.

11 (tt) “Securities Act Class” means all persons and entities who or which purchased  
12 or otherwise acquired Athira Pharma, Inc. publicly traded common stock during the period from  
13 September 17, 2020 through March 16, 2021, inclusive, and were damaged thereby.

14  
15 (uu) “Securities Act Period” means the time period from September 17, 2020  
16 through March 16, 2021, inclusive.

17 (vv) “Settlement” means the settlement between Plaintiffs and Defendants on the  
18 terms and conditions set forth in this Amended Stipulation.

19 (ww) “Settlement Amount” means \$10,000,000 (ten million dollars) in cash.

20 (xx) “Settlement Class” means all members of the Securities Act Class and all  
21 members of the Exchange Act Class. Excluded from the Settlement Class are: (a) Defendants; (b)  
22 any Person who served as a partner, control person, executive officer and/or director of Athira or  
23 the Underwriter Defendants during the Class Period, and members of their Immediate Family; (c)  
24 present and former parents, subsidiaries, assigns, successors, affiliates, and predecessors of Athira  
25 and the Underwriter Defendants; (d) any entity in which the Defendants have or had a controlling  
26 interest; (e) any trust of which an Individual Defendant is the settlor or which is for the benefit of  
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1 an Individual Defendant and/or member(s) of their Immediate Family; (f) liability insurance carriers  
2 for Athira or the Individual Defendants; and (g) the legal representatives, heirs, successors, and  
3 assigns of any person or entity excluded under provisions (a) through (f) hereof. Notwithstanding  
4 any provision to the contrary, (a) any Investment Vehicle shall not be excluded from the Settlement  
5 Class; and (b) “affiliates” are persons or entities that directly, or indirectly through one or more  
6 intermediaries, control, are controlled by or are under common control with one of the Defendants,  
7 including Athira’s employee retirement and/or benefit plan(s). Also excluded from the Settlement  
8 Class are any persons and entities who or which submit a valid request for exclusion from the  
9 Settlement Class that is accepted by the Court.

11 (yy) “Settlement Class Member” means each person and entity who or which is a  
12 member of the Settlement Class.

13 (zz) “Settlement Fund” means the Settlement Amount plus any and all interest or  
14 earnings thereon.

15 (aaa) “Settlement Hearing” means the hearing set by the Court under Rule 23(e)(2)  
16 of the Federal Rules of Civil Procedure to consider final approval of the Settlement and related  
17 matters.

18 (bbb) “SPO” means Athira’s January 2021 secondary public offering.

19 (ccc) “Summary Notice” means the Summary Notice of (I) Pendency of Class  
20 Action and Proposed Settlement; (II) Settlement Hearing; and (III) Motion for an Award of  
21 Attorneys’ Fees and Payment of Litigation Expenses, substantially in the form attached hereto as  
22 Exhibit 3 to Exhibit A, to be published as set forth in the Preliminary Approval Order.

23 (ddd) “Taxes” means: (i) all federal, state and/or local taxes of any kind (including  
24 any interest or penalties thereon) on any income earned by the Settlement Fund; and (ii) the expenses  
25 and costs incurred by Co-Lead Counsel in connection with determining the amount of, and paying,  
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1 any taxes owed by the Settlement Fund (including, without limitation, expenses of tax attorneys and  
2 accountants).

3 (eee) “Underwriter Defendants” mean Goldman Sachs & Co. LLC, Jefferies LLC,  
4 Stifel, Nicolaus & Company, Inc., and JMP Securities LLC.

5 (fff) “Unknown Claims” means any Released Plaintiffs’ Claims which any  
6 Plaintiff or any other Settlement Class Member does not know or suspect to exist in his, her or its  
7 favor at the time of the release of such claims, and any Released Defendants’ Claims which any  
8 Defendant or any other Released Defendant Party does not know or suspect to exist in his, her, or  
9 its favor at the time of the release of such claims, which, if known by him, her or it, might have  
10 affected his, her or its decision(s) with respect to this Settlement. With respect to any and all  
11 Released Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement,  
12 Plaintiffs and Defendants shall expressly waive, and each of the other Settlement Class Members  
13 and each of the other Released Defendants’ Parties shall be deemed to have waived, and by operation  
14 of the Judgment or the Alternate Judgment, if applicable, shall have expressly waived, any and all  
15 provisions, rights, and benefits conferred by any law of any state or territory of the United States,  
16 or principle of common law or foreign law, which is similar, comparable, or equivalent to California  
17 Civil Code §1542, which provides:

18  
19  
20 A general release does not extend to claims that the creditor or releasing party does  
21 not know or suspect to exist in his or her favor at the time of executing the release  
22 and that, if known by him or her, would have materially affected his or her settlement  
23 with the debtor or released party.

24 Plaintiffs and Defendants acknowledge, and each of the other Settlement Class Members and each  
25 of the other Released Defendants’ Parties shall be deemed by operation of law to have

1 acknowledged, that the foregoing waiver was separately bargained for and a key element of the  
2 Settlement.

3 **CLASS CERTIFICATION**

4 2. Solely for purposes of the Settlement and for no other purpose, Defendants stipulate  
5 and agree to: (a) certification of the Action as a class action pursuant to Rules 23(a) and 23(b)(3) of  
6 the Federal Rules of Civil Procedure on behalf of the Settlement Class; (b) certification of Plaintiffs  
7 as Class Representatives for the Settlement Class; and (c) appointment of Co-Lead Counsel as Class  
8 Counsel for the Settlement Class pursuant to Rule 23(g) of the Federal Rules of Civil Procedure.  
9

10 **PRELIMINARY APPROVAL OF SETTLEMENT**

11 3. Promptly upon execution of this Amended Stipulation, Plaintiffs will move for  
12 preliminary approval of the Settlement, certification of the Settlement Class for settlement purposes  
13 only, and the scheduling of a hearing for consideration of final approval of the Settlement, which  
14 motion shall be unopposed by Defendants. Concurrently with the motion for preliminary approval,  
15 Plaintiffs shall apply to the Court for, and Defendants shall agree to, entry of the Preliminary  
16 Approval Order, substantially in the form attached hereto as Exhibit A.  
17

18 **RELEASE OF CLAIMS**

19 4. The obligations incurred pursuant to this Amended Stipulation are in consideration  
20 of: (i) the full and final disposition of the Action as against Defendants; and (ii) the Releases  
21 provided for herein.  
22

23 5. Pursuant to the Judgment, or the Alternate Judgment, if applicable, without further  
24 action by anyone, upon the Effective Date of the Settlement, Plaintiffs and each of the other  
25 Settlement Class Members, on behalf of themselves, and their respective heirs, executors,  
26 administrators, trustees, predecessors, successors, and assigns, in their capacities as such only, shall  
27 be deemed to have, and by operation of law and of the Judgment or Alternate Judgment shall have,  
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1 fully, finally and unconditionally released as against the Defendants and the other Released  
2 Defendants' Parties each and every Released Plaintiffs' Claim, and shall forever be barred and  
3 enjoined from prosecuting any or all of the Released Plaintiffs' Claims against any of the Defendants  
4 and other Released Defendants' Parties. This release shall not apply to any Excluded Claim.

5  
6 6. Pursuant to the Judgment, or the Alternate Judgment, if applicable, without further  
7 action by anyone, upon the Effective Date of the Settlement, Defendants, on behalf of themselves  
8 and their respective heirs, executors, administrators, trustees, predecessors, successors, and assigns,  
9 in their capacities as such only, shall be deemed to have, and by operation of law and of the Judgment  
10 or Alternate Judgment shall have, fully, finally and unconditionally released as against Plaintiffs  
11 and the other Released Plaintiffs' Parties each and every Released Defendants' Claim, and shall  
12 forever be barred and enjoined from prosecuting any or all of the Released Defendants' Claims  
13 against any of the Released Plaintiffs' Parties. This release shall not apply to any person or entity  
14 who or which submits a request for exclusion from the Settlement Class that is accepted by the  
15 Court.  
16

17 7. Notwithstanding ¶¶ 5-6 above, nothing in the Judgment, or the Alternate Judgment,  
18 if applicable, shall bar any action by any of the Parties to enforce or effectuate the terms of this  
19 Amended Stipulation or the Judgment, or Alternate Judgment, if applicable.  
20

21 **THE SETTLEMENT CONSIDERATION**

22 8. In consideration of the settlement of the Released Plaintiffs' Claims against  
23 Defendants and the other Released Defendants' Parties, Athira shall pay or cause to be paid the  
24 Settlement Amount into the Escrow Account no later than thirty (30) calendar days after the later  
25 of: (a) the Court having entered an order preliminarily approving the Settlement, or (b) Wilson  
26 Sonsini Goodrich & Rosati having received the information necessary to effectuate a transfer of  
27 funds to the Escrow Account, including wiring instructions that include the bank name and ABA  
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1 routing number, account name and number, mailing instructions, and a signed W-9 reflecting a valid  
2 taxpayer identification number for the qualified settlement fund in which the Settlement Amount is  
3 to be deposited. The portion of the Settlement Amount to be funded by Athira's and the Individual  
4 Defendants' insurance carriers (the "D&O Insurers") will be paid directly into the Escrow Account  
5 by the D&O Insurers.  
6

7 **USE OF SETTLEMENT FUND**

8 9. The Settlement Fund shall be used to pay: (a) any Taxes; (b) any Notice and  
9 Administration Costs; (c) any Litigation Expenses awarded by the Court; and (d) any attorneys' fees  
10 awarded by the Court. The balance remaining in the Settlement Fund, that is, the Net Settlement  
11 Fund, shall be distributed to Authorized Claimants as provided in ¶¶ 18-29 below.

12 10. Except as provided herein or pursuant to orders of the Court, the Net Settlement Fund  
13 shall remain in the Escrow Account prior to the Effective Date. All funds held by the Escrow Agent  
14 shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction of the  
15 Court until such time as the funds shall be distributed or returned pursuant to the terms of this  
16 Amended Stipulation and/or further order of the Court. The Escrow Agent shall invest any funds  
17 in the Escrow Account exclusively in instruments or accounts backed by the full faith and credit of  
18 the United States Government or fully insured by the United States Government or an agency  
19 thereof, including U.S. Treasury bills, a U.S. Treasury Fund, or a bank account that is either: (a)  
20 fully insured by the Federal Deposit Insurance Corporation; or (b) secured by instruments backed  
21 by the full faith and credit of the United States Government. The Escrow Agent shall reinvest the  
22 proceeds of these instruments or accounts as they mature in similar instruments or accounts at their  
23 then-current market rates. Defendants shall not bear any responsibility for, or liability related to,  
24 the investment of the Settlement Fund by the Escrow Agent.  
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1           11.     The Parties agree that the Settlement Fund is intended to be a Qualified Settlement  
2 Fund within the meaning of Treasury Regulation § 1.468B-1 and that Co-Lead Counsel, as  
3 administrator of the Settlement Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3),  
4 shall be solely responsible for filing or causing to be filed all informational and other tax returns as  
5 may be necessary or appropriate (including, without limitation, the returns described in Treasury  
6 Regulation § 1.468B-2(k)) for the Settlement Fund. Co-Lead Counsel shall also be responsible for  
7 causing payment to be made from the Settlement Fund of any Taxes owed with respect to the  
8 Settlement Fund. The Released Defendants' Parties shall not have any liability or responsibility for  
9 any such Taxes. Upon written request, the relevant Defendants will provide to Co-Lead Counsel  
10 the statement described in Treasury Regulation § 1.468B-3(e). Co-Lead Counsel, as administrator  
11 of the Settlement Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3), shall timely  
12 make such elections as are necessary or advisable to carry out this paragraph, including, as  
13 necessary, making a "relation back election," as described in Treasury Regulation § 1.468B-1(j), to  
14 cause the Qualified Settlement Fund to come into existence at the earliest allowable date, and shall  
15 take or cause to be taken all actions as may be necessary or appropriate in connection therewith.  
16  
17

18           12.     All Taxes shall be paid out of the Settlement Fund, and shall be timely paid as  
19 directed by Co-Lead Counsel, and without further order of the Court. Any tax returns prepared for  
20 the Settlement Fund (as well as the election set forth therein) shall be consistent with the previous  
21 paragraph and in all events shall reflect that all Taxes on the income earned by the Settlement Fund  
22 shall be paid out of the Settlement Fund as provided herein. The Released Defendants' Parties shall  
23 have no responsibility or liability for the acts or omissions of Co-Lead Counsel or its agents with  
24 respect to the payment of Taxes, as described herein.  
25

26           13.     The Settlement is not a claims-made settlement. Upon the occurrence of the  
27 Effective Date, no Defendant, Released Defendants' Party, or any other person or entity who or  
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1 which paid any portion of the Settlement Amount shall have any right to the return of the Settlement  
2 Fund or any portion thereof for any reason whatsoever, including without limitation, the number of  
3 Claim Forms submitted, the collective amount of Recognized Claims of Authorized Claimants, the  
4 percentage of recovery of losses, or the amounts to be paid to Authorized Claimants from the Net  
5 Settlement Fund.

6  
7 14. Notwithstanding the fact that the Effective Date of the Settlement has not yet  
8 occurred, Co-Lead Counsel may pay from the Settlement Fund, without further approval from  
9 Defendants or further order of the Court, all Notice and Administration Costs actually incurred and  
10 paid or payable. Such costs and expenses shall include, without limitation, the actual costs of  
11 printing and mailing the Notice, publishing the Summary Notice, reimbursements to nominee  
12 owners for forwarding the Notice to their beneficial owners, the administrative expenses incurred  
13 and fees charged by the Claims Administrator in connection with providing notice, administering  
14 the Settlement (including processing the submitted Claims), and the fees, if any, of the Escrow  
15 Agent. In the event that the Settlement is terminated pursuant to the terms of this Amended  
16 Stipulation, all Notice and Administration Costs paid or incurred, including any related fees, shall  
17 not be returned or repaid to Defendants, any of the other Released Defendants' Parties, or any other  
18 person or entity who or which paid any portion of the Settlement Amount.

19  
20 **ATTORNEYS' FEES AND LITIGATION EXPENSES**

21  
22 15. Co-Lead Counsel will apply to the Court for a collective award of attorneys' fees to  
23 Plaintiffs' Counsel to be paid from (and out of) the Settlement Fund. Co-Lead Counsel also will  
24 apply to the Court for payment of Litigation Expenses, which may include a request for  
25 reimbursement of Plaintiffs' costs and expenses directly related to their representation of the  
26 Settlement Class, pursuant to the PSLRA, to be paid from (and out of) the Settlement Fund. Co-  
27 Lead Counsel's application for an award of attorneys' fees and/or Litigation Expenses is not the  
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1 subject of any agreement between Defendants and Plaintiffs other than what is set forth in this  
2 Amended Stipulation.

3           16. Any attorneys' fees and Litigation Expenses that are awarded by the Court shall be  
4 paid to Co-Lead Counsel from the Settlement Fund immediately upon award, notwithstanding the  
5 existence of any timely filed objections thereto, or potential for appeal therefrom, or collateral attack  
6 on the Settlement or any part thereof, subject to Co-Lead Counsel's obligation to make appropriate  
7 refunds or repayments to the Settlement Fund, plus accrued interest at the same net rate as is earned  
8 by the Settlement Fund, if the Settlement is terminated pursuant to the terms of this Amended  
9 Stipulation or if, as a result of any appeal or further proceedings on remand, or successful collateral  
10 attack, the award of attorneys' fees and/or Litigation Expenses is reduced or reversed and such order  
11 reducing or reversing the award has become Final. Co-Lead Counsel shall make the appropriate  
12 refund or repayment in full no later than thirty (30) calendar days after: (a) receiving from counsel  
13 to Athira and Dr. Kawas notice of the termination of the Settlement; or (b) any order reducing or  
14 reversing the award of attorneys' fees and/or Litigation Expenses has become Final. An award of  
15 attorneys' fees and/or Litigation Expenses is not a necessary term of this Amended Stipulation and  
16 is not a condition of the Settlement embodied herein. Neither Plaintiffs nor Co-Lead Counsel may  
17 cancel or terminate the Settlement based on this Court's or any appellate court's ruling with respect  
18 to attorneys' fees and/or Litigation Expenses.

19  
20  
21           17. Co-Lead Counsel shall allocate the attorneys' fees awarded amongst Plaintiffs'  
22 Counsel in a manner which they, in good faith, believe reflects the contributions of such counsel to  
23 the institution, prosecution and settlement of the Action. Released Defendants' Parties shall have  
24 no responsibility for or liability whatsoever with respect to the allocation or award of attorneys' fees  
25 or Litigation Expenses. The attorneys' fees and Litigation Expenses that are awarded to Plaintiffs'  
26 Counsel shall be payable solely from the Settlement Fund.  
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**NOTICE AND SETTLEMENT ADMINISTRATION**

1  
2 18. As part of the Preliminary Approval Order, Plaintiffs shall seek appointment of a  
3 Claims Administrator. The Claims Administrator shall administer the Settlement, including but not  
4 limited to the process of receiving, reviewing, and approving or denying Claims, under Co-Lead  
5 Counsel’s supervision and subject to the jurisdiction of the Court. Other than Athira’s obligation to  
6 provide its securities holders records as provided in ¶ 19 below, none of the Defendants, nor any  
7 other Released Defendants’ Parties, shall have any involvement in or any responsibility, authority  
8 or liability whatsoever for the selection of the Claims Administrator, the Plan of Allocation, the  
9 administration of the Settlement, the Claims process, or disbursement of the Net Settlement Fund,  
10 and shall have no liability whatsoever to any person or entity, including, but not limited to, Plaintiffs,  
11 any other Settlement Class Members or Co-Lead Counsel in connection with the foregoing.  
12 Defendants’ Counsel shall cooperate in the administration of the Settlement to the extent reasonably  
13 necessary to effectuate its terms.  
14  
15

16 19. In accordance with the terms of the Preliminary Approval Order to be entered by the  
17 Court, Co-Lead Counsel shall cause the Claims Administrator to mail the Notice and Proof of Claim  
18 Form to those members of the Settlement Class as may be identified through reasonable effort. Co-  
19 Lead Counsel shall also cause the Claims Administrator to have the Summary Notice published in  
20 accordance with the terms of the Preliminary Approval Order to be entered by the Court. For the  
21 purposes of identifying and providing notice to the Settlement Class, within five (5) business days  
22 of the date of entry of the Preliminary Approval Order, Athira shall provide or cause to be provided  
23 to the Claims Administrator in electronic format such as Excel (at no cost to the Settlement Fund,  
24 Co-Lead Counsel, Plaintiffs, the Settlement Class or the Claims Administrator) lists of shareholders  
25 of record of Athira publicly traded common stock during the Class Period, including purchasers in  
26 the IPO and SPO, to the extent such lists are reasonably available from Athira’s stock transfer agent.  
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1           20.     The Claims Administrator shall receive Claims and determine first, whether the  
2 Claim is a valid Claim, in whole or part, and second, each Authorized Claimant's *pro rata* share of  
3 the Net Settlement Fund based upon each Authorized Claimant's Recognized Claim, in accordance  
4 with the Plan of Allocation set forth in the Notice attached hereto as Exhibit 1 to Exhibit A, or such  
5 other plan of allocation as the Court approves.  
6

7           21.     The Plan of Allocation proposed in the Notice is not a necessary term of the  
8 Settlement or of this Amended Stipulation and it is not a condition of the Settlement or of this  
9 Amended Stipulation that any particular plan of allocation be approved by the Court. Plaintiffs and  
10 Co-Lead Counsel may not cancel or terminate the Settlement (or this Amended Stipulation) based  
11 on this Court's or any appellate court's ruling with respect to the Plan of Allocation or any other  
12 plan of allocation in this Action. Plaintiffs and Co-Lead Counsel will implement the plan of  
13 allocation that is approved by a Final order. Defendants and the other Released Defendants' Parties  
14 shall not object in any way to the Plan of Allocation or any other plan of allocation in this Action.  
15 No Defendant, nor any other Released Defendants' Parties, shall have any involvement with or  
16 liability, obligation, or responsibility whatsoever for the application of the Court-approved plan of  
17 allocation.  
18

19           22.     Any Settlement Class Member who does not submit a valid Claim Form will not be  
20 entitled to receive any distribution from the Net Settlement Fund, but will otherwise be bound by  
21 all of the terms of this Amended Stipulation and Settlement, including the terms of the Judgment or,  
22 the Alternate Judgment, if applicable, to be entered in the Action and the releases provided for herein  
23 and therein, and will be permanently barred and enjoined from bringing any action, claim, or other  
24 proceeding of any kind against the Released Defendants' Parties with respect to the Released  
25 Plaintiffs' Claims in the event that the Effective Date occurs with respect to the Settlement.  
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1           23.     Co-Lead Counsel shall be responsible for supervising the administration of the  
2 Settlement and the disbursement of the Net Settlement Fund subject to the jurisdiction of the Court.  
3 No Defendant, or any other Released Defendants' Party, shall be permitted to contest or object to  
4 any Claim Form, or any decision of the Claims Administrator or Co-Lead Counsel with respect to  
5 accepting or rejecting any Claim for payment by a Claimant. Co-Lead Counsel shall have the right,  
6 but not the obligation, to waive what it deems to be formal or technical defects in any Claim Forms  
7 submitted in the interests of achieving substantial justice.  
8

9           24.     For purposes of determining the extent, if any, to which a Claimant shall be entitled  
10 to be treated as an Authorized Claimant, the following conditions shall apply:

11                   (a)     Each Claimant shall be required to submit a Claim Form, substantially in the  
12 form attached hereto as Exhibit 2 to Exhibit A, supported by such documents as are designated  
13 therein, including proof of the Claimant's loss, or such other documents or proof as the Claims  
14 Administrator or Co-Lead Counsel, in their discretion, may deem acceptable;  
15

16                   (b)     All Claim Forms must be submitted by the date set by the Court in the  
17 Preliminary Approval Order and specified in the Notice. Any Settlement Class Member who fails  
18 to submit a Claim Form by such date shall be forever barred from receiving any distribution from  
19 the Net Settlement Fund or payment pursuant to this Amended Stipulation (unless by Order of the  
20 Court such Settlement Class Member's Claim Form is accepted), but shall in all other respects be  
21 bound by all of the terms of this Amended Stipulation and the Settlement, including the terms of the  
22 Judgment or Alternate Judgment, if applicable, and the Releases provided for herein and therein,  
23 and will be permanently barred and enjoined from bringing any action, claim or other proceeding  
24 of any kind against any Released Defendants' Parties with respect to any Released Plaintiffs' Claim.  
25 Provided that it is mailed by the claim-submission deadline, a Claim Form shall be deemed to be  
26 submitted when postmarked, if received with a postmark indicated on the envelope and if mailed by  
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1 first-class mail and addressed in accordance with the instructions thereon. In all other cases, the  
2 Claim Form shall be deemed to have been submitted on the date when actually received by the  
3 Claims Administrator;

4 (c) Each Claim Form shall be submitted to and reviewed by the Claims  
5 Administrator, which shall determine, in accordance with this Amended Stipulation and the plan of  
6 allocation approved by Final order, the extent, if any, to which each Claim shall be allowed, subject  
7 to review by Co-Lead Counsel pursuant to subparagraph (e) below as necessary;

8 (d) Claim Forms that do not meet the submission requirements may be rejected.  
9 Prior to rejecting a Claim in whole or in part, the Claims Administrator shall communicate with the  
10 Claimant in writing, to give the Claimant the chance to remedy any curable deficiencies in the Claim  
11 Form submitted. The Claims Administrator shall notify, in a timely fashion and in writing, all  
12 Claimants whose Claims the Claims Administrator proposes to reject in whole or in part, setting  
13 forth the reasons therefor, and shall indicate in such notice that the Claimant whose Claim is to be  
14 rejected has the right to a review by Co-Lead Counsel if the Claimant so desires and complies with  
15 the requirements of subparagraph (e) below; and

16 (e) If any Claimant whose Claim has been rejected in whole or in part desires to  
17 contest such rejection, the Claimant must, within twenty (20) calendar days after the date of mailing  
18 of the notice required in subparagraph (d) above, serve upon the Claims Administrator a notice and  
19 statement of reasons indicating the Claimant's grounds for contesting the rejection along with any  
20 supporting documentation, and requesting a review thereof by Co-Lead Counsel, which shall make  
21 a final determination of the claim dispute, in consultation with the Claims Administrator.

22 25. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court  
23 with respect to the Claimant's Claim, and the Claim will be subject to investigation and discovery  
24 under the Federal Rules of Civil Procedure, provided, however, that such investigation and  
25

1 discovery shall be limited to that Claimant's status as a Settlement Class Member and the validity  
2 and amount of the Claimant's Claim. No discovery shall be allowed on the merits of this Action or  
3 of the Settlement in connection with the processing of Claim Forms.

4           26. Upon the Effective Date and thereafter, and in accordance with the terms of this  
5 Amended Stipulation, the plan of allocation approved by Final order, or such further approval and  
6 further order(s) of the Court as may be necessary or as circumstances may require, the Net  
7 Settlement Fund shall be distributed to Authorized Claimants.

8           27. Payment pursuant to the Amended Stipulation shall be final and conclusive against  
9 all Claimants. All Settlement Class Members whose Claims are not approved by the Court for  
10 payment shall be barred from participating in distributions from the Net Settlement Fund, but  
11 otherwise shall be bound by all of the terms of this Amended Stipulation and the Settlement,  
12 including the terms of the Judgment or Alternate Judgment, if applicable, to be entered in this Action  
13 and the Releases provided for herein and therein, and will be permanently barred and enjoined from  
14 bringing any action against any and all Released Defendants' Parties with respect to any and all of  
15 the Released Plaintiffs' Claims.

16           28. No person or entity shall have any claim against Plaintiffs, Co-Lead Counsel,  
17 Plaintiffs' Counsel, the Claims Administrator, or any other agent designated by Co-Lead Counsel,  
18 or the Released Defendants' Parties and/or their respective counsel, arising from distributions made  
19 substantially in accordance with the Amended Stipulation, the plan of allocation approved by the  
20 Court, or any order of the Court. Plaintiffs and Defendants, and their respective counsel, and Lead  
21 Plaintiffs' damages expert and all other Releasees shall have no liability whatsoever for the  
22 investment or distribution of the Settlement Fund or the Net Settlement Fund, the plan of allocation,  
23 or the determination, administration, calculation, or payment of any claim or nonperformance of the  
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1 (e) the Court has approved the Settlement as described herein, following notice  
2 to the Settlement Class and a hearing, as prescribed by Rule 23 of the Federal Rules of Civil  
3 Procedure, and entered the Judgment and the Judgment has become Final, or the Court has entered  
4 an Alternate Judgment and none of the Parties seek to terminate the Settlement and the Alternate  
5 Judgment has become Final.

6  
7 32. Upon the occurrence of all of the events referenced in ¶ 31 above, any and all  
8 remaining interest or right of Defendants in or to the Settlement Fund, if any, shall be absolutely  
9 and forever extinguished and the Releases herein shall be effective.

10 33. If (i) Athira and Dr. Kawas exercise their right to terminate the Settlement as  
11 provided in this Amended Stipulation; (ii) Plaintiffs exercise their right to terminate the Settlement  
12 as provided in this Amended Stipulation; (iii) the Court disapproves the Settlement; or (iv) the  
13 Effective Date as to the Settlement otherwise fails to occur, then:  
14

15 (a) The Settlement and the relevant portions of this Amended Stipulation shall  
16 be canceled and terminated.

17 (b) Plaintiffs and Defendants shall revert to their respective positions in the  
18 Action as of February 28, 2023.

19 (c) The terms and provisions of this Amended Stipulation, with the exception of  
20 this ¶ 33 and ¶¶ 14, 16, 37 and 57, shall have no further force and effect with respect to the Parties  
21 and shall not be used in the Action or in any other proceeding for any purpose, and any Judgment,  
22 or Alternate Judgment, if applicable, or order entered by the Court in accordance with the terms of  
23 this Amended Stipulation shall be treated as vacated, *nunc pro tunc*.  
24

25 (d) Within thirty (30) calendar days after joint written notification of termination  
26 is sent by Defendants' Counsel and Co-Lead Counsel to the Escrow Agent, the Settlement Fund  
27 (including accrued interest thereon and any funds received by Co-Lead Counsel consistent with ¶ 16  
28

1 above), less any Notice and Administration Costs actually incurred, paid or payable and less any  
2 Taxes paid, due or owing shall be refunded by the Escrow Agent to such persons or entities as  
3 counsel for Athira may direct. In the event that the funds received by Co-Lead Counsel consistent  
4 with ¶ 16 above have not been refunded to the Settlement Fund within the thirty (30) calendar days  
5 specified in this paragraph, those funds shall be refunded by the Escrow Agent to such persons or  
6 entities as counsel for Athira may direct immediately upon their deposit into the Settlement Fund  
7 consistent with ¶ 16 above.

9       34. It is further stipulated and agreed that Plaintiffs, provided they unanimously agree,  
10 and Athira and Dr. Kawas, provided they unanimously agree, shall each have the right to terminate  
11 the Settlement and this Amended Stipulation, by providing written notice of their election to do so  
12 (“Termination Notice”) to the other Parties to this Amended Stipulation within thirty (30) calendar  
13 days of: (a) the Court’s Final refusal to enter the Preliminary Approval Order in any material respect;  
14 (b) the Court’s Final refusal to approve the Settlement or any material part thereof; (c) the Court’s  
15 Final refusal to enter the Judgment in any material respect as to the Settlement; (d) the date upon  
16 which the Judgment is modified or reversed in any material respect by a Final order of the United  
17 States Court of Appeals for the Ninth Circuit or the United States Supreme Court; or (e) the date  
18 upon which an Alternate Judgment is modified or reversed in any material respect by a Final order  
19 of the United States Court of Appeals for the Ninth Circuit or the United States Supreme Court, and  
20 the provisions of ¶ 33 above shall apply. However, any decision or proceeding, whether in this  
21 Court or any appellate court, with respect to an application for attorneys’ fees or payment of  
22 Litigation Expenses or with respect to any plan of allocation shall not be considered material to the  
23 Settlement, shall not affect the finality of any Judgment or Alternate Judgment, if applicable, and  
24 shall not be grounds for termination of the Settlement.  
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1           35.     In addition to the grounds set forth in ¶ 34 above, Athira shall have the unilateral  
2 right to terminate the Settlement in the event that Settlement Class Members timely and validly  
3 requesting exclusion from the Settlement Class meet the conditions set forth in Athira’s confidential  
4 supplemental agreement with Plaintiffs (the “Amended Supplemental Agreement”), in accordance  
5 with the terms of that agreement. The Amended Supplemental Agreement, which is being executed  
6 concurrently herewith, shall not be filed with the Court and its terms shall not be disclosed in any  
7 other manner (other than the statements herein and in the Notice, to the extent necessary, or as  
8 otherwise provided in the Amended Supplemental Agreement) unless and until the Court otherwise  
9 directs or a dispute arises between Plaintiffs and Athira concerning its interpretation or application,  
10 in which event the Parties shall submit the Amended Supplemental Agreement to the Court *in*  
11 *camera* and request that the Court afford it confidential treatment.  
12

13           36.     In addition to the grounds set forth in ¶ 34 above, Plaintiffs shall also have the right  
14 to terminate the Settlement in the event that the Settlement Amount has not been paid as provided  
15 for in ¶ 8 above, but only if (a) Co-Lead Counsel has first notified Defendants’ Counsel in writing  
16 of Plaintiffs’ intent to terminate pursuant to this paragraph, and (b) the entire Settlement Amount is  
17 not deposited in the Escrow Account within five (5) business days after Co-Lead Counsel has  
18 provided such written notice.  
19

20                           **NO ADMISSION OF WRONGDOING OR LIABILITY**

21           37.     Neither the Term Sheet, this Amended Stipulation (whether or not consummated),  
22 including the exhibits hereto and the Plan of Allocation contained therein (or any other plan of  
23 allocation that may be approved by the Court), the negotiations leading to the execution of the Term  
24 Sheet and this Amended Stipulation, nor any proceedings taken pursuant to or in connection with  
25 the Term Sheet, this Amended Stipulation and/or approval of the Settlement (including any  
26 arguments proffered in connection therewith):  
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1 (a) shall be offered against any of the Defendants or other Released Defendants’  
2 Parties as evidence of, or construed as, or deemed to be evidence of or otherwise constitute any  
3 presumption, concession, or admission by any of the Defendants or other Released Defendants’  
4 Parties with respect to the truth of any fact alleged by Plaintiffs or the validity of any claim that was  
5 or could have been asserted or the deficiency of any defense that has been or could have been  
6 asserted in this Action or in any other litigation, or of any liability, negligence, fault, or other  
7 wrongdoing of any kind of any of the Defendants or other Released Defendants’ Parties or in any  
8 way referred to for any other reason as against any of the Defendants or other Released Defendants’  
9 Parties, in any civil, criminal or administrative action or other proceeding;

11 (b) shall be offered against Plaintiffs or any of the other Released Plaintiffs’  
12 Parties, as evidence of, or construed as, or deemed to be evidence of or otherwise constitute any  
13 presumption, concession or admission by Plaintiffs or any of the Released Plaintiffs’ Parties that  
14 any of their claims are without merit, that any of the Defendants or other Released Defendants’  
15 Parties had meritorious defenses, or that damages recoverable under the Complaint would not have  
16 exceeded the Settlement Amount or with respect to any liability, negligence, fault or wrongdoing of  
17 any kind, or in any way referred to for any other reason as against Plaintiffs or any of the other  
18 Released Plaintiffs’ Parties, in any civil, criminal or administrative action or other proceeding; or

20 (c) shall be construed against any of the Releasees as an admission, concession,  
21 or presumption that the consideration to be given hereunder represents the amount which could be  
22 or would have been recovered after trial;

24 *provided, however*, that if this Amended Stipulation is approved by the Court, the Parties and the  
25 Releasees and their respective counsel may refer to it to effectuate the protections from liability  
26 granted hereunder or otherwise to enforce the terms of the Settlement.

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**MISCELLANEOUS PROVISIONS**

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2           38. All of the exhibits attached hereto are hereby incorporated by reference as though  
3 fully set forth herein. Notwithstanding the foregoing, in the event that there exists a conflict or  
4 inconsistency between the terms of this Amended Stipulation and the terms of any exhibit attached  
5 hereto, the terms of the Amended Stipulation shall prevail.

6  
7           39. Athira and the Individual Defendants warrant that, as to the payments made or to be  
8 made by or on behalf of them, at the time of entering into this Amended Stipulation and at the time  
9 of such payment they, or to their knowledge any entities contributing to the payment of the  
10 Settlement Amount, were not insolvent, nor will the payment required to be made by or on behalf  
11 of them render them insolvent, within the meaning of and/or for the purposes of the United States  
12 Bankruptcy Code, including §§ 101 and 547 thereof. This representation is made by each of Athira  
13 and the Individual Defendants and not by their counsel.

14  
15           40. In the event of the entry of a Final order of a court of competent jurisdiction  
16 determining the transfer of money to the Settlement Fund or any portion thereof by or on behalf of  
17 Athira and the Individual Defendants to be a preference, voidable transfer, fraudulent transfer or  
18 similar transaction and any portion thereof is required to be returned, and such amount is not  
19 promptly deposited into the Settlement Fund by others, then, at the election of Plaintiffs, Plaintiffs  
20 and Defendants shall jointly move the Court to vacate and set aside the Releases given and the  
21 Judgment or Alternate Judgment, if applicable, entered in favor of Defendants and the other  
22 Releasees pursuant to this Amended Stipulation, in which event the Releases and Judgment, or  
23 Alternate Judgment, if applicable, shall be null and void, and the Parties shall be restored to their  
24 respective positions in the litigation as provided in ¶ 33 above and any cash amounts in the  
25 Settlement Fund (less any Taxes paid, due or owing with respect to the Settlement Fund and less  
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1 any Notice and Administration Costs actually incurred, paid or payable) shall be returned as  
2 provided in ¶ 33.

3           41.     The Parties intend this Amended Stipulation and the Settlement to be a final and  
4 complete resolution of all disputes asserted or which could be asserted by Plaintiffs and any other  
5 Settlement Class Members against the Defendants and other Released Defendants' Parties with  
6 respect to the Released Plaintiffs' Claims. Accordingly, Plaintiffs and their counsel and Defendants  
7 and their counsel agree not to assert in any forum that this Action was brought by Plaintiffs or  
8 defended by Defendants in bad faith or without a reasonable basis. No Party shall assert any claims  
9 of any violation of Rule 11 of the Federal Rules of Civil Procedure relating to the institution,  
10 prosecution, defense, or settlement of this Action. The Parties agree that the amounts paid and the  
11 other terms of the Settlement were negotiated at arm's-length and in good faith by the Parties,  
12 including through a mediation process supervised and conducted by Jed Melnick, Esq., and reflect  
13 the Settlement that was reached voluntarily after extensive negotiations and consultation with  
14 experienced legal counsel, who were fully competent to assess the strengths and weaknesses of their  
15 respective clients' claims or defenses.

16           42.     While retaining their right to deny that the claims asserted in the Action were  
17 meritorious, Defendants and their counsel, in any statement made to any media representative  
18 (whether or not for attribution) will not assert that the Action was commenced or prosecuted in bad  
19 faith, nor will they deny that the Action was commenced and prosecuted in good faith and is being  
20 settled voluntarily after consultation with competent legal counsel. In all events, Plaintiffs and their  
21 counsel and Defendants and their counsel shall not make any accusations of wrongful or actionable  
22 conduct by either Party concerning the prosecution, defense, and resolution of the Action, and shall  
23 not otherwise suggest that the Settlement constitutes an admission of any claim or defense alleged.  
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1           43.     The terms of the Settlement, as reflected in this Amended Stipulation, may not be  
2 modified or amended, nor may any of its provisions be waived except by a writing signed on behalf  
3 of both Plaintiffs and Defendants (or their successors-in-interest).

4           44.     The headings herein are used for the purpose of convenience only and are not meant  
5 to have legal effect.

6           45.     The administration and consummation of the Settlement as embodied in this  
7 Amended Stipulation shall be under the authority of the Court, and the Court shall retain jurisdiction  
8 for the purpose of entering orders providing for awards of attorneys' fees and Litigation Expenses  
9 to Plaintiffs' Counsel and enforcing the terms of this Amended Stipulation, including the Plan of  
10 Allocation (or such other plan of allocation as may be approved by the Court) and the distribution  
11 of the Net Settlement Fund.  
12

13           46.     The waiver by one Party of any breach of this Amended Stipulation by any other  
14 Party shall not be deemed a waiver of any other prior or subsequent breach of this Amended  
15 Stipulation.  
16

17           47.     This Amended Stipulation and its exhibits and the Amended Supplemental  
18 Agreement constitute the entire agreement among Plaintiffs and Defendants concerning the  
19 Settlement and this Amended Stipulation and its exhibits. All Parties acknowledge that no other  
20 agreements, representations, warranties, or inducements have been made by any Party hereto  
21 concerning this Amended Stipulation, its exhibits or the Amended Supplemental Agreement other  
22 than those contained and memorialized in such documents.  
23

24           48.     This Amended Stipulation may be executed in one or more counterparts, including  
25 by a .pdf/.tif image of the signature transmitted via email. All executed counterparts and each of  
26 them shall be deemed to be one and the same instrument.  
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1           49.     This Amended Stipulation shall be binding upon and inure to the benefit of the  
2 successors and assigns of the Parties, including any and all Releasees and any corporation,  
3 partnership, or other entity into or with which any Party hereto may merge, consolidate or  
4 reorganize.

5           50.     The construction, interpretation, operation, effect and validity of this Amended  
6 Stipulation, the Amended Supplemental Agreement and all documents necessary to effectuate it  
7 shall be governed by the internal laws of the State of Washington without regard to conflicts of laws,  
8 except to the extent that federal law requires that federal law govern.

9           51.     Any action arising under or to enforce this Amended Stipulation or any portion  
10 thereof, shall be commenced and maintained only in the Court.

11           52.     This Amended Stipulation shall not be construed more strictly against one Party than  
12 another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for  
13 one of the Parties, it being recognized that it is the result of arm's-length negotiations between the  
14 Parties and all Parties have contributed substantially and materially to the preparation of this  
15 Amended Stipulation.

16           53.     All counsel and any other person executing this Amended Stipulation and any of the  
17 exhibits hereto, or any related Settlement documents, warrant and represent that they have the full  
18 authority to do so and that they have the authority to take appropriate action required or permitted  
19 to be taken pursuant to the Amended Stipulation to effectuate its terms.

20           54.     Co-Lead Counsel and Defendants' Counsel agree to cooperate fully with one another  
21 in seeking Court approval of the Preliminary Approval Order and the Settlement, as embodied in  
22 this Amended Stipulation, and to use best efforts to promptly agree upon and execute all such other  
23 documentation as may be reasonably required to obtain final approval by the Court of the  
24 Settlement.

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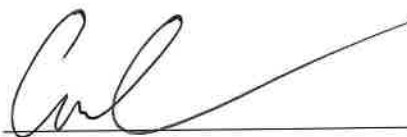
1           57.     Whether or not the Amended Stipulation is approved by the Court and whether or  
2 not the Amended Stipulation is consummated, or the Effective Date occurs, the Parties and their  
3 counsel shall use their best efforts to keep all negotiations, discussions, acts performed, agreements,  
4 drafts, documents signed and proceedings in connection with the Amended Stipulation confidential.

5           58.     All agreements made and orders entered during the course of this Action relating to  
6 the confidentiality of information shall survive this Settlement.

7           59.     Defendants shall be responsible for timely service of any notices that might be  
8 required pursuant to the Class Action Fairness Act, 28 U.S.C. § 1715 (“CAFA”). Defendants shall  
9 notify Co-Lead Counsel and the Court as to the completion of any CAFA notice. Athira shall bear  
10 all cost and expenses associated with providing CAFA notice.

11           60.     No opinion or advice concerning the tax consequences of the proposed Settlement to  
12 individual Claimants is being given or will be given by the Parties or their counsel; nor is any  
13 representation or warranty in this regard made by virtue of this Amended Stipulation. Each  
14 Claimants’ tax obligations, and the determination thereof, are the sole responsibility of the Claimant,  
15 and it is understood that the tax consequences may vary depending on the particular circumstances  
16 of each Claimant.

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20           **IN WITNESS WHEREOF**, the Parties hereto have caused this Amended Stipulation to be  
21 executed, by their duly authorized attorneys, as of December 15, 2023.

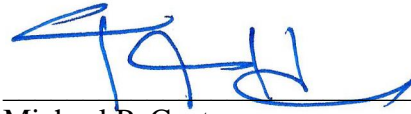
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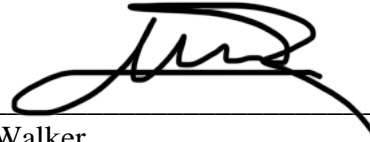
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*Attorneys for Defendants Goldman Sachs & Co. LLC, Jefferies LLC, Stifel, Nicolaus & Company, Inc., and JMP Securities LLC*


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*Attorneys for Defendants Goldman Sachs & Co. LLC, Jefferies LLC, Stifel, Nicolaus & Company, Inc., and JMP Securities LLC*

# **Exhibit A**



1 **Exhibit A**

2 THE HONORABLE THOMAS S. ZILLY

3  
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5  
6 UNITED STATES DISTRICT COURT  
7 WESTERN DISTRICT OF WASHINGTON  
8 AT SEATTLE

9 ANTONIO BACHAALANI NACIF and  
10 WIES RAFI, Individually and on behalf of all  
others similarly situated,

11 Plaintiffs,

12 v.

13 ATHIRA PHARMA, INC., et al.,

14 Defendants.

CASE NO.: 2:21-cv-00861-TSZ  
(Consolidated with 21-cv-00862-TSZ and  
21-cv-00864-TSZ)

15  
16 **[PROPOSED SECOND REVISED] ORDER PRELIMINARILY APPROVING**  
17 **SETTLEMENT AND PROVIDING FOR NOTICE**

18 WHEREAS, a consolidated class action is pending in this Court entitled *Nacif, et al., v.*  
19 *Athira Pharma, Inc., et al.*, Case No.: 2:21-cv-00861-TSZ (the “Action”);

20 WHEREAS, (a) Court-appointed lead plaintiffs Antonio Bachaalani Nacif and Wies Rafi  
21 (collectively, “Lead Plaintiffs”) and additional plaintiff Hang Gao (together with Lead Plaintiffs,  
22 “Plaintiffs”), on behalf of themselves and the Settlement Class (defined below); (b) Athira Pharma,  
23 Inc. (“Athira” or the “Company”); (c) Dr. Leen Kawas Glenna Mileson, Dr. Tadataka Yamada,  
24 Joseph Edelman, James A. Johnson, and John M. Fluke, Jr. (the “Individual Defendants”); and (d)  
25 Goldman Sachs & Co. LLC, Jefferies LLC, Stifel, Nicolaus & Company, Inc., and JMP Securities  
26 LLC (the “Underwriter Defendants,” together with Athira and the Individual Defendants,  
27 “Defendants” and, together with Plaintiffs, the “Parties”) have determined to settle all claims  
28 asserted against Defendants in this Action and related claims with prejudice on the terms and

1 conditions set forth in the Amended Stipulation and Agreement of Settlement dated December 15,  
2 2023 (the “Amended Stipulation”) subject to approval of this Court (the “Settlement”);

3 WHEREAS, Plaintiffs have made an application, pursuant to Rule 23 of the Federal Rules  
4 of Civil Procedure, for an order preliminarily approving the Settlement in accordance with the  
5 Amended Stipulation, certifying the Settlement Class for purposes of the Settlement only, and  
6 allowing notice to Settlement Class Members as more fully described herein;

7 WHEREAS, the Court has read and considered: (a) Plaintiffs’ motion for preliminary  
8 approval of the Settlement, and the papers filed and arguments made in connection therewith; and  
9 (b) the Amended Stipulation and the exhibits attached thereto; and

10 WHEREAS, unless otherwise defined herein, all capitalized words contained herein shall  
11 have the same meanings as they have in the Amended Stipulation;

12 NOW THEREFORE, IT IS HEREBY ORDERED:

13 1. **Class Certification for Settlement Purposes** – Pursuant to Rule 23(a) and (b)(3) of  
14 the Federal Rules of Civil Procedure, the Court certifies, solely for purposes of effectuating the  
15 proposed Settlement, a Settlement Class consisting of: (a) all persons and entities who or which  
16 purchased or otherwise acquired Athira Pharma, Inc. publicly traded common stock during the  
17 period from September 17, 2020 through March 16, 2021, inclusive, and were damaged thereby  
18 (the “Securities Act Class”) and (b) all persons and entities who or which purchased or otherwise  
19 acquired Athira Pharma, Inc. publicly traded common stock during the period from March 17, 2021  
20 through June 17, 2021, inclusive, and were damaged thereby (the “Exchange Act Class”). Excluded  
21 from the Settlement Class are: (a) Defendants; (b) any person who served as a partner, control  
22 person, executive officer and/or director of Athira or the Underwriter Defendants during the Class  
23 Period, and members of their Immediate Family; (c) present and former parents, subsidiaries,  
24 assigns, successors, affiliates, and predecessors of Athira and the Underwriter Defendants; (d) any  
25 entity in which the Defendants have or had a controlling interest; (e) any trust of which an Individual  
26 Defendant is the settlor or which is for the benefit of an Individual Defendant and/or member(s) of  
27 their Immediate Family; (f) liability insurance carriers for Athira or the Individual Defendants; and  
28 (g) the legal representatives, heirs, successors, and assigns of any person or entity excluded under

1 provisions (a) through (f) hereof. Notwithstanding any provision to the contrary, (a) any Investment  
2 Vehicle shall not be excluded from the Settlement Class; and (b) “affiliates” are persons or entities  
3 that directly, or indirectly through one or more intermediaries, control, are controlled by or are under  
4 common control with one of the Defendants, including Athira’s employee retirement and/or benefit  
5 plan(s). Also excluded from the Settlement Class are any persons and entities who or which submit  
6 a valid request for exclusion from the Settlement Class that is accepted by the Court.

7       2.       **Class Findings** – Solely for purposes of the proposed Settlement of this Action, the  
8 Court finds that each element required for certification of the Settlement Class pursuant to Rule 23  
9 of the Federal Rules of Civil Procedure has been met: (a) the members of the Settlement Class are  
10 so numerous that their joinder in the Action would be impracticable; (b) there are questions of law  
11 and fact common to the Settlement Class which predominate over any individual questions; (c) the  
12 claims of Plaintiff Wies Rafi in the Action are typical of the claims of the Securities Act Class and  
13 the claims of Plaintiffs Antonio Bachaalani Nacif and Hang Gao in the Action are typical of the  
14 claims of the Exchange Act Class; (d) Plaintiffs and Co-Lead Counsel have and will fairly and  
15 adequately represent and protect the interests of the Settlement Class; and (e) a class action is  
16 superior to other available methods for the fair and efficient adjudication of the Action.

17       3.       The Court hereby finds and concludes that pursuant to Rule 23 of the Federal Rules  
18 of Civil Procedure, and for the purposes of the Settlement only, Plaintiff Wies Rafi is an adequate  
19 class representative of the Securities Act Class and Plaintiffs Antonio Bachaalani Nacif and Hang  
20 Gao are adequate class representatives of the Exchange Act Class, and certifies them as Class  
21 Representatives. The Court also appoints Co-Lead Counsel Glancy Prongay & Murray, LLP and  
22 Labaton Sucharow LLP as Class Counsel for the Settlement Class, pursuant to Rule 23(g) of the  
23 Federal Rules of Civil Procedure.

24       4.       **Preliminary Approval of the Settlement** – The Court hereby preliminarily  
25 approves the Settlement, as embodied in the Amended Stipulation, and finds that the Court will  
26 likely be able to approve the proposed Settlement as fair, reasonable, and adequate under Federal  
27 Rule of Civil Procedure 23(e)(2), subject to further consideration at the Settlement Hearing to be  
28 conducted, as described below.

1           5.       **Settlement Hearing** – The Court will hold a settlement hearing (the “Settlement  
2 Hearing”) on \_\_\_\_\_, 2024 at \_\_:\_\_.m. in Courtroom 15206 of the United States  
3 Courthouse, 700 Stewart Street, Seattle, WA 98101, for the following purposes: (a) to determine  
4 whether the proposed Settlement on the terms and conditions provided for in the Amended  
5 Stipulation is fair, reasonable and adequate to the Settlement Class, and should be approved by the  
6 Court; (b) to determine whether a Judgment substantially in the form attached as Exhibit B to the  
7 Amended Stipulation should be entered dismissing the Action with prejudice against Defendants;  
8 (c) to determine whether the proposed Plan of Allocation for the proceeds of the Settlement is fair  
9 and reasonable and should be approved; (d) to determine whether the motion by Co-Lead Counsel  
10 for an award of attorneys’ fees and payment of Litigation Expenses should be approved; and (e) to  
11 consider any other matters that may properly be brought before the Court in connection with the  
12 Settlement. Notice of the Settlement and the Settlement Hearing shall be given to Settlement Class  
13 Members as set forth in paragraph 7 of this Order.

14           6.       The Court may adjourn the Settlement Hearing without further individual notice to  
15 the Settlement Class, and may approve the proposed Settlement with such modifications as the  
16 Parties may agree to, if appropriate, without further individual notice to the Settlement Class. Any  
17 changes to the scheduling of the Settlement Hearing or modifications to the Settlement shall be  
18 posted on the website for the Settlement.

19           7.       **Retention of Claims Administrator and Manner of Giving Notice** – Co-Lead  
20 Counsel are hereby authorized to retain Strategic Claims Services (the “Claims Administrator”) to  
21 supervise and administer the notice procedure in connection with the proposed Settlement as well  
22 as the processing of Claims as more fully set forth below. Notice of the Settlement and the  
23 Settlement Hearing shall be given by Co-Lead Counsel as follows:

24                   (a)       within five (5) business days of the date of entry of this Order, Athira shall  
25 provide or cause to be provided to the Claims Administrator in electronic format (at no cost to the  
26 Settlement Fund, Co-Lead Counsel, Plaintiffs, the Settlement Class or the Claims Administrator)  
27 lists of purchasers of record of Athira publicly traded common stock during the Class Period,  
28

1 including in the IPO and SPO, to the extent such lists are reasonably available from Athira’s stock  
2 transfer agent;

3 (b) not later than ten (10) business days after the date of entry of this Order (the  
4 “Notice Date”), the Claims Administrator shall cause a copy of the Notice and the Claim Form,  
5 substantially in the forms attached hereto as Exhibits 1 and 2, respectively (the “Notice Packet”), to  
6 be mailed by first-class mail to potential Settlement Class Members at the addresses set forth in the  
7 records provided by Athira or in the records which Athira caused to be provided, or who otherwise  
8 may be identified through further reasonable effort;

9 (c) contemporaneously with the mailing of the Notice Packet, the Claims  
10 Administrator shall cause copies of the Notice and the Claim Form to be posted on a website to be  
11 developed for the Settlement, from which copies of the Notice and Claim Form can be downloaded;

12 (d) not later than ten (10) business days after the Notice Date, the Claims  
13 Administrator shall cause the Summary Notice, substantially in the form attached hereto as Exhibit  
14 3, to be published once in *Investor’s Business Daily* and to be transmitted once over the *PR*  
15 *NewsWire*; and

16 (e) not later than seven (7) calendar days prior to the Settlement Hearing, Co-  
17 Lead Counsel shall serve on Defendants’ Counsel and file with the Court proof, by affidavit or  
18 declaration, of such mailing and publication.

19 8. **Approval of Form and Content of Notice** – The Court (a) approves, as to form and  
20 content, the Notice, the Claim Form, and the Summary Notice, attached hereto as Exhibits 1, 2, and  
21 3, respectively, and (b) finds that the mailing and distribution of the Notice and Claim Form and the  
22 publication of the Summary Notice in the manner and form set forth in paragraph 7 of this Order (i)  
23 is the best notice practicable under the circumstances; (ii) constitutes notice that is reasonably  
24 calculated, under the circumstances, to apprise Settlement Class Members of the pendency of the  
25 Action, of the effect of the proposed Settlement (including the Releases to be provided thereunder),  
26 of Co-Lead Counsel’s motion for an award of attorneys’ fees and payment of Litigation Expenses,  
27 of their right to object to the Settlement, the Plan of Allocation and/or Co-Lead Counsel’s motion  
28 for attorneys’ fees and payment of Litigation Expenses, of their right to exclude themselves from

1 the Settlement Class, and of their right to appear at the Settlement Hearing; (iii) constitutes due,  
2 adequate and sufficient notice to all persons and entities entitled to receive notice of the proposed  
3 Settlement; and (iv) satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure,  
4 the United States Constitution (including the Due Process Clause), the Private Securities Litigation  
5 Reform Act of 1995, Public Law No. 104-67, 109 Stat. 737 (codified as amended in scattered  
6 sections of 15 U.S.C.), and all other applicable law and rules. The date and time of the Settlement  
7 Hearing shall be included in the Notice and Summary Notice before they are mailed and published,  
8 respectively.

9           9.       **Nominee Procedures** – Brokers and other nominees who purchased or otherwise  
10 acquired Athira publicly traded common stock during the Class Period, including in the IPO and the  
11 SPO, for the benefit of another person or entity shall, within seven (7) calendar days of receipt of  
12 the Notice either: (a) request from the Claims Administrator sufficient copies of the Notice Packet  
13 to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Notice  
14 Packets forward them to all such beneficial owners; or (b) send a list of the names and addresses of  
15 all such beneficial owners to the Claims Administrator, in which event the Claims Administrator  
16 shall promptly mail the Notice Packet to such beneficial owners. Nominees shall also provide email  
17 addresses for all such beneficial owners to the Claims Administrator, to the extent they are available.  
18 Nominees that choose to follow procedure (a) shall also send a statement to the Claims  
19 Administrator confirming that the mailing was made as directed. Upon full and timely compliance  
20 with this Order, nominees may seek reimbursement of their reasonable expenses actually incurred,  
21 not to exceed \$0.05 plus postage at the current pre-sort rate used by the Claims Administrator per  
22 Notice Packet mailed; \$0.05 per name, address, and email address (to the extent available) provided  
23 to the Claims Administrator, by providing the Claims Administrator with proper documentation  
24 supporting the expenses for which reimbursement is sought. Such properly documented expenses  
25 incurred by nominees in compliance with the terms of this Order shall be paid from the Settlement  
26 Fund, with any disputes as to the reasonableness or documentation of expenses incurred subject to  
27 review by the Court. Nominees are not authorized to print the Notice Packet themselves for mailing.  
28 Notice Packets may only be printed by the Claims Administrator.

1           10.     **Participation in the Settlement** – Settlement Class Members who wish to  
2 participate in the Settlement and to be eligible to receive a distribution from the Net Settlement Fund  
3 must complete and submit a Claim Form in accordance with the instructions contained therein.  
4 Unless the Court orders otherwise, all Claim Forms must be postmarked no later than seven (7)  
5 calendar days before the Settlement Hearing. Notwithstanding the foregoing, Co-Lead Counsel  
6 may, at their discretion, accept for processing late Claims provided such acceptance does not delay  
7 the distribution of the Net Settlement Fund to the Settlement Class. By submitting a Claim, a person  
8 or entity shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her  
9 or its Claim and the subject matter of the Settlement.

10           11.     Each Claim Form submitted must satisfy the following conditions: (a) it must be  
11 properly completed, signed and submitted in a timely manner in accordance with the provisions of  
12 the preceding paragraph; (b) it must be accompanied by adequate supporting documentation for the  
13 transactions and holdings reported therein, in the form of broker confirmation slips, broker account  
14 statements, an authorized statement from the broker containing the transactional and holding  
15 information found in a broker confirmation slip or account statement, or such other documentation  
16 as is deemed adequate by Co-Lead Counsel or the Claims Administrator; (c) if the person executing  
17 the Claim Form is acting in a representative capacity, a certification of his, her or its current authority  
18 to act on behalf of the Claimant must be included in the Claim Form to the satisfaction of Co-Lead  
19 Counsel or the Claims Administrator; and (d) the Claim Form must be complete and contain no  
20 material deletions or modifications of any of the printed matter contained therein and must be signed  
21 under penalty of perjury.

22           12.     Co-Lead Counsel, in consultation with the Claims Administrator, shall review any  
23 disputed claims upon request by claimants.

24           13.     Any Settlement Class Member that does not timely and validly submit a Claim Form  
25 or whose Claim is not otherwise approved by the Court: (a) shall be deemed to have waived his, her  
26 or its right to share in the Net Settlement Fund; (b) shall be forever barred from participating in any  
27 distributions therefrom; (c) shall be bound by the provisions of the Amended Stipulation and the  
28 Settlement and all proceedings, determinations, orders and judgments in the Action relating thereto,



1 including, without limitation, the Judgment or Alternate Judgment, if applicable, and the Releases  
2 provided for therein, whether favorable or unfavorable to the Settlement Class; and (d) will be barred  
3 from commencing, maintaining or prosecuting any of the Released Plaintiffs' Claims against each  
4 and all of the Defendants and other Released Defendants' Parties, as more fully described in the  
5 Amended Stipulation and Notice. Notwithstanding the foregoing, late Claim Forms may be  
6 accepted for processing as set forth in paragraph 10 above.

7 14. **Exclusion From the Settlement Class** – Any member of the Settlement Class who  
8 wishes to exclude himself, herself or itself from the Settlement Class must request exclusion in  
9 writing within the time and in the manner set forth in the Notice, which shall provide that: (a) any  
10 such request for exclusion from the Settlement Class must be mailed or delivered such that it is  
11 received no later than twenty-one (21) calendar days prior to the Settlement Hearing, to: *Athira*  
12 *Pharma Securities Litigation*, EXCLUSIONS, c/o Strategic Claims Services, P.O. Box 230, 600 N.  
13 Jackson Street, Suite 205, Media, PA 19063, and (b) each request for exclusion must (i) state the  
14 name, address, and telephone number of the person or entity requesting exclusion, and in the case  
15 of entities, the name and telephone number of the appropriate contact person; (ii) state that such  
16 person or entity “requests exclusion from the Settlement Class in the *Athira Pharma Securities*  
17 *Litigation*, Case No. 2:21-cv-00861-TSZ”; (iii) state the number of shares of Athira common stock  
18 that the person or entity requesting exclusion purchased/acquired and sold during the Class Period,  
19 as well as the dates and prices of each such purchase/acquisition and sale; and (iv) be signed by the  
20 person or entity requesting exclusion or an authorized representative. A request for exclusion shall  
21 not be effective unless it provides all the required information and is received within the time stated  
22 above, or is otherwise accepted by the Court.

23 15. Any person or entity who or which timely and validly requests exclusion in  
24 compliance with the terms stated in this Order and is excluded from the Settlement Class shall not  
25 be a Settlement Class Member, shall not be bound by the terms of the Settlement or any orders or  
26 judgments in the Action and shall not receive any payment out of the Net Settlement Fund.

27 16. Any Settlement Class Member who or which does not timely and validly request  
28 exclusion from the Settlement Class in the manner stated in this Order: (a) shall be deemed to have



1 waived his, her or its right to be excluded from the Settlement Class; (b) shall be forever barred from  
2 requesting exclusion from the Settlement Class in this or any other proceeding; (c) shall be bound  
3 by the provisions of the Amended Stipulation and Settlement and all proceedings, determinations,  
4 orders and judgments in the Action, including, but not limited to, the Judgment or Alternate  
5 Judgment, if applicable, and the Releases provided for therein, whether favorable or unfavorable to  
6 the Settlement Class; and (d) will be barred from commencing, maintaining or prosecuting any of  
7 the Released Plaintiffs' Claims against any of the Defendants or other Released Defendants' Parties,  
8 as more fully described in the Amended Stipulation and Notice.

9       17.     **Appearance and Objections at Settlement Hearing** – Any Settlement Class  
10 Member who does not request exclusion from the Settlement Class may enter an appearance in the  
11 Action, at his, her or its own expense, individually or through counsel of his, her or its own choice,  
12 by filing with the Clerk of Court and delivering a notice of appearance to both Co-Lead Counsel  
13 and Defendants' Counsel, at the addresses set forth in paragraph 18 below. Any Settlement Class  
14 Member who does not enter an appearance will be represented by Co-Lead Counsel.

15       18.     Any Settlement Class Member who does not request exclusion from the Settlement  
16 Class may submit a written objection to the proposed Settlement, the proposed Plan of Allocation,  
17 and/or Co-Lead Counsel's motion for an award of attorneys' fees and payment of Litigation  
18 Expenses and appear and show cause, if he, she or it has any cause, why the proposed Settlement,  
19 the proposed Plan of Allocation and/or Co-Lead Counsel's motion for attorneys' fees and payment  
20 of Litigation Expenses should not be approved; *provided, however*, that no Settlement Class  
21 Member shall be entitled to contest the approval of the terms and conditions of the proposed  
22 Settlement, the proposed Plan of Allocation and/or the motion for attorneys' fees and payment of  
23 Litigation Expenses unless that person or entity has served copies of such objection on Co-Lead  
24 Counsel and Defendants' Counsel at the addresses set forth below such that they are received no  
25 later than twenty-one (21) calendar days prior to the Settlement Hearing.

26                   **Co-Lead Counsel**

27                   Glancy Prongay & Murray LLP  
                      Casey E. Sadler, Esq.  
28                   1925 Century Park East, Suite 2100

**Defendants' Counsel**

                      Wilson Sonsini Goodrich & Rosati, P.C.  
                      Gregory L. Watts, Esq.  
                      701 Fifth Avenue, Suite 5100

1 Los Angeles, CA 90067

Seattle, WA 98104-7036

2 -and-

-and-

3 Labaton Sucharow LLP  
4 Michael P. Canty, Esq.  
5 140 Broadway  
6 New York, New York 10005

Perkins Coie LLP  
Sean C. Knowles, Esq.  
1201 Third Avenue, Suite 4900  
Seattle, WA 98101-3099

7 -and-

DLA Piper LLP (US)  
Anthony Todaro, Esq.  
701 Fifth Avenue, Suite 6900  
Seattle, WA 98104-7029

9 19. Any objections, filings and other submissions by the objecting Settlement Class  
10 Member: (a) must state the name, address, and telephone number of the person or entity objecting  
11 and must be signed by the objector; (b) must contain a statement of the Settlement Class Member's  
12 objection or objections, and the specific reasons for each objection, including whether it applies  
13 only to the objector, to a specific subset of the Settlement Class, or to the entire Settlement Class,  
14 and any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's  
15 attention; and (c) must include documents sufficient to prove membership in the Settlement Class,  
16 including the number of shares of Athira common stock that the objecting Settlement Class Member  
17 purchased/acquired and sold during the Class Period, as well as the dates and prices of each such  
18 purchase/acquisition and sale. Objectors who desire to present evidence at the Settlement Hearing  
19 in support of their objection must include in their written objection the identity of any witnesses  
20 they may call to testify and any exhibits they intend to introduce into evidence at the hearing.

21 20. Any Settlement Class Member who or which does not make his, her or its objection  
22 in the manner provided herein shall be deemed to have waived his, her or its right to object to any  
23 aspect of the proposed Settlement, the proposed Plan of Allocation, and Co-Lead Counsel's motion  
24 for an award of attorneys' fees and payment of Litigation Expenses and shall be forever barred and  
25 foreclosed from objecting to the fairness, reasonableness or adequacy of the Settlement, the Plan of  
26 Allocation or the requested attorneys' fees and Litigation Expenses, or from otherwise being heard  
27 concerning the Settlement, the Plan of Allocation or the requested attorneys' fees and Litigation  
28 Expenses in this or any other proceeding.

1           21.     **Stay and Temporary Injunction** – Until otherwise ordered by the Court, the Court  
2 stays all proceedings in the Action other than proceedings necessary to carry out or enforce the terms  
3 and conditions of the Amended Stipulation. Pending final determination of whether the Settlement  
4 should be approved, the Court bars and enjoins Plaintiffs, and all other members of the Settlement  
5 Class, from commencing or prosecuting any and all of the Released Plaintiffs’ Claims against each  
6 and all of the Defendants and other Released Defendants’ Parties.

7           22.     **Settlement Administration Fees and Expenses** – All reasonable costs incurred in  
8 identifying Settlement Class Members and notifying them of the Settlement, as well as in  
9 administering the Settlement, shall be paid as set forth in the Amended Stipulation without further  
10 order of the Court.

11           23.     **Settlement Fund** – The contents of the Settlement Fund held by Citibank N.A.  
12 (Private Bank), as Escrow Agent, shall be deemed and considered to be *in custodia legis* of the  
13 Court, and shall remain subject to the jurisdiction of the Court, until such time as they shall be  
14 distributed pursuant to the Amended Stipulation and/or further order(s) of the Court.

15           24.     **Taxes** – Co-Lead Counsel are authorized and directed to prepare any tax returns and  
16 any other tax reporting forms for or in respect to the Settlement Fund, to pay from the Settlement  
17 Fund any Taxes owed with respect to the Settlement Fund, and to otherwise perform all obligations  
18 with respect to Taxes and any reporting or filings in respect thereof without further order of the  
19 Court and in a manner consistent with the provisions of the Amended Stipulation.

20           25.     **Termination of Settlement** – If the Settlement is terminated as provided in the  
21 Amended Stipulation, the Settlement is not approved, or the Effective Date of the Settlement  
22 otherwise fails to occur, this Order shall be vacated, rendered null and void and be of no further  
23 force and effect, except as otherwise provided by the Amended Stipulation, and this Order shall be  
24 without prejudice to the rights of Plaintiffs, the other Settlement Class Members and Defendants,  
25 and the Parties shall revert to their respective positions in the Action as of February 28, 2023, as  
26 provided in the Amended Stipulation.

27           26.     **Use of this Order** – Neither this Order, the Term Sheet, the Amended Stipulation  
28 (whether or not consummated), including the exhibits thereto and the Plan of Allocation contained

1 therein (or any other plan of allocation that may be approved by the Court), the negotiations leading  
2 to the execution of the Term Sheet and the Amended Stipulation, nor any proceedings taken pursuant  
3 to or in connection with the Term Sheet, the Amended Stipulation and/or approval of the Settlement  
4 (including any arguments proffered in connection therewith): (a) shall be offered against  
5 Defendants or any of the other Released Defendants' Parties as evidence of, or construed as, or  
6 deemed to be evidence of any presumption, concession, or admission by any of the Defendants or  
7 other Released Defendants' Parties with respect to the truth of any fact alleged by Plaintiffs or the  
8 validity of any claim that was or could have been asserted or the deficiency of any defense that has  
9 been or could have been asserted in this Action or in any other litigation, or of any liability,  
10 negligence, fault, or other wrongdoing of any kind of any of the Defendants or other Released  
11 Defendants' Parties or in any way referred to for any other reason as against any of the Defendants  
12 or other Released Defendants' Parties, in any civil, criminal or administrative action or other  
13 proceeding; (b) shall be offered against Plaintiffs or any of the other Released Plaintiffs' Parties, as  
14 evidence of, or construed as, or deemed to be evidence of any presumption, concession or admission  
15 by any of the Plaintiffs or other Released Plaintiffs' Parties that any of their claims are without merit,  
16 that any of the Defendants or the other Released Defendants' Parties had meritorious defenses, or  
17 that damages recoverable under the Complaint would not have exceeded the Settlement Amount or  
18 with respect to any liability, negligence, fault or wrongdoing of any kind, or in any way referred to  
19 for any other reason as against Plaintiffs and any of the Released Plaintiffs' Parties, in any civil,  
20 criminal or administrative action or other proceeding; or (c) shall be construed against any of the  
21 Releasees as an admission, concession, or presumption that the consideration to be given under the  
22 Settlement represents the amount which could be or would have been recovered after trial; *provided,*  
23 *however,* that if the Amended Stipulation is approved by the Court, the Parties and the Releasees  
24 and their respective counsel may refer to it to effectuate the protections from liability granted  
25 thereunder or otherwise to enforce the terms of the Settlement.

26       27.     **Supporting Papers** – Co-Lead Counsel shall file and serve the opening papers in  
27 support of approval of the proposed Settlement, the Plan of Allocation, and Co-Lead Counsel's  
28 motion for an award of attorneys' fees and payment of Litigation Expenses no later than thirty-five

1 (35) calendar days prior to the Settlement Hearing; and reply papers, if any, shall be filed and served  
2 no later than seven (7) calendar days prior to the Settlement Hearing.

3 28. The Court retains jurisdiction to consider all further applications arising out of or  
4 connected with the proposed Settlement.

5 SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

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The Honorable Thomas S. Zilly  
United States District Judge

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# **Exhibit A-1**

**Exhibit 1**

THE HONORABLE THOMAS S. ZILLY

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

ANTONIO BACHAALANI NACIF and  
WIES RAFI, Individually and on behalf of all  
others similarly situated,

Plaintiffs,

v.

ATHIRA PHARMA, INC., et al.,

Defendants.

CASE NO.: 2:21-cv-00861-TSZ  
(Consolidated with 21-cv-00862-TSZ and  
21-cv-00864-TSZ)

**[SECOND REVISED] NOTICE OF (I) PENDENCY OF CLASS ACTION AND  
PROPOSED SETTLEMENT; (II) SETTLEMENT HEARING; AND (III) MOTION FOR  
AN AWARD OF ATTORNEYS' FEES AND PAYMENT OF LITIGATION EXPENSES**

***This is not a solicitation from a lawyer.***

**NOTICE OF PENDENCY OF CLASS ACTION:** Please be advised that your rights may be affected by the above-captioned securities class action (the "Action") pending in the United States District Court for the Western District of Washington (the "Court"), if you purchased or otherwise acquired Athira Pharma, Inc. ("Athira" or the "Company") publicly traded common stock during the period from September 17, 2020 through June 17, 2021, inclusive (the "Class Period"), and were damaged thereby.<sup>1</sup>

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<sup>1</sup> All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Amended Stipulation and Agreement of Settlement dated

**NOTICE OF SETTLEMENT:** Please also be advised that the Court-appointed lead plaintiffs, Antonio Bachaalani Nacif and Wies Rafi (collectively, “Lead Plaintiffs”), and additional plaintiff Hang Gao (together with Lead Plaintiffs, “Plaintiffs”), on behalf of themselves and the Settlement Class (as defined in ¶ 24 below), have reached a proposed settlement of the Action for \$10,000,000 in cash that, if approved, will resolve all claims in the Action and related claims (the “Settlement”).

**PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from the Settlement. If you are a member of the Settlement Class, your legal rights will be affected whether or not you act.**

**If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please DO NOT contact the Court, Athira, any other Defendants in the Action, or their counsel. All questions should be directed to Co-Lead Counsel or the Claims Administrator (see ¶¶ 8 and 88 below).**

1. **Description of the Action and the Settlement Class:** This Notice relates to a proposed Settlement of claims in a pending securities class action brought by investors alleging, among other things, that Defendants<sup>2</sup> violated the federal securities laws by making false and misleading statements related to allegedly altered images in certain research papers co-authored by Dr. Kawas. A more detailed description of the Action is set forth in paragraphs 13-23 below. The proposed Settlement, if approved by the Court, will settle claims of the Settlement Class, as defined in paragraph 24 below.

2. **Statement of the Settlement Class’s Recovery:** Subject to Court approval, Plaintiffs, on behalf of themselves and the Settlement Class, have agreed to settle the Action in exchange for a settlement payment of \$10,000,000 in cash (the “Settlement Amount”) which Athira shall pay or cause to be paid into an escrow account. The Net Settlement Fund, *i.e.*, the Settlement Amount plus any and all interest earned thereon (estimated at approximately \$500,000 assuming U.S. T-Bill yields of 5% over the span of one year) (the “Settlement Fund”) less (a) any Taxes (estimated at approximately \$200,000), (b) any Notice and Administration Costs (estimated at approximately \$200,000), (c) any Litigation Expenses, including awards to Plaintiffs pursuant to the PSLRA, awarded by the Court (estimated at no more than \$235,000), and (d) any attorneys’ fees awarded by the Court (estimated at no more than 33⅓% of the Settlement Fund), which would total approximately \$6,526,467, will be distributed in accordance with a plan of allocation that is approved by the Court, which will determine how the Net Settlement Fund shall be allocated among members of the Settlement Class. The proposed plan of allocation (the “Plan of Allocation”) is set forth on pages \_\_\_ - \_\_\_ below.

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December 15, 2023 (the “Amended Stipulation”), which is available at [www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com).

<sup>2</sup> Dr. Kawas, Glenna Mileson, Dr. Tadataka Yamada, Joseph Edelman, James A. Johnson, and John M. Fluke, Jr. are collectively referred to herein as the “Individual Defendants.” Claims were also brought against Goldman Sachs & Co. LLC, Jefferies LLC, Stifel, Nicolaus & Company, Inc., and JMP Securities LLC (collectively, the “Underwriter Defendants,” and together with Athira and the Individual Defendants, the “Defendants”). With the exception of Dr. Kawas and Athira, the Court dismissed all claims against the Individual Defendants and Underwriter Defendants in a July 29, 2022 order that granted in part and denied in part the Defendants’ motions to dismiss.



3. As discussed below, pursuant to the proposed Plan of Allocation, the settlement proceeds available for payment of claims pursuant to the Securities Exchange Act of 1934 (the “Exchange Act Claims”) shall be limited to a total amount of up to 8.5% of the Net Settlement Fund (the “Exchange Act Allocation”) and no less than 91.5% of the Net Settlement Fund (the “Securities Act Allocation”) will be available for payment of claims pursuant to the Securities Act of 1933 (the “Securities Act Claims”).

4. **Estimate of Average Amount of Recovery Per Share:** Based on Lead Plaintiffs’ consulting damages expert’s estimates of the number of shares of Athira publicly traded common stock purchased during the Class Period that may have been affected by the conduct at issue in the Action (21,360,000 shares), the allocations of the Net Settlement Fund proposed in the Plan of Allocation, and assuming that all Settlement Class Members elect to participate in the Settlement, the estimated average gross recovery (before accrued interest or the deduction of any Court-approved fees, expenses and costs as described herein) per eligible share is \$0.72 for Securities Act Claims and \$0.10 for Exchange Act Claims.<sup>3</sup> The estimated average net recovery per eligible share may be \$0.47 for Securities Act Claims and \$0.06 for Exchange Act Claims, after factoring in estimated interest and the deduction of any Court-approved fees, expenses and costs as described herein. Accordingly, a Class Member with a Securities Act Claim who purchased 1,000 eligible shares may receive a payment of \$470.00 and a Class Member with an Exchange Act Claim who purchased 1000 eligible shares may receive a payment of \$60.00. According to the Plan of Allocation, the smallest payment will be \$10.00 and Lead Plaintiffs’ consulting damages expert has estimated that Athira’s largest publicly known investor could recover approximately \$408,000.

5. Settlement Class Members should note, however, that the foregoing average recoveries per share are only estimates. Some Settlement Class Members may recover more or less than these estimated amounts depending on, among other factors, the number of shares of Athira common stock they purchased, when and at what prices they purchased/acquired or sold their Athira common stock, and the total number and value of valid Claims submitted. Distributions from the Net Settlement Fund to Settlement Class Members will be made based on the Plan of Allocation set forth herein (*see* pages \_\_ - \_\_ below) or such other plan of allocation as may be approved by the Court.

6. **Average Amount of Damages Per Share:** The Parties do not agree on the average amount of damages per share that would be recoverable if Plaintiffs were to prevail in the Action. Among other things, Defendants disagree with the assertion that they violated the federal securities laws or that any damages were suffered by any members of the Settlement Class as a result of their conduct.

7. **Attorneys’ Fees and Expenses Sought:** Plaintiffs’ Counsel, who have been prosecuting the Action on a wholly contingent basis since its inception in 2021, have not received any payment of attorneys’ fees for their work on behalf of the Settlement Class and have advanced the funds to pay expenses necessarily incurred to prosecute this Action. Court-appointed lead counsel, Glancy Prongay & Murray, LLP and Labaton Sucharow LLP (collectively, “Co-Lead Counsel”), will apply to the Court for an award of attorneys’ fees for all Plaintiffs’ Counsel in an amount not to exceed 33 $\frac{1}{3}$ % of the Settlement Fund. In addition, Co-Lead Counsel will apply for payment of

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<sup>3</sup> It is estimated that approximately 12,790,000 million shares were allegedly damaged under the Securities Act Claims and 8,570,000 shares were allegedly damaged under the Exchange Act Claims.

Litigation Expenses in an amount not to exceed \$235,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Plaintiffs related to their representation of the Settlement Class of no more than \$30,000 in the aggregate. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Estimates of the average cost per affected share of Athira common stock, if the Court approves Co-Lead Counsel’s fee and expense application, is \$0.16 per eligible share.

8. **Identification of Attorneys’ Representatives:** Lead Plaintiffs and the Settlement Class are represented by Casey E. Sadler, Esq. of Glancy Prongay & Murray, LLP, 1925 Century Park East, Suite 2100, Los Angeles, CA 90067, (888) 773-9224, settlements@glancylaw.com; and Michael P. Canty, Esq., of Labaton Sucharow LLP, 140 Broadway, New York, New York 10005, (888) 219-6877, settlementquestions@labaton.com.

9. **Reasons for the Settlement:** The Court did not finally decide in favor of Plaintiffs or Defendants. Instead, the Parties have agreed to settle. Plaintiffs’ principal reason for entering into the Settlement is the substantial certain cash benefit for the Settlement Class without the risk or the delays inherent in further litigation. The substantial cash benefit must be considered against the significant risk that a smaller recovery—or no recovery at all—might be achieved after contested motions, a trial and the likely appeals that would follow a trial. This process could last several years. The Defendants deny the allegations that they made any material misstatements or omissions; that any member of the Settlement Class has suffered any damages; or that the price of Athira stock was artificially inflated by reason of any alleged misstatements or omissions. Defendants, who deny all allegations of wrongdoing or liability whatsoever, are entering into the Settlement solely to eliminate the uncertainty, burden and expense of further protracted litigation.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:</b>	
<b>SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN _____, 2024.</b>	This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Settlement Class Member, you will be bound by the Settlement and you will give up any Released Plaintiffs’ Claims (defined in ¶ 29 below) that you have against Defendants and the other Released Defendants’ Parties (defined in ¶ 30 below), so it is in your interest to submit a Claim Form.
<b>EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST THAT IS RECEIVED NO LATER THAN _____, 2024.</b>	If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you to ever be part of any other lawsuit against the Defendants or the other Released Defendants’ Parties concerning the Released Plaintiffs’ Claims.

<p><b>SUBMIT A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN _____, 2024.</b></p>	<p>If you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for attorneys’ fees and Litigation Expenses, you may write to the Court and explain why you do not like them. You cannot object unless you are a Settlement Class Member and do not exclude yourself from the Settlement Class.</p>
<p><b>GO TO A HEARING ON _____, 2024 AT ____:____.M.</b></p>	<p>The Court will hold a final Settlement Hearing on _____, 2024 at __: __.m.</p>
<p><b>DO NOTHING.</b></p>	<p>If you are a member of the Settlement Class and you do nothing, you will not receive a payment. You will, however, remain in the Settlement Class and give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.</p>

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**WHY DID I GET THIS NOTICE?**

10. This Notice has been mailed to you because you or someone in your family or an investment account for which you serve as a custodian may have purchased or otherwise acquired Athira common stock during the Class Period. As a potential Settlement Class Member, you have a right to know about your options before the Court rules on the proposed Settlement.

11. The purpose of this Notice is to inform you of the existence of this class action, how you might be affected, and how to exclude yourself from the Settlement Class if you wish to do so. It also informs you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation and the motion by Co-Lead Counsel for an award of attorneys' fees and Litigation Expenses (the "Settlement Hearing"). See paragraph 77 below for details about the Settlement Hearing, including the date and location of the hearing.

12. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim or defense in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time to complete.

#### WHAT IS THIS CASE ABOUT?

13. The Action was commenced by the filing of a class action complaint on June 25, 2021 in the United States District Court for the Western District of Washington (the "Court"), styled *Fan Wang and Hang Gao v. Athira Pharma, Inc. et al.*, Case No. 2:21-cv-00861. Two other class action complaints—styled *Jawandha v. Athira Pharma, Inc. et al.*, Case No. 2:21-cv-00862, and *Slyne v. Athira Pharma, Inc., et al.*, Case No. 2:21-cv-00864—were also filed in the Court. The Court subsequently consolidated these three cases.

14. By Order dated October 5, 2021, Antonio Bachaalani Nacif and Wies Rafi were appointed Lead Plaintiffs, Labaton Sucharow LLP and Glancy Prongay & Murray, LLP were approved as Co-Lead Counsel, and Rossi Vucinovich, P.C. was approved as Liaison Counsel.

15. On January 7, 2022, Lead Plaintiffs filed and served the operative consolidated amended complaint in the Action. It asserted claims against Athira and the Individual Defendants under Section 10(b) and Section 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder, claims against all Defendants under Sections 11 and 12(a)(2) of the Securities Act of 1933 (the "Securities Act") with respect to the Company's Initial Public Offering ("IPO") and Secondary Public Offering ("SPO"), and claims against the Individual Defendants under Section 15 of the Securities Act with respect to the Company's IPO and SPO (the "Complaint"). Among other things, the Complaint alleged that Defendants made materially false and misleading statements and/or failed to disclose that the Company's president and chief executive officer, Dr. Kawas, had improperly enhanced images in certain research papers she co-authored that were published from 2011 to 2014, which were referenced in certain applications by Washington State University ("WSU") for patents that were then exclusively licensed to Athira. The Complaint further alleged that, when information regarding the allegedly enhanced images was publicly disclosed, the Company's stock price was negatively impacted.

16. Following briefing on Defendants' motions to dismiss the Complaint, the Court granted in part and denied in part those motions on July 29, 2022 (the "MTD Order"). The MTD Order denied Defendants' motions with respect to Lead Plaintiffs' claims under Sections 11 and 15 of the Securities Act against Dr. Kawas and Athira solely as to "Statement 3," which was contained

in Athira's IPO and SPO Registration Statements and discussed Athira's exclusive patent licensing agreement with WSU. The MTD Order granted Defendants' motions to dismiss with respect to Lead Plaintiffs' claims under Sections 11 and 15 of the Securities Act against Dr. Kawas and Athira with regard to all statements in the IPO and SPO Registration Statements other than "Statement 3." In addition, the MTD Order dismissed all claims under Section 12(a)(2) of the Securities Act, all claims under the Exchange Act, all claims against the other Individual Defendants, and all claims against the Underwriter Defendants.

17. Following the MTD Order and the denial of Dr. Kawas's subsequent motion for partial reconsideration of the order, Athira and Dr. Kawas separately filed answers to the Complaint.

18. Thereafter, the Private Securities Litigation Reform Act of 1995 ("PSLRA") discovery stay was lifted and the remaining parties began discovery. Lead Plaintiffs and the remaining Defendants propounded requests for production of documents and interrogatories. The remaining Defendants and Lead Plaintiffs responded to this discovery, including providing verified interrogatory responses and producing documents. At the time the settlement was reached, Lead Plaintiffs were preparing for class certification and fact depositions.

19. On February 16, 2023, Lead Plaintiffs and the remaining Defendants participated in a full-day mediation session with Jed Melnick, Esq. of JAMS. In advance of the session, Lead Plaintiffs and the remaining Defendants exchanged and provided to the mediator detailed mediation statements and exhibits, which addressed issues of both liability and damages. The session culminated in an agreement in principle to settle the Action.

20. Over the course of the next several weeks, the parties negotiated a term sheet (the "Term Sheet") containing the essential terms of the settlement, which was fully executed on February 28, 2023.

21. In connection with the agreement in principle to settle the Action set forth in the Term Sheet, Athira also provided Co-Lead Counsel with additional document discovery, which consisted of documents that the Special Committee of Athira's Board of Directors considered and relied on in its investigation into the conduct at issue. Review of the additional documents produced by Athira, together with the previous discovery and Co-Lead Counsel's investigation to date, has confirmed for Lead Plaintiffs and Co-Lead Counsel that the Settlement is fair, reasonable and adequate to Plaintiffs and the other members of the Settlement Class.

22. Defendants are entering into the Settlement solely to eliminate the uncertainty, burden and expense of further protracted litigation. Each of the Defendants denies any wrongdoing or liability, and the Amended Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any of the Defendants, or any other of the Released Defendants' Parties (defined in ¶ 30 below), with respect to any claim or allegation of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that the Defendants have, or could have, asserted. Similarly, the Amended Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any Plaintiff of any infirmity in any of the claims asserted in the Action, or an admission or concession that any of the Defendants' defenses to liability had any merit.

23. On \_\_\_\_\_, 202\_\_\_, the Court preliminarily approved the Settlement and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

**HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?  
WHO IS INCLUDED IN THE SETTLEMENT CLASS?**

24. If you are a member of the Settlement Class, you are subject to the Settlement, unless you timely request to be excluded. The Settlement Class consists of:

(a) all persons and entities who or which purchased or otherwise acquired Athira Pharma, Inc. publicly traded common stock during the period from September 17, 2020 through March 16, 2021, inclusive, and were damaged thereby (the “Securities Act Class”) and (b) all persons and entities who or which purchased or otherwise acquired Athira Pharma, Inc. publicly traded common stock during the period from March 17, 2021 through June 17, 2021, inclusive, and were damaged thereby (the “Exchange Act Class”).

Excluded from the Settlement Class are: (a) Defendants; (b) any person who served as a partner, control person, executive officer and/or director of Athira or the Underwriter Defendants during the Class Period, and members of their Immediate Family; (c) present and former parents, subsidiaries, assigns, successors, affiliates, and predecessors of Athira and the Underwriter Defendants; (d) any entity in which the Defendants have or had a controlling interest; (e) any trust of which an Individual Defendant is the settlor or which is for the benefit of an Individual Defendant and/or member(s) of their Immediate Family; (f) liability insurance carriers for Athira or the Individual Defendants; and (g) the legal representatives, heirs, successors, and assigns of any person or entity excluded under provisions (a) through (f) hereof. Notwithstanding any provision to the contrary, (a) any Investment Vehicle shall not be excluded from the Settlement Class; and (b) “affiliates” are persons or entities that directly, or indirectly through one or more intermediaries, control, are controlled by or are under common control with one of the Defendants, including Athira’s employee retirement and/or benefit plan(s). Also excluded from the Settlement Class are any persons or entities who or which exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in this Notice. *See* “What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself,” on page [ ] below.

**PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE A PAYMENT.**

**WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?**

25. If there were no Settlement, the expense and length of continued proceedings necessary to pursue Plaintiffs’ claims against the remaining Defendants through trial and appeals would be substantial. Additionally, the Court’s MTD Order left only one actionable allegedly false and misleading statement from Athira’s IPO materials and SPO materials, which was related to Athira’s exclusive patent licensing agreement with WSU. Defendants had numerous avenues of attack that could preclude a recovery as to this statement. For example, they would likely assert that the statement was not materially false and misleading. Even if the hurdles to establishing



liability were overcome, the amount of damages that could be attributed to the allegedly false statement would be hotly contested. Plaintiffs would also have to prevail at several stages before any money could be recovered—motions for class certification and summary judgment, trial, and if they prevailed on those, in the appeals that were likely to follow. If Defendants were successful in proving any of their defenses, either at summary judgment, at trial or on appeal, the Settlement Class could recover substantially less than the amount provided in the Settlement, or nothing at all. Thus, there were very significant risks to the continued prosecution of the Action.

**HOW ARE SETTLEMENT CLASS MEMBERS AFFECTED  
BY THE ACTION AND THE SETTLEMENT?**

26. As a Settlement Class Member, you are represented by Lead Plaintiffs and Co-Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?” below.

27. If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the “Judgment”). The Judgment will dismiss with prejudice the claims against Defendants and related claims and will provide that, upon the Effective Date of the Settlement, Plaintiffs and each of the other Settlement Class Members, on behalf of themselves, and their respective heirs, executors, administrators, trustees, predecessors, successors, and assigns, in their capacities as such only, shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally and unconditionally released as against the Released Defendants’ Parties (as defined in ¶ 30 below) each and every Released Plaintiffs’ Claim (as defined in ¶ 29 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiffs’ Claims against any of the Released Defendants’ Parties.

28. If you are a Settlement Class Member and do not wish to remain a Settlement Class Member, you may exclude yourself from the Settlement Class by following the instructions in the section entitled, “What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?” below.

29. “Released Plaintiffs’ Claims” means any and all claims, demands, rights, liabilities, and causes of action of every nature and description, whether known claims or Unknown Claims, contingent or absolute, mature or not mature, liquidated or unliquidated, accrued or not accrued, concealed or hidden, whether direct, representative, class, or individual in nature, regardless of legal or equitable theory and whether arising under federal, state, common, or foreign law, that Plaintiffs or any other member of the Settlement Class: (a) asserted in the Action; or (b) could have asserted in any court or forum, that arise out of or are based upon (i) the allegations, transactions, facts, matters or occurrences, representations or omissions set forth or referred to in the complaints filed in the Action, and (ii) the purchase, acquisition, sale, or holding of Athira publicly traded common stock during the Class Period or pursuant and/or traceable to the registration statements and prospectuses issued in connection with Athira’s IPO or SPO. Released Plaintiffs’ Claims do not include: (a) any claims relating to enforcement of the Settlement; (b) any claims of any person

or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court; and (c) any derivative claims asserted by shareholders on behalf of Athira in the related consolidated shareholder derivative lawsuits, captioned *Bushansky v. Kawas et al.*, Case No. 2:22-cv-497-TSZ (W.D. Wash.) and *Houlihan v. Kawas et al.*, Case No. 2:22-cv-620-TSZ (W.D. Wash.).

30. “Released Defendants’ Parties” means (a) each Defendant; (b) the Immediate Family members of the Individual Defendants; (c) direct or indirect parent entities, subsidiaries, related entities, and affiliates of Athira and the Underwriter Defendants; (d) any trust of which any Individual Defendant is the settlor or which is for the benefit of any Individual Defendant and/or his or her Immediate Family members; (e) for any of the entities listed in parts (a) through (d), their respective past and present general partners, limited partners, principals, shareholders, joint venturers, members, officers, directors, managers, managing directors, supervisors, employees, contractors, consultants, experts, auditors, accountants, financial advisors, professional advisors, investment bankers, representatives, insurers, trustees, trustors, agents, attorneys, professionals, predecessors, successors, assigns, legal representatives, heirs, executors, administrators, and any controlling person thereof; and (f) any entity in which a Defendant has a controlling interest; all in their capacities as such.

31. “Unknown Claims” means any Released Plaintiffs’ Claims which any Lead Plaintiff or any other Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of such claims, and any Released Defendants’ Claims which any Defendant or any other Released Defendant Party does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, which, if known by him, her or it, might have affected his, her or its decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, Plaintiffs and Defendants shall expressly waive, and each of the other Settlement Class Members and each of the other Released Defendants’ Parties shall be deemed to have waived, and by operation of the Judgment or the Alternate Judgment, if applicable, shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Plaintiffs and Defendants acknowledge, and each of the other Settlement Class Members and each of the other Released Defendants’ Parties shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

32. The Judgment will also provide that, upon the Effective Date of the Settlement, Defendants and the other Released Defendants’ Parties, on behalf of themselves and their respective heirs, executors, administrators, trustees, predecessors, successors, and assigns, in their capacities as such only, shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally and unconditionally released as against Plaintiffs and the other Released Plaintiffs’ Parties (as defined in ¶ 34 below) each and every Released Defendants’ Claim (as defined in ¶ 33 below),



and shall forever be barred and enjoined from prosecuting any or all of the Released Defendants' Claims against any of the Released Plaintiffs' Parties.

33. "Released Defendants' Claims" means all claims and causes of action of every nature and description, whether known claims or Unknown Claims, whether arising under federal, state, local, common, statutory, administrative, or foreign law, or any other law, rule, or regulation, at law or in equity, whether fixed or contingent, whether foreseen or unforeseen, whether accrued or unaccrued, whether liquidated or unliquidated, whether matured or unmatured, whether direct, representative, class, or individual in nature that arise out of or relate in any way to the institution, prosecution, or settlement of the claims against the Defendants. Released Defendants' Claims do not include any claims relating to the enforcement of the Settlement or any claims against any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court.

34. "Released Plaintiffs' Parties" means (a) Plaintiffs, all Settlement Class members, Plaintiffs' Counsel, and (b) each of their respective family members, and their respective general partners, limited partners, principals, shareholders, joint venturers, members, officers, directors, managers, managing directors, supervisors, employees, contractors, consultants, experts, auditors, accountants, financial advisors, professional advisors, investment bankers, representatives, insurers, trustees, trustors, agents, attorneys, legal representatives, professionals, predecessors, successors, assigns, heirs, executors, administrators, and any controlling person thereof, in their capacities as such.

#### HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

35. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Settlement Class and you must timely complete and return the Claim Form with adequate supporting documentation to the Claims Administrator **postmarked or submitted online using the Settlement website no later than \_\_\_\_\_, 2024**. A Claim Form is included with this Notice, or you may obtain one from the website for the Settlement, [www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com). You may also request that a Claim Form be mailed to you by calling the Claims Administrator toll free at (866) 274-4004. Please retain all records of your ownership of and transactions in Athira common stock, as they may be needed to document your Claim. If you request exclusion from the Settlement Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

#### HOW MUCH WILL MY PAYMENT BE?

36. At this time, it is not possible to make a precise determination as to how much any individual Settlement Class Member may receive from the Settlement. An estimate of the average per share recoveries is set forth in paragraph 4 above.

37. Pursuant to the Settlement, Athira has agreed to pay or cause the payment of ten million dollars (\$10,000,000) in cash. The Settlement Amount plus any interest or earnings thereon is referred to as the "Settlement Fund." If the Settlement is approved by the Court and the Effective Date occurs, the "Net Settlement Fund" (that is, the Settlement Fund less (a) all federal, state and/or local taxes on any income earned by the Settlement Fund and the reasonable costs incurred in

connection with determining the amount of and paying taxes owed by the Settlement Fund (including reasonable expenses of tax attorneys and accountants); (b) the costs and expenses incurred in connection with providing notice to Settlement Class Members and administering the Settlement on behalf of Settlement Class Members; and (c) any attorneys' fees and Litigation Expenses awarded by the Court) will be distributed to Settlement Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation set forth below or such other plan of allocation as the Court may approve.

38. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal or review, whether by certiorari or otherwise, has expired.

39. Neither Athira, the Individual Defendants, nor any other entity that paid any portion of the Settlement Amount on their behalf is entitled to get back any portion of the Settlement Fund once the Court's order or judgment approving the Settlement becomes Final. Defendants shall not have any liability, obligation or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund or the plan of allocation.

40. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

41. Unless the Court otherwise orders, any Settlement Class Member who fails to submit a Claim Form postmarked on or before \_\_\_\_\_, 2024 shall be fully and forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Amended Stipulation, including the terms of any judgment entered and the releases given. *See* ¶¶ 27–34 above.

42. Participants in and beneficiaries of a plan covered by ERISA ("ERISA Plan") should NOT include any information relating to their transactions in Athira common stock held through the ERISA Plan in any Claim Form that they submit. They should include ONLY those shares that they purchased or acquired outside of the ERISA Plan. Athira's employee retirement and/or benefit plan(s) are excluded from the Settlement Class.

43. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds any Claim. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its Claim.

44. Only Settlement Class Members will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities that are excluded from the Settlement Class by definition, or that exclude themselves from the Settlement Class pursuant to request, will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms. Athira common stock is the only security included in the Settlement.

### **PROPOSED PLAN OF ALLOCATION**

45. The Plan of Allocation (the "Plan of Allocation" or "Plan") set forth below is the plan for the distribution of the Net Settlement Fund that is being proposed by Plaintiffs and Co-Lead Counsel to the Court for approval. The Court may approve this Plan of Allocation or modify it. Any order modifying the Plan of Allocation will be posted on the Settlement website at: [www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com).

46. The objective of the Plan of Allocation is to equitably distribute the Settlement proceeds to those Settlement Class Members who suffered economic losses as a proximate result of the alleged wrongdoing. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making pro rata allocations of the Net Settlement Fund.

47. Based on the provisions set forth in this Plan, a “Recognized Loss Amount” shall be calculated by the Claims Administrator for each purchase or acquisition of Athira common stock during the relevant time periods that is listed in the Claim Form and for which adequate documentation is provided.

48. **Securities Act Claims:** Shares of Athira common stock purchased or otherwise acquired (i) directly from an underwriter in the IPO or the SPO,<sup>4</sup> or (ii) in the open market during the period from September 17, 2020 through March 16, 2021, inclusive, shall be considered an acquisition of Athira common stock that is traceable to the IPO and/or SPO offering materials and is eligible for a recovery under the Securities Act (the “Securities Act Claims”).<sup>5</sup> Acquisitions of Athira common stock on or after March 17, 2021 are not eligible for a recovery under the Securities Act. The time period from September 17, 2020 through March 16, 2021, inclusive, is the “Securities Act Period.” The Recognized Loss Amounts for the Securities Act Claims shall be calculated as described below in “Calculation of Recognized Loss Amount Per Share Under the Securities Act.” The sum of a Claimant’s Recognized Loss Amounts Per Share Under the Securities Act will be the Claimant’s Securities Act Claim.

49. In the Calculation of Recognized Loss Amount Per Share Under the Securities Act, the “Offering Price” shall be \$17.00 (*i.e.*, the IPO offering price) for shares of Athira common stock acquired prior to January 21, 2021. The Offering Price shall be \$22.50 (*i.e.*, the SPO offering price) for shares of Athira common stock acquired directly from an underwriter pursuant to the SPO.<sup>6</sup> For all other shares of Athira common stock acquired during the period from January 21,

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<sup>4</sup> Sufficient documentation must be provided to the Claims Administrator.

<sup>5</sup> In September 2020, Athira commenced the initial public offering of its common stock, in which it sold and issued a total of 13,397,712 shares at a price to the public of \$17.00 per share (the “IPO”). The Company’s common stock began publicly trading on the Nasdaq Global Select Market under the symbol “ATHA” on September 18, 2020. On January 21, 2021, Athira commenced a follow-on public offering of its common stock, in which it sold and issued a total of 4,600,000 shares at a price to the public of \$22.50 per share (the “SPO”). On March 17, 2021, prior to market open, certain lock-up agreements entered into in connection with Athira’s IPO expired, and as a result, a significant portion of shares of the Company’s common stock not registered with the SEC in connection with its IPO or SPO became available for resale. (*See* Athira Pharma, Inc., SEC Form 10-K, filed March 25, 2021, p. 100.)

<sup>6</sup> Sufficient documentation must be provided to the Claims Administrator.

2021 through March 16, 2021, inclusive, the Offering Price shall be \$18.41, which is the weighted average of the IPO and SPO offering price.

50. **Exchange Act Claims:** The Recognized Loss Amount for shares of Athira common stock purchased or otherwise acquired during the period from March 17, 2021 through June 17, 2021, inclusive, (called the Exchange Act Period) shall be calculated as described below in “Calculation of Recognized Loss Amount Per Share Under the Exchange Act.” The sum of a Claimant’s Recognized Loss Amounts Per Share Under the Exchange Act will be the Claimant’s Exchange Act Claim.

51. As also discussed in paragraph 67 below, the settlement proceeds available for payment of the Exchange Act Claims shall be limited to a total amount of up to 8.5% of the Net Settlement Fund (the “Exchange Act Allocation”) and no less than 91.5% of the Net Settlement Fund will be available for payment of the Securities Act Claims (the “Securities Act Allocation”). Although the claims under the Exchange Act and the claims under the Securities Act in the Action generally relate to similar alleged misconduct, this approach to valuing Exchange Act Claims is the result of a supplemental arm’s-length mediation between representatives of the Exchange Act Class and representatives of the Securities Act Class before Mr. Melnick and is intended to reflect the Court’s rulings on Defendants’ motions to dismiss the Complaint, which dismissed claims under the Exchange Act.

52. In the Action, Lead Plaintiffs allege that Defendants made false statements and omitted material facts in the IPO and SPO materials, and thereafter, which had the effect of allegedly artificially inflating the price of Athira common stock. Lead Plaintiffs also allege that corrective disclosures removed the artificial inflation from the price of Athira common stock on June 18, 2021 (the “Corrective Disclosure Date”). Recognized Loss Amounts are based in part on the price decline in Athira common stock, as quantified by Lead Plaintiffs’ consulting damages expert, on the Corrective Disclosure Date. The estimated alleged artificial inflation in the price of Athira common stock during the Class Period is reflected in Table 1, below.

53. Section 11 of the Securities Act provides for an affirmative defense of negative causation, which prevents recovery for losses that defendants prove are not attributable to misrepresentations and/or omissions alleged by plaintiffs in a registration statement. Under Section 10(b) of the Exchange Act, in order to have recoverable damages, disclosures correcting an alleged misrepresentation must be the cause of the decline in the price of the stock. Accordingly, given the likely defenses in the Action, the Calculation of Recognized Loss Amount Per Share Under the Securities Act and the Exchange Act assume that the decline in the price of Athira common stock, net of market and industry effects, on the Corrective Disclosure Date is the only compensable loss. Accordingly, in order to have a Recognized Loss Amount, Athira common stock must have been purchased or otherwise acquired during the Class Period and held until the close of the U.S. financial markets on June 17, 2021. To the extent a Claimant does not satisfy the conditions set forth in the preceding sentence, his, her or its Recognized Loss Amount for those transactions will be zero.

<b>Table 1</b>		
<b>Alleged Artificial Inflation in Athira Common Stock</b>		
<b>From</b>	<b>To</b>	<b>Per-Share Price Inflation</b>
September 17, 2020	June 17, 2021	\$7.14
June 18, 2021	Thereafter	\$0.00

54. The “90-day look back” provision of the Private Securities Litigation Reform Act of 1995 (the “PSLRA”) is incorporated into the Calculation of Recognized Loss Amount Per Share Under the Exchange Act. This limitation provides that the Recognized Loss Amount on Athira common stock purchased during the Exchange Act Period and held as of the close of the 90-day period subsequent to the Exchange Act Period (the “90-Day Lookback Period”) cannot exceed the difference between the purchase price paid for such stock and its average price during the 90-Day Lookback Period. The Recognized Loss Amount on Athira common stock purchased during the Exchange Act Period and sold during the 90-Day Lookback Period cannot exceed the difference between the purchase price paid for such stock and its rolling average price during the portion of the 90-Day Lookback Period elapsed as of the date of sale.

55. In the calculations below, all purchase and sale prices shall exclude any fees, taxes and commissions. If a Recognized Loss Amount is calculated to be a negative number, that Recognized Loss Amount shall be set to zero. Any transactions in Athira common stock executed outside of regular trading hours for the U.S. financial markets shall be deemed to have occurred during the next regular trading session.

#### **CALCULATION OF RECOGNIZED LOSS AMOUNTS PER SHARE UNDER THE SECURITIES ACT**

56. Based on the formulas set forth below, a Recognized Loss Amount shall be calculated under the Securities Act for each share of Athira common stock that was purchased or otherwise acquired (i) directly from an underwriter in the IPO or the SPO,<sup>7</sup> or (ii) in the open market during the period from September 17, 2020 through March 16, 2021, inclusive, that is listed in the Claim Form and for which adequate documentation is provided.

- i. For shares sold prior to the close of the U.S. financial markets on June 17, 2021, the Recognized Loss Amount is \$0.00 per share.
- ii. For shares sold during the period from June 18, 2021 through June 25, 2021,<sup>8</sup> inclusive, the Recognized Loss Amount per share is *the lesser of*:
  - a. \$7.14; or
  - b. the purchase price (not to exceed the Offering Price) *minus* the sale price.

<sup>7</sup> Sufficient documentation must be provided to the Claims Administrator.

<sup>8</sup> June 25, 2021 is the filing date of the first complaint stating a claim under the Securities Act in this matter. The closing price of Athira common stock on June 25, 2021 was \$10.84.

iii. For shares still held as of the close of trading on June 25, 2021, the Recognized Loss Amount per share is *the lesser of*:

- a. \$7.14; or
- b. the purchase price (not to exceed the Offering Price) *minus* \$10.84.

**CALCULATION OF RECOGNIZED LOSS AMOUNTS PER SHARE UNDER THE EXCHANGE ACT**

57. Based on the formulas set forth below, a Recognized Loss Amount shall be calculated under the Exchange Act for each purchase or acquisition of Athira common stock during the period from March 17, 2021 through June 17, 2021, inclusive, that is listed in the Claim Form and for which adequate documentation is provided.

- i. For shares sold prior to the close of the U.S. financial markets on June 17, 2021, the Recognized Loss Amount is \$0.00 per share.
- ii. For shares sold during the period from June 18, 2021 through September 15, 2021, inclusive (*i.e.*, sold during the 90-Day Lookback Period), the Recognized Loss Amount per share is *the least of*:
  - a. \$7.14; or
  - b. the purchase price *minus* the sale price; or
  - c. the purchase price *minus* the “90-Day Lookback Value” on the date of sale as appears in Table 2, below.
- iii. For shares still held as of the close of trading on September 15, 2021, the Recognized Loss Amount per share is *the lesser of*:
  - a. \$7.14; or
  - b. the purchase price *minus* the average closing price for Athira common stock during the 90-Day Lookback Period, which is \$10.33.

<b><u>Table 2</u></b>					
<b>90-Day Lookback Values</b>					
<b>Sale/ Disposition Date</b>	<b>90-Day Lookback Value</b>	<b>Sale/ Disposition Date</b>	<b>90-Day Lookback Value</b>	<b>Sale/ Disposition Date</b>	<b>90-Day Lookback Value</b>
6/18/2021	\$11.15	7/20/2021	\$10.51	8/18/2021	\$10.25
6/21/2021	\$10.95	7/21/2021	\$10.52	8/19/2021	\$10.23
6/22/2021	\$10.75	7/22/2021	\$10.52	8/20/2021	\$10.22
6/23/2021	\$10.71	7/23/2021	\$10.51	8/23/2021	\$10.22



6/24/2021	\$10.77	7/26/2021	\$10.49	8/24/2021	\$10.22
6/25/2021	\$10.78	7/27/2021	\$10.47	8/25/2021	\$10.22
6/28/2021	\$10.76	7/28/2021	\$10.46	8/26/2021	\$10.22
6/29/2021	\$10.72	7/29/2021	\$10.44	8/27/2021	\$10.23
6/30/2021	\$10.66	7/30/2021	\$10.41	8/30/2021	\$10.24
7/1/2021	\$10.66	8/2/2021	\$10.39	8/31/2021	\$10.25
7/2/2021	\$10.65	8/3/2021	\$10.38	9/1/2021	\$10.26
7/6/2021	\$10.68	8/4/2021	\$10.37	9/2/2021	\$10.27
7/7/2021	\$10.67	8/5/2021	\$10.38	9/3/2021	\$10.28
7/8/2021	\$10.66	8/6/2021	\$10.36	9/7/2021	\$10.29
7/9/2021	\$10.68	8/9/2021	\$10.36	9/8/2021	\$10.30
7/12/2021	\$10.67	8/10/2021	\$10.35	9/9/2021	\$10.31
7/13/2021	\$10.67	8/11/2021	\$10.34	9/10/2021	\$10.33
7/14/2021	\$10.63	8/12/2021	\$10.33	9/13/2021	\$10.33
7/15/2021	\$10.60	8/13/2021	\$10.32	9/14/2021	\$10.33
7/16/2021	\$10.54	8/16/2021	\$10.29	9/15/2021	\$10.33
7/19/2021	\$10.51	8/17/2021	\$10.27	N/A	N/A

### **ADDITIONAL PROVISIONS**

58. The Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (defined in paragraph 66 below) is \$10.00 or greater.

59. **FIFO Matching:** If a Settlement Class Member has more than one purchase/acquisition or sale of Athira common stock, all purchases/acquisitions and sales shall be matched on a First In, First Out (“FIFO”) basis. Sales of Athira common stock will be matched against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

60. **Calculation of Claimant’s “Recognized Claim”:** A Claimant’s “Securities Act Claim” under the Plan of Allocation shall be the sum of his, her, or its Recognized Loss Amounts Per Share Under the Securities Act. A Claimant’s “Exchange Act Claim” under the Plan of Allocation shall be the sum of his, her, or its Recognized Loss Amounts Per Share Under the Exchange Act. A Claimant’s Securities Act Claim plus his, her, or its Exchange Act Claim will be their Recognized Claim.

61. **“Purchase/Sale” Dates:** Purchases or acquisitions and sales of Athira common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance, or operation of law of Athira common stock during the Class Period shall not be deemed a purchase, acquisition, or sale of Athira common stock for the calculation of an Authorized Claimant’s Recognized Loss Amount, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of any Athira common stock unless (i) the donor or decedent purchased or otherwise acquired such Athira common stock during the Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such Athira common stock; and (iii) it is specifically so provided in the instrument of gift or assignment.

62. **Short Sales:** The date of covering a “short sale” is deemed to be the date of purchase or acquisition of the Athira common stock. The date of a “short sale” is deemed to be the date of sale of Athira common stock. Under the Plan of Allocation, however, the Recognized Loss Amount on “short sales” is zero. In the event that a Claimant has a short position in Athira common stock during the Class Period, the earliest subsequent purchases or acquisitions shall be matched against such short position, and not be entitled to a recovery, until that short position is fully covered.

63. **Option Contracts:** Option contracts are not securities eligible to participate in the Settlement. With respect to Athira common stock purchased through the exercise of an option, the purchase date of the Athira common stock shall be the exercise date of the option and the purchase price of the Athira common stock shall be the closing price of Athira common stock on the date of exercise. Any Recognized Loss Amount arising from purchases of Athira common stock acquired during the Class Period through the exercise of an option on Athira common stock shall be computed as provided for other purchases of Athira common stock in the Plan of Allocation.

64. **Market Gains and Losses:** To the extent a Claimant had a market gain with respect to his, her, or its overall transactions in Athira common stock during the Class Period, the value of the Claimant’s Recognized Claim shall be zero. Such Claimants shall in any event be bound by the Settlement.

65. The Claims Administrator shall determine a Claimant’s market loss or gain with respect to their Securities Act Claims and their Exchange Act Claims, separately. For instance, with respect to Securities Act Claims, the Claims Administrator shall calculate the difference between (i) the Securities Act Purchase Amount<sup>9</sup> and (ii) the sum of the Securities Act Sales Proceeds<sup>10</sup> and the Securities Act Holding Value.<sup>11</sup> If the Claimant’s Securities Act Purchase Amount *minus* the sum of the Securities Act Sales Proceeds and the Securities Act Holding Value is a positive

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<sup>9</sup> The “Securities Act Purchase Amount” is the total amount the Claimant paid (excluding commissions and other charges) for all Athira common stock purchased or acquired during the Securities Act Period. The “Exchange Act Purchase Amount” is the total amount the Claimant paid (excluding commissions and other charges) for all Athira common stock purchased or acquired during the Exchange Act Period.

<sup>10</sup> The “Securities Act Sales Proceeds” is the total amount received (excluding commissions and other charges) from the sale of Athira common stock purchased during the Securities Act Period. The “Exchange Act Sales Proceeds” is the total amount received (excluding commissions and other charges) from the sale of Athira common stock purchased during the Exchange Act Period.

<sup>11</sup> The Claims Administrator shall ascribe a “Securities Act Holding Value” to shares of Athira common stock purchased or acquired during the Securities Act Period and still held as of the close of trading on June 17, 2021, which shall be \$11.15 per share (*i.e.*, the closing price of Athira common stock on the Corrective Disclosure Date). The total of such holding values shall be the Claimant’s “Securities Act Holding Value.” The Claims Administrator shall ascribe an “Exchange Act Holding Value” to shares of Athira common stock purchased or acquired during the Exchange Act Period and still held as of the close of trading on June 17, 2021, which shall be \$11.15 per share (*i.e.*, the closing price of Athira common stock on the Corrective Disclosure Date). The total of such holding values shall be the Claimant’s “Exchange Act Holding Value.”



number, that number will be the Claimant's market loss on such securities; if the number is a negative number or zero, that number will be the Claimant's market gain on such securities. To the extent a Claimant had a market gain on such securities, the value of the Claimant's Securities Act Claim shall be zero. To the extent a Claimant suffered a market loss on such securities, but that market loss was less than the Claimant's total Securities Act Claim, then the Claimant's Securities Act Claim shall be limited to the amount of the actual market loss. The same calculations will be made with respect to the Claimant's Exchange Act Claims.

66. **Determination of Distribution Amount:** The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Securities Act Claims and Exchange Act Claims. Specifically, a "Securities Act Distribution Amount" will be calculated for each Authorized Claimant, which shall be the Authorized Claimant's Securities Act Claim divided by the total Securities Act Claims of all Authorized Claimants, multiplied by the amount of the Securities Act Allocation. Similarly, an "Exchange Act Distribution Amount" will be calculated for each Authorized Claimant, which shall be the Authorized Claimant's Exchange Act Claim divided by the total Exchange Act Claims of all Authorized Claimants, multiplied by the amount of the Exchange Act Allocation. The sum of an Authorized Claimant's Securities Act Distribution Amount and Exchange Act Distribution Amount will be an Authorized Claimant's Distribution Amount. If any Authorized Claimant's Distribution Amount calculates to less than \$10.00, it will be removed from the final *pro rata* calculations and no distribution will be made to such Authorized Claimant. Any Distribution Amounts of less than \$10.00 will be included in the pools distributed to those Authorized Claimants whose Distribution Amounts are \$10.00 or greater.

67. **Maximum Recovery for Exchange Act Claims:** Cumulative payments of all Exchange Act Claims will be limited to no more than 8.5% of the Net Settlement Fund (Exchange Act Allocation). Thus, if the total cumulative payments for Exchange Act Claims of Authorized Claimants exceed 8.5% of the Net Settlement Fund, then the Exchange Act Claims will be reduced proportionately until they collectively equal 8.5% of the Net Settlement Fund. If the total cumulative payments of all Exchange Act Claims of Authorized Claimants is less than 8.5% of the Net Settlement Fund, then the Exchange Act Claims will be limited to their actual lesser proportion of the Net Settlement Fund. Any excess will be transferred to the Securities Act Allocation.

68. After the initial distribution of the Net Settlement Fund, the Claims Administrator shall make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the fund at least nine (9) months after the initial distribution, if Co-Lead Counsel, in consultation with the Claims Administrator, determine that it is cost-effective to do so, the Claims Administrator shall conduct a re-distribution of the funds remaining, after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, and Taxes to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 in such additional re-distributions may occur thereafter if Co-Lead Counsel, in consultation with the Claims Administrator, determine that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, and Taxes would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the

remaining balance shall be contributed to the Public Justice Foundation, or such other non-sectarian, not-for-profit organization(s) approved by the Court.

69. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Claimants. No person shall have any claim against Plaintiffs, Plaintiffs' Counsel, Lead Plaintiffs' consulting damages expert, Defendants, Defendants' Counsel, or any of the other Releasees, or the Claims Administrator or other agent designated by Co-Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders of the Court. Plaintiffs, Defendants and their respective counsel, and all other Defendants' Releasees, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund, the Net Settlement Fund, the plan of allocation, or the determination, administration, calculation, or payment of any Claim Form or nonperformance of the Claims Administrator, the payment or withholding of Taxes owed by the Settlement Fund, or any losses incurred in connection therewith.

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE SETTLEMENT CLASS SEEKING?  
HOW WILL THE LAWYERS BE PAID?**

70. Plaintiffs' Counsel have not received any payment for their services in pursuing claims in the Action on behalf of the Settlement Class, nor have Plaintiffs' Counsel been paid for their Litigation Expenses.<sup>12</sup> In connection with final approval of the Settlement, Co-Lead Counsel will apply to the Court for an award of attorneys' fees on behalf of all Plaintiffs' Counsel in an amount not to exceed 33⅓% of the Settlement Fund. At the same time, Co-Lead Counsel also intend to apply for payment of Litigation Expenses in an amount not to exceed \$235,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Plaintiffs related to their representation of the Settlement Class in an aggregate amount not to exceed \$30,000. The Court will determine the amount of any award of attorneys' fees or Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund.

**WHAT IF I DO NOT WANT TO BE A MEMBER OF THE SETTLEMENT CLASS?  
HOW DO I EXCLUDE MYSELF?**

71. Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written request for exclusion from the Settlement Class, addressed to *Athira Pharma Securities Litigation, EXCLUSIONS*, c/o Strategic Claims Services, P.O. Box 230, 600 N. Jackson Street, Suite 205, Media, PA 19063. The exclusion request must be **received no later than \_\_\_\_\_, 2024**. You will not be able to exclude yourself from the Settlement Class after that date.

72. Each request for exclusion must: (a) state the name, address and telephone number of the person or entity requesting exclusion, and in the case of entities the name and telephone number of the appropriate contact person; (b) state that such person or entity "requests exclusion from the

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<sup>12</sup> Plaintiffs' Counsel are Labaton Sucharow LLP, Glancy Prongay & Murray LLP, Rossi Vucinovich, P.C., the Schall Law Firm, and Block & Leviton LLP. Co-Lead Counsel may also allocate a portion of awarded attorneys' fees to Longman Law, PC, which appeared at the beginning of the case on behalf of proposed lead plaintiffs Timothy and Tai Slyne.

Settlement Class in *Athira Pharma Securities Litigation*, Case No. 2:21-cv-00861-TSZ”; (c) state the number of shares of Athira common stock that the person or entity requesting exclusion purchased/acquired and sold during the Class Period (*i.e.*, from September 17, 2020 through June 17, 2021, inclusive), as well as the dates and prices of each such purchase/acquisition and sale; and (d) be signed by the person or entity requesting exclusion or an authorized representative. A request for exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

73. If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have a pending lawsuit, arbitration, or other proceeding, or later file one, relating to any Released Plaintiffs’ Claim against any of the Released Defendants’ Parties.

74. If you ask to be excluded from the Settlement Class, you will not be eligible to receive any payment from the Net Settlement Fund so do not file a Claim Form.

75. Athira has the right to terminate the Settlement if valid requests for exclusion are received from members of the Settlement Class that exceed an amount agreed to by Plaintiffs and Defendants.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE  
SETTLEMENT? HOW DO I OBJECT?  
MAY I SPEAK AT THE HEARING IF I DON’T LIKE THE SETTLEMENT?**

**76. Settlement Class Members do not need to attend the Settlement Hearing. The Court will consider any objection made in accordance with the provisions below even if a Settlement Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Hearing.**

77. The Settlement Hearing will be held on \_\_\_\_\_, 2024 at \_\_: \_\_.m., before the Honorable Thomas S. Zilly at the United States District Court for the Western District of Washington, United States Courthouse, Courtroom 15206, 700 Stewart Street, Seattle, WA 98101. The Court reserves the right to approve the Settlement, the Plan of Allocation, Co-Lead Counsel’s motion for an award of attorneys’ fees and payment of Litigation Expenses and/or any other matter related to the Settlement at or after the Settlement Hearing.

78. Any Settlement Class Member who or which does not request exclusion may object to the Settlement, the proposed Plan of Allocation and/or Co-Lead Counsel’s motion for an award of attorneys’ fees and payment of Litigation Expenses. Objections must be in writing. You must mail any written objection, together with copies of all other papers supporting the objection, to Co-Lead Counsel and Defendants’ Counsel at the addresses set forth below so that the papers are **received on or before \_\_\_\_\_, 2024.**

**Co-Lead Counsel**

**Glancy Prongay & Murray LLP**

Casey E. Sadler, Esq.  
1925 Century Park East  
Suite 2100  
Los Angeles, CA 90067

-and-

**Labaton Sucharow LLP**

Michael P. Canty, Esq.  
140 Broadway  
New York, New York 10005

**Defendants' Counsel**

**Wilson Sonsini Goodrich & Rosati,  
P.C.**

Gregory L. Watts, Esq.  
701 Fifth Avenue  
Suite 5100  
Seattle, WA 98104-7036

-and-

**Perkins Coie LLP**

Sean C. Knowles, Esq.  
1201 Third Avenue  
Suite 4900  
Seattle, WA 98101-3099

-and-

**DLA Piper LLP (US)**

Anthony Todaro, Esq.  
701 Fifth Avenue, Suite 6900  
Seattle, WA 98104-7029

79. Any objection: (a) must state the name, address and telephone number of the person or entity objecting and must be signed by the objector; (b) must contain a statement of the Settlement Class Member's objection or objections, the specific reasons for each objection, including whether it applies only to the objector, to a specific subset of the Settlement Class, or to the entire Settlement Class, and any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention; and (c) must include documents sufficient to prove membership in the Settlement Class, including the number of shares of Athira common stock that the objecting Settlement Class Member purchased/acquired and sold during the Class Period (*i.e.*, from September 17, 2020 through June 17, 2021, inclusive), as well as the dates and prices of each such purchase/acquisition and sale. You may not object to the Settlement, the Plan of Allocation or Co-Lead Counsel's motion for attorneys' fees and payment of Litigation Expenses if you exclude yourself from the Settlement Class or if you are not a member of the Settlement Class.

80. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

81. You may submit a written objection without appearing at the Settlement Hearing.

82. You are not required to hire an attorney to represent you in connection with objecting or appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Co-

Lead Counsel and Defendants' Counsel at the addresses set forth in paragraph 78 above so that the notice is *received on or* \_\_\_\_\_, 2024.

83. The Settlement Hearing may be adjourned by the Court, or held remotely, without further individual notice to the Settlement Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Co-Lead Counsel.

**84. Unless the Court orders otherwise, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation or Co-Lead Counsel's motion for an award of attorneys' fees and payment of Litigation Expenses. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.**

#### WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?

85. If you purchased or otherwise acquired Athira publicly traded common stock from September 17, 2020 through June 17, 2021, inclusive, including in the IPO and the SPO, for the beneficial interest of persons or entities other than yourself as a nominee, you must within SEVEN (7) CALENDAR DAYS of receipt of this Notice either: (a) request from the Claims Administrator sufficient copies of the Notice and Claim Form (the "Notice Packet") to forward to all such beneficial owners and within SEVEN (7) CALENDAR DAYS of receipt of those Notice Packets forward them to all such beneficial owners; or (b) send a list of the names and addresses of all such beneficial owners to the Claims Administrator at *Athira Pharma Securities Litigation*, c/o Strategic Claims Services, P.O. Box 230, 600 N. Jackson Street, Suite 205, Media, PA 19063, in which event the Claims Administrator shall promptly mail the Notice Packet to such beneficial owners. Nominees shall also provide email addresses for all such beneficial owners to the Claims Administrator, to the extent they are available. If you choose to follow procedure (a), upon such mailing you must send a statement to the Claims Administrator confirming that the mailing was made as directed.

86. Upon full and timely compliance with these directions, nominees may seek reimbursement of their reasonable expenses actually incurred, not to exceed \$0.05 plus postage at the current pre-sort rate used by the Claims Administrator per Notice Packet mailed; or \$0.05 per name, address, and email address (to the extent available) provided to the Claims Administrator, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. **YOU ARE NOT AUTHORIZED TO PRINT THE NOTICE PACKET YOURSELF. NOTICE PACKETS MAY ONLY BE PRINTED BY THE COURT-APPOINTED CLAIMS ADMINISTRATOR.**

#### WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

87. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in this Action, you are referred to the Amended Stipulation and Complaint filed in the Action, and any related orders entered by the Court, which will be posted on the website maintained by the Claims Administrator, [www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com).

88. Questions about this Notice or the Settlement should be directed to Co-Lead Counsel using the contact information provided in paragraphs 8 and 78, above. All inquiries concerning the Claim Form should be directed to:

*Athira Pharma Securities Litigation*  
c/o Strategic Claims Services  
P.O. Box 230  
600 N. Jackson Street, Suite 205  
Media, PA 19063  
(866) 274-4004  
[www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com)

**DO NOT CALL OR WRITE THE COURT, THE CLERK OF THE COURT, DEFENDANTS OR THEIR COUNSEL REGARDING THIS NOTICE.**

Dated: \_\_\_\_\_, 2024

By Order of the Court  
United States District Court  
Western District of Washington

# **Exhibit A-2**

**Exhibit 2**

THE HONORABLE THOMAS S. ZILLY

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

ANTONIO BACHAALANI NACIF and  
WIES RAFI, Individually and on behalf of all  
others similarly situated,

Plaintiffs,

v.

ATHIRA PHARMA, INC., et al.,

Defendants.

CASE NO.: 2:21-cv-00861-TSZ  
(Consolidated with 21-cv-00862-TSZ and  
21-cv-00864-TSZ)

**PROOF OF CLAIM FORM**

**I. GENERAL INSTRUCTIONS**

1. To recover as a member of the Settlement Class based on your claims in the action entitled *Nacif et al., v. Athira Pharma, Inc. et al.*, Case No.: 2:21-cv-00861-TSZ (the “Action”), you must complete and, on page \_\_\_ below, sign this Proof of Claim Form (“Claim Form”). If you fail to submit a timely and properly addressed (as set forth in paragraph 3 below) Claim Form, your Claim may be rejected and you may not receive any recovery from the Net Settlement Fund created in connection with the proposed Settlement.<sup>1</sup>

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<sup>1</sup> All capitalized terms used in this Claim Form that are not otherwise defined shall have the meanings ascribed to them in the Amended Stipulation and Agreement of Settlement dated



2. Submission of this Proof of Claim, however, does not assure that you will share in the proceeds of the Settlement of the Action.

3. **YOU MUST MAIL BY FIRST FIRST-CLASS MAIL OR SUBMIT ONLINE YOUR COMPLETED AND SIGNED CLAIM FORM, ACCOMPANIED BY COPIES OF THE DOCUMENTS REQUESTED BELOW, NO LATER THAN \_\_\_\_\_, 2024, ADDRESSED AS FOLLOWS:**

*Athira Pharma Securities Litigation*  
c/o Strategic Claims Services  
P.O. Box 230  
600 N. Jackson Street, Suite 205  
Media, PA 19063  
Online Submissions: [www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com)

If you are NOT a member of the Settlement Class, as defined in the accompanying Notice and below, DO NOT submit a Claim Form.

4. If you did not timely request exclusion and are a Class Member, you will be bound by the terms of any judgment entered in the Action, including the releases provided therein, **WHETHER OR NOT YOU SUBMIT A CLAIM FORM.**

## **II. CLAIMANT IDENTIFICATION**

5. You are a member of the Settlement Class if you: (a) purchased or otherwise acquired Athira Pharma, Inc. publicly traded common stock during the period from September 17, 2020 through March 16, 2021, inclusive, and were damaged thereby (the “Securities Act Class”) and/or (b) purchased or otherwise acquired Athira Pharma, Inc. publicly traded common stock during the period from March 17, 2021 through June 17, 2021, inclusive, and were damaged thereby (the “Exchange Act Class”). If you purchased or acquired Athira publicly traded common

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December 15, 2023 (the “Amended Stipulation”), which is available at [www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com).

stock and held the certificate(s) in your name, you are the beneficial purchaser or acquirer as well as the record purchaser or acquirer. If, however, you purchased or acquired Athira publicly traded common stock and the certificate(s) were registered in the name of a third party, such as a nominee or brokerage firm (“nominee”), you are the beneficial purchaser or acquirer and the third party is the record purchaser or acquirer.

6. Use Part I of this form entitled “Claimant Identification” to identify each beneficial purchaser/acquirer and purchaser/acquirer of record, if different from the beneficial purchaser/acquirer of the Athira shares that form the basis of this Claim. THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL PURCHASER(S) OR ACQUIRER(S) OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER(S) OR ACQUIRER(S) OF THE ATHIRA PUBLICLY TRADED COMMON STOCK UPON WHICH THIS CLAIM IS BASED.

7. All joint purchasers or acquirers must sign this Claim Form. Executors, administrators, guardians, conservators, and trustees or others acting in a representative capacity on behalf of a Class Member must complete and sign this Claim Form on behalf of persons represented by them, and submit evidence of their current authority to act on behalf of that Class Member, including titles or capacities. The Social Security (or taxpayer identification) number and telephone number of the beneficial owner may be used in verifying the Claim. Failure to provide the foregoing information could delay verification of your Claim or result in rejection of the Claim.

### **III. IDENTIFICATION OF TRANSACTIONS**

8. Use Part II of this form entitled “Schedule of Transactions in Athira Publicly Traded Common Stock” to supply all required details of your transaction(s) in Athira publicly traded common stock. If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your

name on each additional sheet. **THE PARTIES DO NOT HAVE INFORMATION ABOUT YOUR TRANSACTIONS IN ATHIRA COMMON STOCK.**

9. On the schedules, provide all of the requested information with respect to *all* of your purchases or acquisitions and *all* of your sales of Athira publicly traded common stock which took place during the time periods requested below, whether such transactions resulted in a profit or a loss. You must also provide all of the requested information with respect to *all* of the shares of Athira publicly traded common stock you held at the close of trading on June 25, 2021 and September 15, 2021. Failure to report all such transactions may result in the rejection of your Claim.

10. If you did not purchase or acquire shares on the open market, but you purchased/acquired shares pursuant to Athira's Initial Public Offering (the "IPO") on or about September 17, 2020 or its Secondary Public Offering (the "SPO") on or about January 21, 2021, you must produce affirmative documentation showing that you purchased directly from one of the Underwriter Defendants. Such documentation will be deemed to satisfy this requirement only for the purposes of this Settlement.

11. List each transaction separately and in chronological order, by trade date, beginning with the earliest. You must accurately provide the month, day, and year of each transaction you list.

12. The date of covering a "short sale" is deemed to be the date of purchase of Athira publicly traded common stock. The date of a "short sale" is deemed to be the date of sale of Athira publicly traded common stock.

13. For each transaction, copies of broker confirmations or other documentation of your transactions should be attached to your Claim Form. Failure to provide this documentation could delay verification of your Claim or result in rejection of your Claim.

14. NOTICE REGARDING INSTITUTIONAL FILERS: Representatives with authority to file on behalf of (a) accounts of multiple Settlement Class Members and/or (b) institutional accounts with large numbers of transactions (“Representative Filers”) must submit information regarding their transactions in an electronic spreadsheet format. If you are a Representative Filer, you must contact the Claims Administrator at [efile@strategicclaims.net](mailto:efile@strategicclaims.net) or visit their website at [www.strategicclaims.net/institutional-filers/](http://www.strategicclaims.net/institutional-filers/) to obtain the required file layout. Claims that are not submitted in electronic spreadsheet format and in accordance with the Claims Administrator’s instructions may be subject to rejection. All Representative Filers MUST also submit a manually signed Claim Form, as well as proof of authority to file, along with the electronic spreadsheet format. No Claims submitted in electronic spreadsheet format will be considered to have been properly submitted unless the Claims Administrator issues to the Claimant a written acknowledgment of receipt and acceptance of electronically submitted data.

15. NOTICE REGARDING ONLINE FILING: Claimants who are not Representative Filers may submit their Claims online using the electronic version of the Claim Form hosted at [www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com). If you are not acting as a Representative Filer, you do not need to contact the Claims Administrator prior to filing; you will receive an automated e-mail confirming receipt once your Claim Form has been submitted. If you are unsure if you should submit your Claim as a Representative Filer, please contact the Claims Administrator at [info@strategicclaims.net](mailto:info@strategicclaims.net) or (866) 274-4004. If you are not a Representative Filer, but your Claim contains a large number of transactions, the Claims Administrator may request that you also submit an electronic spreadsheet showing your transactions to accompany your Claim Form.

**PART I: CLAIMANT IDENTIFICATION**

The Claims Administrator will use this information for all communications regarding this Claim Form. If this information changes, you MUST notify the Claims Administrator in writing at the

address above. Complete names of all persons and entities must be provided.

Beneficial Owner's First Name

MI

Beneficial Owner's Last Name

Co-Beneficial Owner's First Name

MI

Co-Beneficial Owner's Last Name

Entity Name (if Claimant is not an individual)

Record Owner Name (if different from Beneficial Owner(s) listed above)

Representative Name (if different from Beneficial Owner(s) listed above)

Address1 (street name and number)

Address2 (apartment, unit, or box number)

City

State ZIP/Postal Code

Foreign Country (only if not USA)

Foreign County (only if not USA)

Social Security Number (last four digits only)

Taxpayer Identification Number (last four digits only)

Telephone Number (day)

Telephone Number (evening)



**C. Sales of Athira publicly traded common stock from September 17, 2020 through September 15, 2021, inclusive (must be documented):**

Sale Date MM/DD/YY (List Chronologically)	Number of Shares Sold	Sale Price Per Share	Total Sale Price (excluding taxes, commissions, and fees, if any)
1. _____	1. _____	1. _____	1. _____
2. _____	2. _____	2. _____	2. _____
3. _____	3. _____	3. _____	3. _____
4. _____	4. _____	4. _____	4. _____
5. _____	5. _____	5. _____	5. _____
6. _____	6. _____	6. _____	6. _____

**D. Number of shares of Athira publicly traded common stock held at the close of trading on June 25, 2021 (must be documented):**

\_\_\_\_\_

**E. Number of shares of Athira publicly traded common stock held at the close of trading on September 15, 2021 (must be documented):**

\_\_\_\_\_

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page.

**YOU MUST READ AND SIGN THIS FORM ON PAGE \_\_ BELOW. FAILURE TO SIGN THIS FORM MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.**

**IV. SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS**

By signing and submitting this Claim Form, the Claimant(s) or the person(s) acting on behalf of the Claimant(s) certify(ies) that: I (We) submit this Claim Form under the terms of the

\_\_\_\_\_

you have reported all relevant transactions. Purchases during this period, however, are not eligible for a recovery because these purchases are outside the Class Period.

Plan of Allocation described in the accompanying Notice. I (We) also submit to the jurisdiction of the United States District Court for the Western District of Washington (the “Court”) with respect to my (our) Claim as a member of the Settlement Class and for purposes of enforcing the releases set forth herein. I (We) further acknowledge that I (we) will be bound by and subject to the terms of any judgment entered in connection with the Settlement in the Action, including the releases set forth therein. I (We) agree to furnish additional information to the Claims Administrator to support this Claim, such as additional documentation for transactions in Athira common stock, if required to do so. I (We) have not submitted any other claim covering the same transactions in Athira common stock during the Class Period and know of no other person having done so on my (our) behalf.

**V. RELEASES, WARRANTIES, AND CERTIFICATION**

I (We) hereby warrant and represent that I am (we are) a member of the Settlement Class as defined in the Notice, and that I am (we are) not excluded from the Settlement Class as set forth in the Notice.

As a member of the Settlement Class, I (we) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally, and forever compromise, settle, release, resolve, relinquish, waive, and discharge with prejudice the Released Plaintiffs’ Claims as to each and all of the Defendants and the other Released Defendants’ Parties (as these terms are defined in the accompanying Notice). This release shall be of no force or effect unless and until the Court approves the Settlement and it becomes effective on the Effective Date.

I (We) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release or any other part or portion thereof.

I (We) hereby warrant and represent that I (we) have included information about all of my (our) purchases and sales of Athira publicly traded common stock that occurred during the time periods requested and the number of shares held by me (us), to the extent requested.



I (We) certify that I am (we are) NOT subject to backup tax withholding. (If you have been notified by the Internal Revenue Service that you are subject to backup withholding, please strike out the prior sentence.)

I (We) declare under penalty of perjury under the laws of the United States of America that all of the foregoing information supplied by the undersigned is true and correct.

I (We) declare under penalty of perjury under the laws of the United States of America that all of the foregoing information supplied on this Claim Form by the undersigned is true and correct.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2024 in \_\_\_\_\_,  
(Month/Year) (City)

\_\_\_\_\_  
(State)

\_\_\_\_\_  
(Sign your name here)

\_\_\_\_\_  
(Type or print your name here)

\_\_\_\_\_  
(Capacity of person(s) signing, *e.g.*, Beneficial Purchaser or Acquirer, Executor or Administrator)

**ACCURATE CLAIMS PROCESSING TAKES A SIGNIFICANT AMOUNT OF TIME.  
THANK YOU FOR YOUR PATIENCE.**

Reminder Checklist:

1. Please sign the above release and acknowledgment.
2. If this Claim is being made on behalf of Joint Claimants, then both must sign.
3. Remember to attach copies of supporting documentation, if available.
4. **Do not send** originals of certificates.
5. Keep a copy of your Claim Form and all supporting documentation for your records.
6. If you desire an acknowledgment of receipt of your Claim Form, please send it Certified Mail, Return Receipt Requested.
7. If you move, please send your new address to the address below.
8. **Do not use red pen or highlighter** on the Claim Form or supporting documentation.

**THIS CLAIM FORM MUST BE SUBMITTED ONLINE OR MAILED NO LATER  
THAN \_\_\_\_\_, 2024, ADDRESSED AS FOLLOWS:**

*Athira Pharma Securities Litigation*  
c/o Strategic Claims Services  
P.O. Box 230  
600 N. Jackson Street, Suite 205  
Media, PA 19063  
Tel: (866) 274-4004  
Fax: (610) 565-7985  
[www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com)

# **Exhibit A-3**

**Exhibit 3**

THE HONORABLE THOMAS S. ZILLY

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

ANTONIO BACHAALANI NACIF and  
WIES RAFI, Individually and on behalf of all  
others similarly situated,

Plaintiffs,

v.

ATHIRA PHARMA, INC., et al.,

Defendants.

CASE NO.: 2:21-cv-00861-TSZ  
(Consolidated with 21-cv-00862-TSZ and 21-  
cv-00864-TSZ)

**[SECOND REVISED] SUMMARY NOTICE OF (I) PENDENCY OF CLASS ACTION  
AND PROPOSED SETTLEMENT; (II) SETTLEMENT HEARING;  
AND (III) MOTION FOR AN AWARD OF ATTORNEYS' FEES  
AND PAYMENT OF LITIGATION EXPENSES**

**TO: All persons and entities who or which purchased or otherwise acquired Athira  
Pharma, Inc. ("Athira") publicly traded common stock during the period from  
September 17, 2020 through June 17, 2021, inclusive, and were damaged thereby (the  
"Settlement Class"):**

**PLEASE READ THIS NOTICE CAREFULLY, YOUR RIGHTS WILL BE AFFECTED  
BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT.**

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil  
Procedure that the above-captioned litigation (the "Action") has been certified as a class action on  
behalf of the Settlement Class, except for certain persons and entities who are excluded from the

Settlement Class by definition as set forth in the full printed Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Hearing; and (III) Motion for an Award of Attorneys' Fees and Payment of Litigation Expenses (the "Notice").

YOU ARE ALSO NOTIFIED that Plaintiffs in the Action have reached a proposed settlement of the Action for \$10,000,000 in cash (the "Settlement"), which, if approved, will resolve all claims in the Action and related claims.

A hearing will be held on \_\_\_\_\_, 2024 at \_\_:\_\_.m., before the Honorable Thomas S. Zilly at the United States District Court for the Western District of Washington, United States Courthouse, Courtroom 15206, 700 Stewart Street, Seattle, WA 98101, to determine: (i) whether the proposed Settlement should be approved as fair, reasonable, and adequate; (ii) whether the Action should be dismissed with prejudice against Defendants, and the Releases specified and described in the Amended Stipulation and Agreement of Settlement dated December 15, 2023 (and in the Notice) should be granted; (iii) whether the proposed Plan of Allocation should be approved as fair and reasonable; and (iv) whether Co-Lead Counsel's application for an award of attorneys' fees and payment of expenses should be approved.

**If you are a member of the Settlement Class, your rights will be affected by the pending Action and the Settlement, and you may be entitled to share in the Settlement Fund.** If you have not yet received the Notice and Proof of Claim Form ("Claim Form"), you may obtain copies of these documents by contacting the Claims Administrator at *Athira Pharma Securities Litigation*, c/o Strategic Claims Services, P.O. Box 230, 600 N. Jackson Street, Suite 205, Media, PA 19063, (866) 274-4004. Copies of the Notice and Claim Form can also be downloaded from the website maintained by the Claims Administrator, [www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com).

If you are a member of the Settlement Class, in order to be eligible to receive a payment under the proposed Settlement, you must submit a Claim Form to the Claims Administrator *postmarked* no later than \_\_\_\_\_, 2024, if sent by mail, or *submitted online* using the Settlement website no later than \_\_\_\_\_, 2024. If you are a Settlement Class Member and do not submit a proper Claim Form, you will not be eligible to share in the distribution of the net proceeds of the Settlement but you will nevertheless be bound by any judgments or orders entered by the Court in the Action.

If you are a member of the Settlement Class and wish to exclude yourself from the Settlement Class, you must submit a request for exclusion to the Claims Administrator such that it is **received no later than \_\_\_\_\_, 2024**, in accordance with the instructions set forth in the Notice. If you properly exclude yourself from the Settlement Class, you will not be bound by any judgments or orders entered by the Court in the Action and you will not be eligible to share in the proceeds of the Settlement.

Any objections to the proposed Settlement, the proposed Plan of Allocation, or Co-Lead Counsel's motion for attorneys' fees and payment of expenses, must be delivered to Co-Lead Counsel and Defendants' Counsel such that they are **received no later than \_\_\_\_\_, 2024**, in accordance with the instructions set forth in the Notice.

**Please do not contact the Court, the Clerk's office, Athira, Defendants, or their counsel regarding this notice. All questions about this notice, the proposed Settlement, or your**

**eligibility to participate in the Settlement should be directed to Co-Lead Counsel or the Claims Administrator.**

Inquiries, other than requests for the Notice and Claim Form, should be made to Co-Lead Counsel:

<b>GLANCY PRONGAY &amp; MURRAY LLP</b> Casey E. Sadler, Esq. 1925 Century Park East, Suite 2100 Los Angeles, CA 90067 Telephone: (888) 773-9224 Email: <a href="mailto:settlements@glancylaw.com">settlements@glancylaw.com</a>	<b>LABATON SUCHAROW LLP</b> Michael P. Canty, Esq. 140 Broadway New York, New York 10005 Telephone: (888) 219-6877 Email: <a href="mailto:settlementquestions@labaton.com">settlementquestions@labaton.com</a>
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Requests for the Notice and Claim Form should be made to:

*Athira Pharma Securities Litigation*  
c/o Strategic Claims Services  
P.O. Box 230  
600 N. Jackson Street, Suite 205  
Media, PA 19063  
(866) 274-4004  
[www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com)

By Order of the Court

# **Exhibit B**

**Exhibit B**

THE HONORABLE THOMAS S. ZILLY

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

ANTONIO BACHAALANI NACIF and  
WIES RAFI, Individually and on behalf of all  
others similarly situated,

Plaintiffs,

v.

ATHIRA PHARMA, INC., et al.,

Defendants.

CASE NO.: 2:21-cv-00861-TSZ  
(Consolidated with 21-cv-00862-TSZ and  
21-cv-00864-TSZ)

**[REVISED PROPOSED] JUDGMENT APPROVING CLASS ACTION SETTLEMENT**

WHEREAS, a consolidated class action is pending in this Court entitled *Nacif, et al., v. Athira Pharma, Inc., et al.*, Case No.: 2:21-cv-00861-TSZ (the “Action”);

WHEREAS, (a) Court-appointed lead plaintiffs Antonio Bachaalani Nacif and Wies Rafi (collectively, “Lead Plaintiffs”) and additional plaintiff Hang Gao (together with Lead Plaintiffs, “Plaintiffs”), on behalf of themselves and the Settlement Class (defined below); (b) Athira Pharma, Inc. (“Athira” or the “Company”); (c) Dr. Leen Kawas, Glenna Mileson, Dr. Tadataka Yamada, Joseph Edelman, James A. Johnson, and John M. Fluke, Jr. (the “Individual Defendants”); and (d) Goldman Sachs & Co. LLC, Jefferies LLC, Stifel, Nicolaus & Company, Inc., and JMP Securities LLC (the “Underwriter Defendants,” and together with Athira and the Individual Defendants, “Defendants, and together with Plaintiffs, the “Parties”) have entered into an Amended Stipulation and Agreement of Settlement dated December 15, 2023 (the “Amended Stipulation”), which



1 provides for a complete dismissal with prejudice of the claims asserted against Defendants in the  
2 Action and related claims on the terms and conditions set forth in the Amended Stipulation, subject  
3 to the approval of this Court (the “Settlement”);

4 WHEREAS, unless otherwise defined in this Judgment, the capitalized terms herein shall  
5 have the same meaning as they have in the Amended Stipulation;

6 WHEREAS, by Order dated \_\_\_\_\_, 202\_\_ (the “Preliminary Approval Order”),  
7 this Court: (a) preliminarily approved the Settlement; (b) certified the Settlement Class solely for  
8 purposes of effectuating the Settlement; (c) ordered that notice of the proposed Settlement be  
9 provided to potential Settlement Class Members; (d) provided Settlement Class Members with the  
10 opportunity either to exclude themselves from the Settlement Class or to object to the proposed  
11 Settlement; and (e) scheduled a hearing regarding final approval of the Settlement;

12 WHEREAS, due and adequate notice has been given to the Settlement Class;

13 WHEREAS, the Court conducted a hearing on \_\_\_\_\_, 2024 (the “Settlement  
14 Hearing”) to consider, among other things, (a) whether the terms and conditions of the Settlement  
15 are fair, reasonable and adequate to the Settlement Class, and should therefore be approved; and (b)  
16 whether a judgment should be entered dismissing the Action with prejudice as against the  
17 Defendants; and

18 WHEREAS, the Court having reviewed and considered the Amended Stipulation, all papers  
19 filed and proceedings held in connection with the Settlement, all oral and written comments received  
20 regarding the Settlement, and the record in the Action, and good cause appearing therefor;

21 IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

22 1. **Jurisdiction** – The Court has jurisdiction over the subject matter of the Action, and  
23 all matters relating to the Settlement, as well as personal jurisdiction over all of the Parties and each  
24 of the Settlement Class Members.

25 2. **Incorporation of Settlement Documents** – This Judgment incorporates and makes  
26 a part hereof: (a) the Amended Stipulation filed with the Court on \_\_\_\_\_, 2023; and (b)  
27 the Notice and the Summary Notice, both of which were filed with the Court on \_\_\_\_\_,  
28 2024.

1           3.       **Class Certification for Settlement Purposes** – The Court hereby affirms its  
2 determinations in the Preliminary Approval Order certifying, for the purposes of the Settlement  
3 only, the Action as a class action pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil  
4 Procedure on behalf of the Settlement Class consisting of: (a) all persons and entities who or which  
5 purchased or otherwise acquired Athira Pharma, Inc. publicly traded common stock during the  
6 period from September 17, 2020 through March 16, 2021, inclusive, and were damaged thereby  
7 (the “Securities Act Class”) and (b) all persons and entities who or which purchased or otherwise  
8 acquired Athira Pharma, Inc. publicly traded common stock during the period from March 17, 2021  
9 through June 17, 2021, inclusive, and were damaged thereby (the “Exchange Act Class”). Excluded  
10 from the Settlement Class are: (a) Defendants; (b) any person who served as a partner, control  
11 person, executive officer and/or director of Athira or the Underwriter Defendants during the Class  
12 Period, and members of their Immediate Family; (c) present and former parents, subsidiaries,  
13 assigns, successors, affiliates, and predecessors of Athira and the Underwriter Defendants; (d) any  
14 entity in which the Defendants have or had a controlling interest; (e) any trust of which an Individual  
15 Defendant is the settlor or which is for the benefit of an Individual Defendant and/or member(s) of  
16 their Immediate Family; (f) liability insurance carriers for Athira or the Individual Defendants; and  
17 (g) the legal representatives, heirs, successors, and assigns of any person or entity excluded under  
18 provisions (a) through (f) hereof. Notwithstanding any provision to the contrary, (a) any Investment  
19 Vehicle shall not be excluded from the Settlement Class; and (b) “affiliates” are persons or entities  
20 that directly, or indirectly through one or more intermediaries, control, are controlled by or are under  
21 common control with one of the Defendants, including Athira’s employee retirement and/or benefit  
22 plan(s). [Also excluded from the Settlement Class are the persons and entities listed on Exhibit 1  
23 hereto who or which are excluded from the Settlement Class pursuant to request.]

24           4.       **Adequacy of Representation** – Pursuant to Rule 23 of the Federal Rules of Civil  
25 Procedure, and for the purposes of the Settlement only, the Court hereby affirms its determinations  
26 in the Preliminary Approval Order certifying Plaintiffs as Class Representatives for the Settlement  
27 Class and appointing Co-Lead Counsel Glancy Prongay & Murray, LLP and Labaton Sucharow  
28 LLP as Class Counsel for the Settlement Class. Plaintiffs and Co-Lead Counsel have fairly and

1 adequately represented the Settlement Class both in terms of litigating the Action and for purposes  
2 of entering into and implementing the Settlement and have satisfied the requirements of Federal  
3 Rules of Civil Procedure 23(a)(4) and 23(g), respectively.

4       5.       **Notice** – The Court finds that the dissemination of the Notice and the publication of  
5 the Summary Notice: (a) were implemented in accordance with the Preliminary Approval Order;  
6 (b) constituted the best notice practicable under the circumstances; (c) constituted notice that was  
7 reasonably calculated, under the circumstances, to apprise Settlement Class Members of (i) the  
8 pendency of the Action; (ii) the effect of the proposed Settlement (including the Releases to be  
9 provided thereunder); (iii) Co-Lead Counsel’s motion for an award of attorneys’ fees and payment  
10 of Litigation Expenses; (iv) their right to object to any aspect of the Settlement, the Plan of  
11 Allocation and/or Co-Lead Counsel’s motion for attorneys’ fees and payment of Litigation  
12 Expenses; (v) their right to exclude themselves from the Settlement Class; and (vi) their right to  
13 appear at the Settlement Hearing; (d) constituted due, adequate, and sufficient notice to all persons  
14 and entities entitled to receive notice of the proposed Settlement; and (e) satisfied the requirements  
15 of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the  
16 Due Process Clause), the Private Securities Litigation Reform Act of 1995, Public Law No. 104-67,  
17 109 Stat. 737 (codified as amended in scattered sections of 15 U.S.C.), and all other applicable law  
18 and rules.

19       6.       **Final Settlement Approval and Dismissal of Claims** – Pursuant to, and in  
20 accordance with, Rule 23 of the Federal Rules of Civil Procedure, this Court hereby fully and finally  
21 approves the Settlement set forth in the Amended Stipulation in all respects (including, without  
22 limitation: (a) the amount of the Settlement; (b) the Releases provided for therein; and (c) the  
23 dismissal with prejudice of the claims asserted against Defendants in the Action), and finds that the  
24 Settlement is, in all respects, fair, reasonable and adequate to the Settlement Class. The Parties are  
25 directed to implement, perform and consummate the Settlement in accordance with the terms and  
26 provisions contained in the Amended Stipulation.

27       7.       The Action and all of the claims asserted against Defendants in the Action by  
28 Plaintiffs and the other Settlement Class Members are hereby dismissed with prejudice. The Parties

1 shall bear their own costs and expenses, except as otherwise expressly provided in the Amended  
2 Stipulation.

3 8. **Binding Effect** – The terms of the Amended Stipulation and of this Judgment shall  
4 be forever binding on Defendants, Plaintiffs and all other Settlement Class Members (regardless of  
5 whether or not any individual Settlement Class Member submits a Claim Form or seeks or obtains  
6 a distribution from the Net Settlement Fund), as well as their respective successors and assigns.  
7 [The persons and entities listed on Exhibit 1 hereto are excluded from the Settlement Class pursuant  
8 to request and are not bound by the terms of the Amended Stipulation or this Judgment.]

9 9. **Releases** – The Releases set forth in paragraphs 5 and 6 of the Amended Stipulation,  
10 together with the definitions contained in paragraph 1 of the Amended Stipulation relating thereto,  
11 are expressly incorporated herein in all respects. The Releases are effective as of the Effective Date.  
12 Accordingly, this Court orders that:

13 (a) Without further action by anyone, and subject to paragraph 10 below, upon  
14 the Effective Date of the Settlement, Plaintiffs and each of the other Settlement Class Members, on  
15 behalf of themselves, and their respective heirs, executors, administrators, trustees, predecessors,  
16 successors, and assigns, in their capacities as such only, shall be deemed to have, and by operation  
17 of law and of the Judgment shall have, fully, finally and unconditionally released as against  
18 Defendants and the other Released Defendants’ Parties each and every Released Plaintiffs’ Claim,  
19 and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiffs’  
20 Claims against any of the Defendants and other Released Defendants’ Parties. This Release shall  
21 not apply to any of the Excluded Claims (as that term is defined in paragraph 1(t) of the Amended  
22 Stipulation).

23 (b) Without further action by anyone, and subject to paragraph 10 below, upon  
24 the Effective Date of the Settlement, Defendants and the other Released Defendants’ Parties, on  
25 behalf of themselves and their respective heirs, executors, administrators, trustees, predecessors,  
26 successors, and assigns, in their capacities as such only, shall be deemed to have, and by operation  
27 of law and of the judgment shall have, fully, finally and unconditionally released as against Plaintiffs  
28 and the other Released Plaintiffs’ Parties each and every Released Defendants’ Claim, and shall

1 forever be barred and enjoined from prosecuting any or all of the Released Defendants' Claims  
2 against Plaintiffs and the other Released Plaintiffs' Parties. [This Release shall not apply to any  
3 person or entity listed on Exhibit 1 hereto.]

4 10. Notwithstanding paragraphs 9(a) – (b) above, nothing in this Judgment shall bar any  
5 action by any of the Parties to enforce or effectuate the terms of the Amended Stipulation or this  
6 Judgment.

7 11. **Rule 11 Findings** – The Court finds and concludes that the Parties and their  
8 respective counsel have complied in all respects with the requirements of Rule 11 of the Federal  
9 Rules of Civil Procedure in connection with the institution, prosecution, defense, and settlement of  
10 the Action.

11 12. **No Admissions** – Neither this Judgment, the Term Sheet, the Amended Stipulation  
12 (whether or not consummated), including the exhibits thereto and the Plan of Allocation contained  
13 in the Notice (or any other plan of allocation that may be approved by the Court), the negotiations  
14 leading to the execution of the Term Sheet and the Amended Stipulation, nor any proceedings taken  
15 pursuant to or in connection with the Term Sheet, the Amended Stipulation and/or approval of the  
16 Settlement (including any arguments proffered in connection therewith):

17 (a) shall be offered against any of the Defendants or any of the other Released  
18 Defendants' Parties as evidence of, or construed as, or deemed to be evidence of or otherwise  
19 constitute any presumption, concession, or admission by any of the Defendants or the other Released  
20 Defendants' Parties with respect to the truth of any fact alleged by Plaintiffs or the validity of any  
21 claim that was or could have been asserted or the deficiency of any defense that has been or could  
22 have been asserted in this Action or in any other litigation, or of any liability, negligence, fault, or  
23 other wrongdoing of any kind of any of the Defendants or any of the other Released Defendants'  
24 Parties or in any way referred to for any other reason as against any of the Defendants or other  
25 Released Defendants' Parties, in any civil, criminal or administrative action or other proceeding;

26 (b) shall be offered against Plaintiffs or any of the other Released Plaintiffs'  
27 Parties, as evidence of, or construed as, or deemed to be evidence of or otherwise constitute any  
28 presumption, concession or admission by any of the Plaintiffs or the other Released Plaintiffs'

1 Parties that any of their claims are without merit, that any of the Defendants or other Released  
2 Defendants' Parties had meritorious defenses, or that damages recoverable under the Complaint  
3 would not have exceeded the Settlement Amount or with respect to any liability, negligence, fault  
4 or wrongdoing of any kind, or in any way referred to for any other reason as against Plaintiffs or  
5 any of the other Released Plaintiffs' Parties, in any civil, criminal or administrative action or other  
6 proceeding; or

7 (c) shall be construed against any of the Releasees as an admission, concession,  
8 or presumption that the consideration to be given under the Settlement represents the amount which  
9 could be or would have been recovered after trial; *provided, however*, that the Parties and the  
10 Releasees and their respective counsel may refer to this Judgment and the Amended Stipulation to  
11 effectuate the protections from liability granted hereunder and thereunder or otherwise to enforce  
12 the terms of the Settlement.

13 13. **Retention of Jurisdiction** – Without affecting the finality of this Judgment in any  
14 way, this Court retains continuing and exclusive jurisdiction over: (a) the Parties for purposes of  
15 the administration, interpretation, implementation and enforcement of the Settlement; (b) the  
16 disposition of the Settlement Fund; (c) any motion for an award of attorneys' fees and/or Litigation  
17 Expenses by Co-Lead Counsel in the Action that will be paid from the Settlement Fund; (d) any  
18 motion to approve the Plan of Allocation; (e) any motion to approve the Class Distribution Order;  
19 and (f) the Settlement Class Members for all matters relating to the Action.

20 14. Separate orders shall be entered regarding approval of a plan of allocation and the  
21 motion of Co-Lead Counsel for an award of attorneys' fees and payment of Litigation Expenses.  
22 Such orders shall in no way affect or delay the finality of this Judgment and shall not affect or delay  
23 the Effective Date of the Settlement.

24 15. **Modification of the Agreement of Settlement** – Without further approval from the  
25 Court, Plaintiffs and Defendants are hereby authorized to agree to and adopt such amendments or  
26 modifications of the Amended Stipulation or any exhibits attached thereto to effectuate the  
27 Settlement that: (a) are not materially inconsistent with this Judgment; and (b) do not materially  
28 limit the rights of Settlement Class Members in connection with the Settlement. Without further

1 order of the Court, Plaintiffs and Defendants may agree to reasonable extensions of time to carry  
2 out any provisions of the Settlement.

3 16. **Termination of Settlement** – If the Settlement is terminated as provided in the  
4 Amended Stipulation or the Effective Date of the Settlement otherwise fails to occur, this Judgment  
5 shall be vacated, rendered null and void and be of no further force and effect, except as otherwise  
6 provided by the Amended Stipulation, and this Judgment shall be without prejudice to the rights of  
7 Plaintiffs, the other Settlement Class Members and Defendants, and the Parties shall revert to their  
8 respective positions in the Action as of February 28, 2023, as provided in the Amended Stipulation.  
9

10 17. **Entry of Final Judgment** – There is no just reason to delay the entry of this  
11 Judgment as a final judgment in this Action. Accordingly, the Clerk of the Court is expressly  
12 directed to immediately enter this final judgment in this Action.

13  
14 SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2024.  
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18 \_\_\_\_\_  
The Honorable Thomas S. Zilly  
United States District Judge  
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**Exhibit 1**

**List of Persons and Entities Excluded from the Settlement Class Pursuant to Request**



# **Exhibit 2**

EXECUTION VERSION

THE HONORABLE THOMAS S. ZILLY

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

ANTONIO BACHAALANI NACIF and  
WIES RAFI, Individually and on behalf of all  
others similarly situated,

Plaintiffs,

v.

ATHIRA PHARMA, INC., et al.,

Defendants.

CASE NO.: 2:21-cv-00861-TSZ  
(Consolidated with 21-cv-00862-TSZ and  
21-cv-00864-TSZ)

**AMENDED STIPULATION AND AGREEMENT OF SETTLEMENT**

This Amended Stipulation and Agreement of Settlement, dated as of ~~April 27~~ December 15, 2023, (the "Amended Stipulation") is entered into by and among (a) Court-appointed lead plaintiffs Antonio Bachaalani Nacif and Wies Rafi (collectively, "Lead Plaintiffs") and additional plaintiff Hang Gao (together with Lead Plaintiffs, "Plaintiffs"), on behalf of themselves and the Settlement Class (defined below); (b) Athira Pharma, Inc. ("Athira" or the "Company"); (c) Dr. Leen Kawas, Glenna Mileson, Dr. Tadataka Yamada, Joseph Edelman, James A. Johnson, and John M. Fluke, Jr. (the "Individual Defendants"); and (d) Goldman Sachs & Co. LLC, Jefferies LLC, Stifel, Nicolaus & Company, Inc., and JMP Securities LLC (the "Underwriter Defendants," together with Athira and Individual Defendants, "Defendants" and, Defendants together with ~~Lead~~ Plaintiffs, the "Parties"), and embodies the terms and conditions of the settlement of the

1 above-captioned action (the “Action”). This Amended Stipulation amends the parties’ Stipulation  
2 and Agreement of Settlement, dated as of April 27, 2023 (the “Stipulation”).<sup>1</sup> Subject to the  
3 approval of the Court and the terms and conditions expressly provided herein, this Amended  
4 Stipulation is intended to fully, finally and forever compromise, settle, release, resolve, and  
5 dismiss with prejudice the Action and all claims asserted or that could have been asserted therein  
6 against Defendants.

7  
8 WHEREAS:

9 A. A Plaintiff Gao filed a class action complaint ~~was filed~~ on June 25, 2021 in the  
10 United States District Court for the Western District of Washington (the “Court”), styled *Fan*  
11 *Wang and Hang Gao v. Athira Pharma, Inc. et al.*, Case No. 2:21-cv-00861, alleging claims  
12 under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (“Exchange Act”). ECF  
13 No. 1. Thereafter, complaints in the following actions were also filed: *Jawandha v. Athira*  
14 *Pharma, Inc., et al.*, Case No. 2:21-cv-00862-JCC (W.D. Wash.) and *Slyne et al. v. Athira*  
15 *Pharma, Inc., et al.*, 2:21-cv-00864-JLR (W.D. Wash.). The cases were consolidated by Order  
16 dated August 9, 2021, and assigned to the Honorable Thomas S. Zilly. ECF No. 15.

17  
18 B. By Order dated October 5, 2021, Nacif and Rafi were appointed Lead Plaintiffs,  
19 Labaton Sucharow LLP and Glancy Prongay & Murray LLP were approved as Co-Lead Counsel,  
20 and Breskin Johnson & Townsend, PLLC and Rossi Vucinovich, P.C. were approved as Liaison  
21 Counsel. ECF No. 60.

22 C. On January 7, 2022, Lead Plaintiffs filed and served the operative consolidated  
23 amended complaint in this Action asserting claims against Athira and the Individual Defendants  
24 under Section 10(b) and Section 20(a) of the ~~Securities Exchange Act of 1934 (the “Exchange~~  
25

26  
27 <sup>1</sup> All terms with initial capitalization not otherwise defined herein shall have the meanings  
28 ascribed to them in ¶ 1 herein.

1 Act<sup>2)</sup> and Rule 10b-5 promulgated thereunder, claims against all Defendants under Sections 11  
2 and 12(a)(2) of the Securities Act of 1933 (the “Securities Act”) with respect to the Company’s  
3 Initial Public Offering (“IPO”) and Secondary Public Offering (“SPO”), and claims against the  
4 Individual Defendants under Section 15 of the Securities Act with respect to the Company’s IPO  
5 and SPO (the “Complaint”). ECF No. 74. Among other things, the Complaint alleged that  
6 Defendants made materially false and misleading statements and/or failed to disclose that the  
7 Company’s president and chief executive officer, Dr. Kawas, had improperly enhanced images in  
8 certain research papers she co-authored that were published from 2011 to 2014, which were  
9 referenced in certain applications by Washington State University (“WSU”) for patents that were  
10 then exclusively licensed to Athira. The Complaint further alleged that when the information  
11 regarding the allegedly enhanced images was disclosed, the Company’s stock price was negatively  
12 impacted.  
13

14 D. Following briefing on the Defendants’ motions to dismiss, the Court granted in part  
15 and denied in part Defendants’ motions to dismiss on July 29, 2022 (“MTD Order”). ECF No. 89.  
16 The MTD Order denied Defendants’ motion with respect to Lead Plaintiffs’ claims under Sections  
17 11 and 15 of the Securities Act against Dr. Kawas and Athira solely as to “Statement 3,” which  
18 was contained in Athira’s IPO and SPO Registration Statements and discussed Athira’s exclusive  
19 patent licensing agreement with WSU. MTD Order at 49. The MTD Order granted Defendants’  
20 motions to dismiss with respect to Lead Plaintiffs’ claims under Sections 11 and 15 of the  
21 Securities Act against Athira and Dr. Kawas with regard to all statements in the IPO and SPO  
22 Registration Statements other than “Statement 3.” In addition, the MTD Order dismissed all  
23 claims under Section 12(a)(2) of the Securities Act, all claims under the Exchange Act, all claims  
24 against the other Individual Defendants, and all claims against the Underwriter Defendants.  
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1 E. On August 12, 2022, Dr. Kawas moved for partial reconsideration of the MTD  
2 Order (ECF No. 90), which Lead Plaintiffs opposed (ECF Nos. 92-93).

3 F. Following the MTD Order and the denial of Dr. Kawas’s motion for partial  
4 reconsideration of the MTD Order on October 4, 2022 (ECF No. 95), Athira and Dr. Kawas  
5 separately filed answers to the Complaint. ECF Nos. 101-02.<sup>2</sup>

6 G. Thereafter, the Private Securities Litigation Reform Act of 1995 (“PSLRA”)  
7 discovery stay was lifted, and the remaining ~~Parties~~parties began discovery. Discovery included  
8 the filing of a joint discovery plan, a protective order and ESI Protocol governing the production  
9 of electronic discovery. Lead Plaintiffs and the remaining Defendants propounded requests for  
10 production of documents and interrogatories. The remaining Defendants and Lead Plaintiffs  
11 responded to this discovery, including providing verified interrogatory responses and producing  
12 documents. At the time the Settlement was reached, Lead Plaintiffs were preparing for class  
13 certification and fact depositions.  
14

15 H. On February 16, 2023, Co-Lead Counsel and counsel for the remaining Defendants  
16 participated in a full-day mediation session with Jed Melnick, Esq. of JAMS. In advance of the  
17 session, the Lead Plaintiffs and the remaining Defendants exchanged, and provided to Mr.  
18 Melnick, detailed mediation statements and exhibits, which addressed issues of both liability and  
19 damages. The session culminated in an agreement in principle to settle the Action.  
20

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25 <sup>2</sup> The Underwriter Defendants filed a Motion for Entry of Final Judgment under Rule 54(b) on  
26 December 19, 2022. ECF No. 105. Following briefing on the motion, the Court entered an order  
27 deferring and renouncing the motion for March 17, 2023. ECF No. 114. Based on the proposed  
28 ~~Settlement~~settlement, the Underwriter Defendants entered a stipulation to withdraw that motion  
without prejudice to refile it if the ~~Settlement~~settlement is not completed for any reason.

1 I. Over the course of the next several weeks, the ~~Parties~~parties negotiated a term  
2 sheet (the “Term Sheet”) containing the essential terms of the ~~Settlement~~settlement, which was  
3 executed on February 28, 2023.

4 J. In connection with the agreement in principle to settle the Action set forth in the  
5 Term Sheet, Athira also provided Co-Lead Counsel with additional document discovery, which  
6 consisted of documents the Special Committee of Athira’s Board of Directors considered and  
7 relied on in its investigation into the conduct at issue. Review of the additional documents  
8 produced by Athira, together with the previous discovery and Co-Lead Counsel’s investigation to  
9 date, ~~has~~ confirmed to Lead Plaintiffs and Co-Lead Counsel that the ~~Settlement is~~proposed  
10 settlement would be fair, reasonable and adequate to Lead Plaintiffs and the other members of the  
11 Settlement Class.  
12

13 K. On April 28, 2023, Lead Plaintiffs filed a motion for preliminary approval of the  
14 proposed settlement. ECF No. 118. On May 31, 2023, the Court issued a minute order (“Minute  
15 Order”) raising certain questions and concerns about the proposed settlement. ECF No. 119. The  
16 parties filed a Joint Status Report in response on June 30, 2023. ECF No. 122.

17  
18 L. By order dated September 27, 2023, ECF No. 123, the Court denied Lead  
19 Plaintiffs’ motion for preliminary approval without prejudice to renew, if appropriate, after further  
20 settlement negotiations. The Court questioned, *inter alia*, the treatment of claims under the  
21 Exchange Act relative to claims under the Securities Act given that, among other things, the Court  
22 had previously sustained the Section 11 claims based on the Company’s IPO and SPO, but  
23 dismissed the Section 10(b) claims based on the same misstatements for lack of scienter.

24  
25 M. In light of the Court’s denial of preliminary approval, the parties discussed the  
26 parameters of the proposed settlement and the scope of the proposed settlement class. To advance  
27 a settlement and achieve a comprehensive resolution of the claims in the Action, in an abundance  
28

1 of caution, Lead Plaintiff Nacif invited Plaintiff Gao—who also holds Section 10(b) claims and  
2 would have been entitled to request exclusion from the proposed Settlement Class to pursue his  
3 own individual claims—to join him in representing the interests of class members with Exchange  
4 Act claims to negotiate their settlement.

5 N. Following the Court’s denial of preliminary approval, which rejected the proposed  
6 plan of allocation, the parties decided that the best way to avoid any potential conflicts of interest  
7 and reach the most appropriate allocation between claims under the Securities Act and claims  
8 under the Exchange Act was to engage in an arm’s-length mediation process before Mr. Melnick,  
9 who had mediated the original settlement. In this process, the Securities Act claims were  
10 represented by Lead Plaintiff Wies Rafi (and his counsel, Glancy Prongay & Murray LLP), the  
11 Exchange Act claims were represented by Lead Plaintiff Antonio Nacif and Hang Gao (and their  
12 counsel, Labaton Sucharow LLP and Block & Leviton LLP, respectively), and defendants were  
13 represented by Defendant Athira (and their counsel Wilson Sonsini Goodrich & Rosati, P.C).

14 O. In advance of the mediation session, counsel for each of the parties submitted letter  
15 briefs supporting their views and Plaintiffs provided Mr. Melnick a summary of their damages  
16 expert report. On November 16, 2023, Mr. Melnick conducted a half-day mediation session, via  
17 Zoom videoconference. During the session, Counsel shared competing perspectives on the  
18 strengths and weaknesses of the class’s claims under Exchange Act and Securities Act theories,  
19 the relative value of the claims, the amount of damages available under each, the number of  
20 potential Exchange Act and/or Securities Act claimants, the likelihood of a successful appeal of  
21 the Court’s dismissal of the Exchange Act claims, and Defendants’ reasons and motivations for  
22 settling and agreeing to the Settlement Amount. Following this process, Mr. Melnick determined  
23 that a fair and reasonable distribution of the Settlement Fund is to assign no less than ninety-one  
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1 and a half percent (91.5%) of the net settlement proceeds to Securities Act claims and up to eight  
2 and a half percent (8.5%) of the net settlement proceeds to the Exchange Act claims.

3 P. ~~K.~~ This Amended Stipulation (together with the exhibits hereto) reflects the final  
4 and binding agreement to settle among all Parties (the “Settlement”).

5 Q. ~~L.~~ Based upon their investigation, prosecution and mediation of the case, ~~Lead~~  
6 Plaintiffs and Co-Lead Counsel have concluded that the terms and conditions of this Amended  
7 Stipulation and the Settlement are fair, reasonable, and adequate to ~~Lead~~-Plaintiffs and the other  
8 members of the Settlement Class, and in their best interests. Based on ~~Lead~~-Plaintiffs’ direct  
9 oversight of the prosecution of this Action and with the advice of their counsel, each of the ~~Lead~~  
10 Plaintiffs has agreed to settle and release the claims raised in the Action pursuant to the terms and  
11 provisions of this Amended Stipulation, after considering, among other things: (a) the substantial  
12 financial benefit that ~~Lead~~-Plaintiffs and the other members of the Settlement Class will receive  
13 under the proposed Settlement; and (b) the significant risks and costs of continued litigation and  
14 trial.  
15

16  
17 R. ~~M.~~ This Amended Stipulation constitutes a compromise of matters that are in  
18 dispute between the Parties. Defendants are entering into this ~~Stipulation~~stipulation solely to  
19 eliminate the uncertainty, burden, and expense of further protracted litigation. Each of the  
20 Defendants denies any wrongdoing or liability, and this Amended Stipulation shall in no event be  
21 construed or deemed to be evidence of or an admission or concession on the part of any of the  
22 Defendants or any other of the Released Defendants’ Parties with respect to any claim or  
23 allegation of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the  
24 defenses that the Defendants have, or could have, asserted. The Defendants expressly deny that  
25 ~~Lead~~-Plaintiffs have asserted any valid claims as to any of them, and expressly deny any and all  
26 allegations of fault, liability, wrongdoing or damages whatsoever. Similarly, this Amended  
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1 Stipulation shall in no event be construed or deemed to be evidence of or an admission or  
2 concession on the part of any ~~Lead~~ Plaintiff of any infirmity in any of the claims asserted in the  
3 Action, or an admission or concession that any of the Defendants' defenses to liability had any  
4 merit. Each of the Parties recognizes and acknowledges, however, that the Action has been  
5 initiated, filed and prosecuted by ~~Lead~~ Plaintiffs in good faith and defended by Defendants in good  
6 faith, that the Action is being voluntarily settled with the advice of counsel, and that the terms of  
7 the Settlement are fair, adequate and reasonable.

8  
9 NOW THEREFORE, it is hereby STIPULATED AND AGREED, by and among ~~Lead~~  
10 Plaintiffs (individually and on behalf of all other members of the Settlement Class) and  
11 Defendants, by and through their respective undersigned attorneys and subject to the approval of  
12 the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, that, in consideration of  
13 the benefits flowing to the Parties from the Settlement, all Released Plaintiffs' Claims as against  
14 the Released Defendants' Parties and all Released Defendants' Claims as against the Released  
15 Plaintiffs' Parties shall be settled and released, upon and subject to the terms and conditions set  
16 forth below.

#### 17 DEFINITIONS

18  
19 1. As used in this Amended Stipulation and any exhibits attached hereto and made a  
20 part hereof, the following capitalized terms shall have the following meanings:

21 (a) "Action" means the consolidated securities class action in the matter styled  
22 *Nacif et al., v. Athira Pharma, Inc. et al.*, Case No.: 2:21-cv-00861-TSZ (W.D. Wash.), and  
23 includes all actions consolidated therein.

24 (b) "Alternate Judgment" means a form of final judgment that may be entered  
25 by the Court herein but in a form other than the form of Judgment provided for in this Amended  
26 Stipulation.  
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(c) “Athira” or the “Company” means Athira Pharma, Inc.

(d) “Authorized Claimant” means a Settlement Class Member who submits a Proof of Claim Form to the Claims Administrator that is approved for payment from the Net Settlement Fund.

(e) “Claim” means a Proof of Claim Form submitted to the Claims Administrator.

(f) “Claim Form” or “Proof of Claim Form” means the form, substantially in the form attached hereto as Exhibit 2 to Exhibit A, that a Claimant must complete and submit should that Claimant seek to share in a distribution of the Net Settlement Fund.

(g) “Claimant” means a person or entity who or which submits a Claim Form to the Claims Administrator seeking to be eligible to share in the proceeds of the Net Settlement Fund.

(h) “Claims Administrator” means the firm retained by Lead Plaintiffs and Co-Lead Counsel, subject to approval of the Court, to provide all notices approved by the Court to potential Settlement Class Members and to administer the Settlement.

(i) “Class Period” means the period from September 17, 2020 through June 17, 2021, inclusive.

(j) “Co-Lead Counsel” means the law firms of Glancy Prongay & Murray, LLP and Labaton Sucharow LLP.

(k) “Complaint” means the Consolidated Amended Complaint for Violations of the Federal Securities Laws filed by Lead Plaintiffs in the Action on January 7, 2022.

(l) “Court” means the United States District Court for the Western District of Washington.

1 (m) “Defendants” means Athira, the Individual Defendants, and the Underwriter  
2 Defendants.

3 (n) “Defendants’ Counsel” means the law firms of Wilson Sonsini Goodrich &  
4 Rosati, P.C., Perkins Coie LLP, and DLA Piper LLP (US).

5 (o) “Effective Date” with respect to the Settlement means the first date by  
6 which all of the events and conditions specified in ¶ 31 of this Amended Stipulation have been  
7 met and have occurred or have been waived.

8 (p) “Escrow Account” means an account maintained at Citibank N.A. (Private  
9 Bank) wherein the Settlement Amount shall be deposited and held in escrow under the control of  
10 Co-Lead Counsel.

11 (q) “Escrow Agent” means Citibank N.A. (Private Bank).

12 (r) “Exchange Act Class” means all persons and entities who or which  
13 purchased or otherwise acquired Athira Pharma, Inc. publicly traded common stock during the  
14 period from March 17, 2021 through June 17, 2021, inclusive, and were damaged thereby.  
15

16 (s) “Exchange Act Period” means the period from March 17, 2021 through  
17 June 17, 2021, inclusive.  
18

19 (t) ~~(s)~~ “Excluded Claim(s)” means (i) any claims relating to enforcement of the  
20 Settlement; (ii) any claims of any person or entity who or which submits a request for exclusion  
21 from the Settlement Class that is accepted by the Court; and (iii) any derivative claims asserted by  
22 shareholders on behalf of Athira in the related consolidated shareholder derivative lawsuits,  
23 captioned *Bushansky v. Kawas et al.*, No. 2:22-cv-497-TSZ (W.D. Wash.) and *Houlihan v. Kawas*  
24 *et al.*, No. 2:22-cv-620-TSZ (W.D. Wash.).  
25

26 (u) ~~(s)~~ “Final,” with respect to the Judgment or, if applicable, the Alternate  
27 Judgment, or any other court order, means: (i) if no appeal is filed, the expiration date of the time  
28

1 provided for filing or noticing any appeal under the Federal Rules of Appellate Procedure, *i.e.*,  
2 thirty (30) days after entry of the judgment or order; or (ii) if there is an appeal from the judgment  
3 or order, (a) the date of final dismissal of all such appeals, or the final dismissal of any proceeding  
4 on certiorari or otherwise, or (b) the date the judgment or order is finally affirmed on an appeal,  
5 the expiration of the time to file a petition for a writ of certiorari or other form of review, or the  
6 denial of a writ of certiorari or other form of review, and, if certiorari or other form of review is  
7 granted, the date of final affirmance following review pursuant to that grant. However, any appeal  
8 or proceeding seeking subsequent judicial review pertaining solely to an order issued with respect  
9 to (i) attorneys' fees, costs or expenses, or (ii) the plan of allocation of Settlement proceeds (as  
10 submitted or subsequently modified), shall not in any way delay or preclude a judgment from  
11 becoming Final.  
12

13 (v) ~~(t)~~ "Immediate Family" means any immediate family member as that term is  
14 defined in 17 C.F.R. § 229.404, Instructions (1)(a)(iii) and (1)(b)(ii).  
15

16 (w) ~~(u)~~ "Individual Defendants" means Dr. Leen Kawas, Glenna Mileson, Dr.  
17 Tadataka Yamada, Joseph Edelman, James A. Johnson, and John M. Fluke, Jr.  
18

19 (x) ~~(v)~~ "Investment Vehicle" means any investment company or pooled  
20 investment fund, including, but not limited to, mutual funds, mutual fund families, exchange  
21 traded funds, fund of funds, and hedge funds, in which any of the Underwriter Defendants have,  
22 has or may have a direct or indirect interest, or as to which it or its affiliates may act as an  
23 investment advisor, but in which any of the Underwriter Defendants alone or together with their  
24 respective affiliates is not a majority owner or does not hold a majority beneficial interest.

25 (y) ~~(w)~~ "IPO" means Athira's September 2020 initial public offering.

26 (z) ~~(x)~~ "Judgment" means the final judgment, substantially in the form attached  
27 hereto as Exhibit B, to be entered by the Court approving the Settlement.  
28

1            (aa)    ~~(y)~~ “Lead Plaintiffs” means Antonio Bachaalani Nacif and Wies Rafi.

2            (bb)    ~~(z)~~ “Litigation Expenses” means costs and expenses incurred in connection  
3 with commencing, prosecuting and settling the Action (which may include the costs and expenses  
4 of ~~Lead~~ Plaintiffs directly related to their representation of the Settlement Class), for which  
5 Co-Lead Counsel ~~intends~~intend to apply to the Court for reimbursement from the Settlement  
6 Fund.

7            (cc)    ~~(aa)~~ “Net Settlement Fund” means the Settlement Fund less: (i) any Taxes;  
8 (ii) any Notice and Administration Costs; (iii) any Litigation Expenses awarded by the Court;  
9 (iv) any attorneys’ fees awarded by the Court; and (v) any other costs and fees awarded by the  
10 Court.

11            (dd)    ~~(bb)~~ “Notice” means the Notice of (I) Pendency of Class Action and  
12 Proposed Settlement; (II) Settlement Hearing; and (III) Motion for an Award of Attorneys’ Fees  
13 and Payment of Litigation Expenses, substantially in the form attached hereto as Exhibit 1 to  
14 Exhibit A, which is to be mailed to Settlement Class Members.

15            (ee)    ~~(ee)~~ “Notice and Administration Costs” means the costs, fees and expenses  
16 that are incurred by the Claims Administrator and/or Co-Lead Counsel in connection with:  
17 (i) providing notices to the Settlement Class; and (ii) administering the Settlement, including but  
18 not limited to the Claims process, as well as the costs, fees and expenses incurred in connection  
19 with the Escrow Account.

20            (ff)    ~~(dd)~~ “Parties” means Defendants and ~~Lead~~ Plaintiffs, on behalf of  
21 themselves and the Settlement Class.  
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1            (gg) ~~(ee)~~ “Person” means any individual, corporation (including all divisions and  
2 subsidiaries), general or limited partnership, association, joint stock company, joint venture,  
3 limited liability company, professional corporation, estate, legal representative, trust,  
4 unincorporated association, government or any political subdivision or agency thereof, and any  
5 other business or legal entity.

6            (hh) “Plaintiffs” means Wies Rafi, Antonio Bachaalani Nacif, and Hang Gao.

7            (ii) ~~(ff)~~ “Plaintiffs’ Counsel” means Labaton Sucharow LLP, Glancy Prongay &  
8 Murray LLP, Rossi Vucinovich, P.C., ~~and~~ the Schall Law Firm, and Block & Leviton LLP.  
9

10           (jj) ~~(gg)~~ “Plan of Allocation” means the proposed plan of allocation of the Net  
11 Settlement Fund set forth in the Notice.

12           (kk) ~~(hh)~~ “Preliminary Approval Order” means the order, substantially in the  
13 form attached hereto as Exhibit A, to be entered by the Court preliminarily approving the  
14 Settlement and directing that notice of the Settlement be provided to the Settlement Class.  
15

16           (ll) ~~(ii)~~ “PSLRA” means the Private Securities Litigation Reform Act of 1995,  
17 Public Law No. 104-67, 109 Stat. 737 (codified as amended in scattered sections of 15 U.S.C.).

18           (mm) ~~(jj)~~ “Released Claims” means all Released Defendants’ Claims and all  
19 Released Plaintiffs’ Claims.

20           (nn) ~~(kk)~~ “Released Defendants’ Claims” means all claims and causes of action  
21 of every nature and description, whether known claims or Unknown Claims, whether arising under  
22 federal, state, local, common, statutory, administrative, or foreign law, or any other law, rule, or  
23 regulation, at law or in equity, whether fixed or contingent, whether foreseen or unforeseen,  
24 whether accrued or unaccrued, whether liquidated or unliquidated, whether matured or unmatured,  
25 whether direct, representative, class, or individual in nature that arise out of or relate in any way to  
26 the institution, prosecution, or settlement of the claims against the Defendants. Released  
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28

1 Defendants' Claims do not include any claims relating to the enforcement of the Settlement or any  
2 claims against any person or entity who or which submits a request for exclusion from the  
3 Settlement Class that is accepted by the Court.

4 (oo) ~~(H)~~ "Released Defendants' Parties" means (a) each Defendant; (b) the  
5 Immediate Family members (as defined above) of the Individual Defendants; (c) direct or indirect  
6 parent entities, subsidiaries, related entities, and affiliates of Athira and the Underwriter  
7 Defendants; (d) any trust of which any Individual Defendant is the settlor or which is for the  
8 benefit of any Individual Defendant and/or his or her Immediate Family members; (e) for any of  
9 the entities listed in parts (a) through (d), their respective past and present general partners, limited  
10 partners, principals, shareholders, joint venturers, members, officers, directors, managers,  
11 managing directors, supervisors, employees, contractors, consultants, experts, auditors,  
12 accountants, financial advisors, professional advisors, investment bankers, representatives,  
13 insurers, trustees, trustors, agents, attorneys, professionals, predecessors, successors, assigns, legal  
14 representatives, heirs, executors, administrators, and any controlling person thereof; and (f) any  
15 entity in which a Defendant has a controlling interest; all in their capacities as such.  
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18 (pp) ~~(mm)~~ "Released Plaintiffs' Claims" means any and all claims, demands,  
19 rights, liabilities, and causes of action of every nature and description, whether known claims or  
20 Unknown Claims, contingent or absolute, mature or not mature, liquidated or unliquidated,  
21 accrued or not accrued, concealed or hidden, whether direct, representative, class, or individual in  
22 nature, regardless of legal or equitable theory and whether arising under federal, state, common, or  
23 foreign law, that ~~Lead~~ Plaintiffs or any other member of the Settlement Class: (a) asserted in the  
24 Action; or (b) could have asserted in any court or forum, that arise out of or are based upon (i) the  
25 allegations, transactions, facts, matters or occurrences, representations or omissions set forth or  
26 referred to in the complaints filed in the Action, and (ii) the purchase, acquisition, sale, or holding  
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1 of Athira publicly traded common stock during the Class Period or pursuant and/or traceable to the  
2 registration statements and prospectuses issued in connection with Athira's IPO or SPO. Released  
3 Plaintiffs' Claims do not include: (a) any claims relating to enforcement of the Settlement; (b) any  
4 claims of any person or entity who or which submits a request for exclusion from the Settlement  
5 Class that is accepted by the Court; and (c) any derivative claims asserted by shareholders on  
6 behalf of Athira in the related consolidated shareholder derivative lawsuits, captioned *Bushansky*  
7 *v. Kawas, et al.*, No. 2:22-cv-497-TSZ (W.D. Wash.) and *Houlihan v. Kawas et al.*, No.  
8 2:22-cv-620-TSZ (W.D. Wash.).

9  
10 (qq) ~~(nn)~~ "Released Plaintiffs' Parties" means (a) ~~Lead~~ Plaintiffs, all Settlement  
11 Class members, Plaintiffs' Counsel, and (b) each of their respective family members, and their  
12 respective general partners, limited partners, principals, shareholders, joint venturers, members,  
13 officers, directors, managers, managing directors, supervisors, employees, contractors, consultants,  
14 experts, auditors, accountants, financial advisors, professional advisors, investment bankers,  
15 representatives, insurers, trustees, trustors, agents, attorneys, legal representatives, professionals,  
16 predecessors, successors, assigns, heirs, executors, administrators, and any controlling person  
17 thereof, in their capacities as such.

18  
19 (rr) ~~(oo)~~ "Releasee(s)" means each and any of the Released Defendants' Parties  
20 and each and any of the Released Plaintiffs' Parties.

21 (ss) ~~(pp)~~ "Releases" means the releases set forth in ¶¶ 5-6 of this Amended  
22 Stipulation.

23  
24 (tt) "Securities Act Class" means all persons and entities who or which  
25 purchased or otherwise acquired Athira Pharma, Inc. publicly traded common stock during the  
26 period from September 17, 2020 through March 16, 2021, inclusive, and were damaged thereby.



1                   (uu) “Securities Act Period” means the time period from September 17, 2020  
2 through March 16, 2021, inclusive.

3                   (vv) ~~(qq)~~ “Settlement” means the settlement between ~~Lead~~ Plaintiffs and  
4 Defendants on the terms and conditions set forth in this Amended Stipulation.

5                   (ww) ~~(rr)~~ “Settlement Amount” means \$10,000,000 (ten million dollars) in cash.

6                   (xx) ~~(ss)~~ “Settlement Class” means all ~~persons and entities who or which~~  
7 ~~purchased or otherwise acquired Athira Pharma, Inc. publicly traded common stock: (a) during the~~  
8 ~~period from September 17, 2020 through June 17, 2021, inclusive; (b) pursuant and/or traceable to~~  
9 ~~the registration statement and prospectus issued in connection with the Company’s September~~  
10 ~~2020 initial public offering; and/or (c) pursuant and/or traceable to the registration statement and~~  
11 ~~prospectus issued in connection with the Company’s January 2021 secondary public offering, and~~  
12 ~~were damaged thereby~~ members of the Securities Act Class and all members of the Exchange Act

13 Class. Excluded from the Settlement Class are: (a) Defendants; (b) any Person who served as a  
14 partner, control person, executive officer and/or director of Athira or the Underwriter Defendants  
15 during the Class Period, and members of their Immediate Family; (c) present and former parents,  
16 subsidiaries, assigns, successors, affiliates, and predecessors of Athira and the Underwriter  
17 Defendants; (d) any entity in which the Defendants have or had a controlling interest; (e) any trust  
18 of which an Individual Defendant is the settlor or which is for the benefit of an Individual  
19 Defendant and/or member(s) of their Immediate Family; (f) liability insurance carriers for Athira  
20 or the Individual Defendants; and (g) the legal representatives, heirs, successors, and assigns of  
21 any person or entity excluded under provisions (a) through (f) hereof. Notwithstanding any  
22 provision to the contrary, (a) any Investment Vehicle shall not be excluded from the Settlement  
23 Class; and (b) “affiliates” are persons or entities that directly, or indirectly through one or more  
24 intermediaries, control, are controlled by or are under common control with one of the Defendants,  
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1 including Athira’s employee retirement and/or benefit plan(s). Also excluded from the Settlement  
2 Class are any persons and entities who or which submit a valid request for exclusion from the  
3 Settlement Class that is accepted by the Court.

4 (yy) ~~(tt)~~ “Settlement Class Member” means each person and entity who or which  
5 is a member of the Settlement Class.

6 (zz) ~~(uu)~~ “Settlement Fund” means the Settlement Amount plus any and all  
7 interest or earnings thereon.

8 (aaa) ~~(vv)~~ “Settlement Hearing” means the hearing set by the Court under  
9 Rule 23(e)(2) of the Federal Rules of Civil Procedure to consider final approval of the Settlement  
10 and related matters.

11 (bbb) ~~(ww)~~ “SPO” means Athira’s January 2021 secondary public offering.

12 (ccc) ~~(xx)~~ “Summary Notice” means the Summary Notice of (I) Pendency of  
13 Class Action and Proposed Settlement; (II) Settlement Hearing; and (III) Motion for an Award of  
14 Attorneys’ Fees and Payment of Litigation Expenses, substantially in the form attached hereto as  
15 Exhibit 3 to Exhibit A, to be published as set forth in the Preliminary Approval Order.

16 (ddd) ~~(yy)~~ “Taxes” means: (i) all federal, state and/or local taxes of any kind  
17 (including any interest or penalties thereon) on any income earned by the Settlement Fund; and (ii)  
18 the expenses and costs incurred by Co-Lead Counsel in connection with determining the amount  
19 of, and paying, any taxes owed by the Settlement Fund (including, without limitation, expenses of  
20 tax attorneys and accountants).

21 (eee) ~~(zz)~~ “Underwriter Defendants” mean Goldman Sachs & Co. LLC, Jefferies  
22 LLC, Stifel, Nicolaus & Company, Inc., and JMP Securities LLC.

23 (fff) ~~(aaa)~~ “Unknown Claims” means any Released Plaintiffs’ Claims which any  
24 ~~Lead~~ Plaintiff or any other Settlement Class Member does not know or suspect to exist in his, her  
25



1 Co-Lead Counsel as Class Counsel for the Settlement Class pursuant to Rule 23(g) of the Federal  
2 Rules of Civil Procedure.

3 **PRELIMINARY APPROVAL OF SETTLEMENT**

4 3. Promptly upon execution of this Amended Stipulation, ~~Lead~~ Plaintiffs will move  
5 for preliminary approval of the Settlement, certification of the Settlement Class for settlement  
6 purposes only, and the scheduling of a hearing for consideration of final approval of the  
7 Settlement, which motion shall be unopposed by Defendants. Concurrently with the motion for  
8 preliminary approval, ~~Lead~~ Plaintiffs shall apply to the Court for, and Defendants shall agree to,  
9 entry of the Preliminary Approval Order, substantially in the form attached hereto as Exhibit A.  
10

11 **RELEASE OF CLAIMS**

12 4. The obligations incurred pursuant to this Amended Stipulation are in consideration  
13 of: (i) the full and final disposition of the Action as against Defendants; and (ii) the Releases  
14 provided for herein.

15 5. Pursuant to the Judgment, or the Alternate Judgment, if applicable, without further  
16 action by anyone, upon the Effective Date of the Settlement, ~~Lead~~ Plaintiffs and each of the other  
17 Settlement Class Members, on behalf of themselves, and their respective heirs, executors,  
18 administrators, trustees, predecessors, successors, and assigns, in their capacities as such only,  
19 shall be deemed to have, and by operation of law and of the Judgment or Alternate Judgment shall  
20 have, fully, finally and unconditionally released as against the Defendants and the other Released  
21 Defendants' Parties each and every Released Plaintiffs' Claim, and shall forever be barred and  
22 enjoined from prosecuting any or all of the Released Plaintiffs' Claims against any of the  
23 Defendants and other Released Defendants' Parties. This release shall not apply to any Excluded  
24 Claim.  
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1 the Individual Defendants' insurance carriers (the "D&O Insurers") will be paid directly into the  
2 Escrow Account by the D&O Insurers.

3 **USE OF SETTLEMENT FUND**

4 9. The Settlement Fund shall be used to pay: (a) any Taxes; (b) any Notice and  
5 Administration Costs; (c) any Litigation Expenses awarded by the Court; and (d) any attorneys'  
6 fees awarded by the Court. The balance remaining in the Settlement Fund, that is, the Net  
7 Settlement Fund, shall be distributed to Authorized Claimants as provided in ¶¶ 18-29 below.

8 10. Except as provided herein or pursuant to orders of the Court, the Net Settlement  
9 Fund shall remain in the Escrow Account prior to the Effective Date. All funds held by the  
10 Escrow Agent shall be deemed to be in the custody of the Court and shall remain subject to the  
11 jurisdiction of the Court until such time as the funds shall be distributed or returned pursuant to  
12 the terms of this [Amended](#) Stipulation and/or further order of the Court. The Escrow Agent shall  
13 invest any funds in the Escrow Account exclusively in instruments or accounts backed by the full  
14 faith and credit of the United States Government or fully insured by the United States Government  
15 or an agency thereof, including U.S. Treasury bills, a U.S. Treasury Fund, or a bank account that is  
16 either: (a) fully insured by the Federal Deposit Insurance Corporation; or (b) secured by  
17 instruments backed by the full faith and credit of the United States Government. The Escrow  
18 Agent shall reinvest the proceeds of these instruments or accounts as they mature in similar  
19 instruments or accounts at their then-current market rates. Defendants shall not bear any  
20 responsibility for, or liability related to, the investment of the Settlement Fund by the Escrow  
21 Agent.  
22

23  
24 11. The Parties agree that the Settlement Fund is intended to be a Qualified Settlement  
25 Fund within the meaning of Treasury Regulation § 1.468B-1 and that Co-Lead Counsel, as  
26 administrator of the Settlement Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3),  
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1 shall be solely responsible for filing or causing to be filed all informational and other tax returns as  
2 may be necessary or appropriate (including, without limitation, the returns described in Treasury  
3 Regulation § 1.468B-2(k)) for the Settlement Fund. Co-Lead Counsel shall also be responsible for  
4 causing payment to be made from the Settlement Fund of any Taxes owed with respect to the  
5 Settlement Fund. The Released Defendants' Parties shall not have any liability or responsibility  
6 for any such Taxes. Upon written request, the relevant Defendants will provide to Co-Lead  
7 Counsel the statement described in Treasury Regulation § 1.468B-3(e). Co-Lead Counsel, as  
8 administrator of the Settlement Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3),  
9 shall timely make such elections as are necessary or advisable to carry out this paragraph,  
10 including, as necessary, making a "relation back election," as described in Treasury Regulation §  
11 1.468B-1(j), to cause the Qualified Settlement Fund to come into existence at the earliest  
12 allowable date, and shall take or cause to be taken all actions as may be necessary or appropriate  
13 in connection therewith.  
14

15           12. All Taxes shall be paid out of the Settlement Fund, and shall be timely paid as  
16 directed by Co-Lead Counsel, and without further order of the Court. Any tax returns prepared for  
17 the Settlement Fund (as well as the election set forth therein) shall be consistent with the previous  
18 paragraph and in all events shall reflect that all Taxes on the income earned by the Settlement  
19 Fund shall be paid out of the Settlement Fund as provided herein. The Released Defendants'  
20 Parties shall have no responsibility or liability for the acts or omissions of Co-Lead Counsel or its  
21 agents with respect to the payment of Taxes, as described herein.  
22

23           13. The Settlement is not a claims-made settlement. Upon the occurrence of the  
24 Effective Date, no Defendant, Released Defendants' Party, or any other person or entity who or  
25 which paid any portion of the Settlement Amount shall have any right to the return of the  
26 Settlement Fund or any portion thereof for any reason whatsoever, including without limitation,  
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1 the number of Claim Forms submitted, the collective amount of Recognized Claims of Authorized  
2 Claimants, the percentage of recovery of losses, or the amounts to be paid to Authorized  
3 Claimants from the Net Settlement Fund.

4 14. Notwithstanding the fact that the Effective Date of the Settlement has not yet  
5 occurred, Co-Lead Counsel may pay from the Settlement Fund, without further approval from  
6 Defendants or further order of the Court, all Notice and Administration Costs actually incurred  
7 and paid or payable. Such costs and expenses shall include, without limitation, the actual costs of  
8 printing and mailing the Notice, publishing the Summary Notice, reimbursements to nominee  
9 owners for forwarding the Notice to their beneficial owners, the administrative expenses incurred  
10 and fees charged by the Claims Administrator in connection with providing notice, administering  
11 the Settlement (including processing the submitted Claims), and the fees, if any, of the Escrow  
12 Agent. In the event that the Settlement is terminated pursuant to the terms of this [Amended](#)  
13 Stipulation, all Notice and Administration Costs paid or incurred, including any related fees, shall  
14 not be returned or repaid to Defendants, any of the other Released Defendants' Parties, or any  
15 other person or entity who or which paid any portion of the Settlement Amount.  
16  
17

18 **ATTORNEYS' FEES AND LITIGATION EXPENSES**

19 15. Co-Lead Counsel will apply to the Court for a collective award of attorneys' fees to  
20 Plaintiffs' Counsel to be paid from (and out of) the Settlement Fund. Co-Lead Counsel also will  
21 apply to the Court for payment of Litigation Expenses, which may include a request for  
22 reimbursement of ~~Lead~~ Plaintiffs' costs and expenses directly related to their representation of the  
23 Settlement Class, pursuant to the PSLRA, to be paid from (and out of) the Settlement Fund.  
24 Co-Lead Counsel's application for an award of attorneys' fees and/or Litigation Expenses is not  
25 the subject of any agreement between Defendants and ~~Lead~~ Plaintiffs other than what is set forth  
26 in this [Amended](#) Stipulation.  
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1           16. Any attorneys' fees and Litigation Expenses that are awarded by the Court shall be  
2 paid to Co-Lead Counsel from the Settlement Fund immediately upon award, notwithstanding the  
3 existence of any timely filed objections thereto, or potential for appeal therefrom, or collateral  
4 attack on the Settlement or any part thereof, subject to Co-Lead Counsel's obligation to make  
5 appropriate refunds or repayments to the Settlement Fund, plus accrued interest at the same net  
6 rate as is earned by the Settlement Fund, if the Settlement is terminated pursuant to the terms of  
7 this Amended Stipulation or if, as a result of any appeal or further proceedings on remand, or  
8 successful collateral attack, the award of attorneys' fees and/or Litigation Expenses is reduced or  
9 reversed and such order reducing or reversing the award has become Final. Co-Lead Counsel  
10 shall make the appropriate refund or repayment in full no later than thirty (30) calendar days after:  
11 (a) receiving from counsel to Athira and Dr. Kawas notice of the termination of the Settlement; or  
12 (b) any order reducing or reversing the award of attorneys' fees and/or Litigation Expenses has  
13 become Final. An award of attorneys' fees and/or Litigation Expenses is not a necessary term of  
14 this Amended Stipulation and is not a condition of the Settlement embodied herein. Neither ~~Lead~~  
15 Plaintiffs nor Co-Lead Counsel may cancel or terminate the Settlement based on this Court's or  
16 any appellate court's ruling with respect to attorneys' fees and/or Litigation Expenses.

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19           17. Co-Lead Counsel shall allocate the attorneys' fees awarded amongst Plaintiffs'  
20 Counsel in a manner which they, in good faith, believe reflects the contributions of such counsel  
21 to the institution, prosecution and settlement of the Action. Released Defendants' Parties shall  
22 have no responsibility for or liability whatsoever with respect to the allocation or award of  
23 attorneys' fees or Litigation Expenses. The attorneys' fees and Litigation Expenses that are  
24 awarded to Plaintiffs' Counsel shall be payable solely from the Settlement Fund.  
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**NOTICE AND SETTLEMENT ADMINISTRATION**

1  
2 18. As part of the Preliminary Approval Order, ~~Lead~~ Plaintiffs shall seek appointment  
3 of a Claims Administrator. The Claims Administrator shall administer the Settlement, including  
4 but not limited to the process of receiving, reviewing, and approving or denying Claims, under  
5 Co-Lead Counsel's supervision and subject to the jurisdiction of the Court. Other than Athira's  
6 obligation to provide its securities holders records as provided in ¶ 19 below, none of the  
7 Defendants, nor any other Released Defendants' Parties, shall have any involvement in or any  
8 responsibility, authority or liability whatsoever for the selection of the Claims Administrator, the  
9 Plan of Allocation, the administration of the Settlement, the Claims process, or disbursement of  
10 the Net Settlement Fund, and shall have no liability whatsoever to any person or entity, including,  
11 but not limited to, ~~Lead~~ Plaintiffs, any other Settlement Class Members or Co-Lead Counsel in  
12 connection with the foregoing. Defendants' Counsel shall cooperate in the administration of the  
13 Settlement to the extent reasonably necessary to effectuate its terms.  
14

15 19. In accordance with the terms of the Preliminary Approval Order to be entered by  
16 the Court, Co-Lead Counsel shall cause the Claims Administrator to mail the Notice and Proof of  
17 Claim Form to those members of the Settlement Class as may be identified through reasonable  
18 effort. Co-Lead Counsel shall also cause the Claims Administrator to have the Summary Notice  
19 published in accordance with the terms of the Preliminary Approval Order to be entered by the  
20 Court. For the purposes of identifying and providing notice to the Settlement Class, within five  
21 (5) business days of the date of entry of the Preliminary Approval Order, Athira shall provide or  
22 cause to be provided to the Claims Administrator in electronic format such as Excel (at no cost to  
23 the Settlement Fund, Co-Lead Counsel, ~~Lead~~ Plaintiffs, the Settlement Class or the Claims  
24 Administrator) lists of shareholders of record of Athira publicly traded common stock during the  
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1 Class Period, including purchasers in the IPO and SPO, to the extent such lists are reasonably  
2 available from Athira's stock transfer agent.

3 20. The Claims Administrator shall receive Claims and determine first, whether the  
4 Claim is a valid Claim, in whole or part, and second, each Authorized Claimant's *pro rata* share  
5 of the Net Settlement Fund based upon each Authorized Claimant's Recognized Claim ~~compared~~  
6 ~~to the total Recognized Claims of all Authorized Claimants (as set forth in the~~, in accordance with  
7 the Plan of Allocation set forth in the Notice attached hereto as Exhibit 1 to Exhibit A, or in such  
8 other plan of allocation as the Court approves).

9  
10 21. The Plan of Allocation proposed in the Notice is not a necessary term of the  
11 Settlement or of this Amended Stipulation and it is not a condition of the Settlement or of this  
12 Amended Stipulation that any particular plan of allocation be approved by the Court. ~~Lead~~  
13 Plaintiffs and Co-Lead Counsel may not cancel or terminate the Settlement (or this Amended  
14 Stipulation) based on this Court's or any appellate court's ruling with respect to the Plan of  
15 Allocation or any other plan of allocation in this Action. Plaintiffs and Co-Lead Counsel will  
16 implement the plan of allocation that is approved by a Final order. Defendants and the other  
17 Released Defendants' Parties shall not object in any way to the Plan of Allocation or any other  
18 plan of allocation in this Action. No Defendant, nor any other Released Defendants' Parties, shall  
19 have any involvement with or liability, obligation, or responsibility whatsoever for the application  
20 of the Court-approved plan of allocation.  
21

22 22. Any Settlement Class Member who does not submit a valid Claim Form will not be  
23 entitled to receive any distribution from the Net Settlement Fund, but will otherwise be bound by  
24 all of the terms of this Amended Stipulation and Settlement, including the terms of the Judgment  
25 or, the Alternate Judgment, if applicable, to be entered in the Action and the releases provided for  
26 herein and therein, and will be permanently barred and enjoined from bringing any action, claim,  
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1 or other proceeding of any kind against the Released Defendants' Parties with respect to the  
2 Released Plaintiffs' Claims in the event that the Effective Date occurs with respect to the  
3 Settlement.

4 23. Co-Lead Counsel shall be responsible for supervising the administration of the  
5 Settlement and the disbursement of the Net Settlement Fund subject to the jurisdiction of the  
6 Court. No Defendant, or any other Released Defendants' Party, shall be permitted to contest or  
7 object to any Claim Form, or any decision of the Claims Administrator or Co-Lead Counsel with  
8 respect to accepting or rejecting any Claim for payment by a Claimant. Co-Lead Counsel shall  
9 have the right, but not the obligation, to waive what it deems to be formal or technical defects in  
10 any Claim Forms submitted in the interests of achieving substantial justice.

12 24. For purposes of determining the extent, if any, to which a Claimant shall be entitled  
13 to be treated as an Authorized Claimant, the following conditions shall apply:

14 (a) Each Claimant shall be required to submit a Claim Form, substantially in  
15 the form attached hereto as Exhibit 2 to Exhibit A, supported by such documents as are designated  
16 therein, including proof of the Claimant's loss, or such other documents or proof as the Claims  
17 Administrator or Co-Lead Counsel, in their discretion, may deem acceptable;

19 (b) All Claim Forms must be submitted by the date set by the Court in the  
20 Preliminary Approval Order and specified in the Notice. Any Settlement Class Member who fails  
21 to submit a Claim Form by such date shall be forever barred from receiving any distribution from  
22 the Net Settlement Fund or payment pursuant to this Amended Stipulation (unless by Order of the  
23 Court such Settlement Class Member's Claim Form is accepted), but shall in all other respects be  
24 bound by all of the terms of this Amended Stipulation and the Settlement, including the terms of  
25 the Judgment or Alternate Judgment, if applicable, and the Releases provided for herein and  
26 therein, and will be permanently barred and enjoined from bringing any action, claim or other  
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1 proceeding of any kind against any Released Defendants' Parties with respect to any Released  
2 Plaintiffs' Claim. Provided that it is mailed by the claim-submission deadline, a Claim Form shall  
3 be deemed to be submitted when postmarked, if received with a postmark indicated on the  
4 envelope and if mailed by first-class mail and addressed in accordance with the instructions  
5 thereon. In all other cases, the Claim Form shall be deemed to have been submitted on the date  
6 when actually received by the Claims Administrator;

7 (c) Each Claim Form shall be submitted to and reviewed by the Claims  
8 Administrator, which shall determine, in accordance with this Amended Stipulation and the plan  
9 of allocation approved by Final order, the extent, if any, to which each Claim shall be allowed,  
10 subject to review by ~~the Court~~ Co-Lead Counsel pursuant to subparagraph (e) below as necessary;

11 (d) Claim Forms that do not meet the submission requirements may be rejected.  
12 Prior to rejecting a Claim in whole or in part, the Claims Administrator shall communicate with  
13 the Claimant in writing, to give the Claimant the chance to remedy any curable deficiencies in the  
14 Claim Form submitted. The Claims Administrator shall notify, in a timely fashion and in writing,  
15 all Claimants whose Claims the Claims Administrator proposes to reject in whole or in part,  
16 setting forth the reasons therefor, and shall indicate in such notice that the Claimant whose Claim  
17 is to be rejected has the right to a review by ~~the Court~~ Co-Lead Counsel if the Claimant so desires  
18 and complies with the requirements of subparagraph (e) below; and

19 (e) If any Claimant whose Claim has been rejected in whole or in part desires to  
20 contest such rejection, the Claimant must, within twenty (20) calendar days after the date of  
21 mailing of the notice required in subparagraph (d) above, serve upon the Claims Administrator a  
22 notice and statement of reasons indicating the Claimant's grounds for contesting the rejection  
23 along with any supporting documentation, and requesting a review thereof by ~~the Court. If a~~  
24 ~~dispute concerning a Claim cannot be otherwise resolved, Co-Lead Counsel shall thereafter~~  
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1 ~~present the request for review to the Court.~~ Co-Lead Counsel, which shall make a final  
2 determination of the claim dispute, in consultation with the Claims Administrator.

3 25. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court  
4 with respect to the Claimant's Claim, and the Claim will be subject to investigation and discovery  
5 under the Federal Rules of Civil Procedure, provided, however, that such investigation and  
6 discovery shall be limited to that Claimant's status as a Settlement Class Member and the validity  
7 and amount of the Claimant's Claim. No discovery shall be allowed on the merits of this Action  
8 or of the Settlement in connection with the processing of Claim Forms.

9  
10 26. Upon the Effective Date and thereafter, and in accordance with the terms of this  
11 Amended Stipulation, the ~~Plan of Allocation~~ plan of allocation approved by Final order, or such  
12 further approval and further order(s) of the Court as may be necessary or as circumstances may  
13 require, the Net Settlement Fund shall be distributed to Authorized Claimants.

14 27. Payment pursuant to the Amended Stipulation shall be final and conclusive against  
15 all Claimants. All Settlement Class Members whose Claims are not approved by the Court for  
16 payment shall be barred from participating in distributions from the Net Settlement Fund, but  
17 otherwise shall be bound by all of the terms of this Amended Stipulation and the Settlement,  
18 including the terms of the Judgment or Alternate Judgment, if applicable, to be entered in this  
19 Action and the Releases provided for herein and therein, and will be permanently barred and  
20 enjoined from bringing any action against any and all Released Defendants' Parties with respect to  
21 any and all of the Released Plaintiffs' Claims.

22  
23 28. No person or entity shall have any claim against ~~Lead~~ Plaintiffs, Co-Lead Counsel,  
24 Plaintiffs' Counsel, the Claims Administrator, or any other agent designated by Co-Lead Counsel,  
25 or the Released Defendants' Parties and/or their respective counsel, arising from distributions  
26 made substantially in accordance with the Amended Stipulation, the plan of allocation approved  
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1 by the Court, or any order of the Court. ~~Lead~~ Plaintiffs and Defendants, and their respective  
2 counsel, and Lead Plaintiffs' damages expert and all other Releasees shall have no liability  
3 whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund,  
4 the plan of allocation, or the determination, administration, calculation, or payment of any claim or  
5 nonperformance of the Claims Administrator, the payment or withholding of taxes (including  
6 interest and penalties) owed by the Settlement Fund, or any losses incurred in connection  
7 therewith.

8  
9 29. All proceedings with respect to the administration, processing and determination of  
10 Claims and the determination of all controversies relating thereto, including disputed questions of  
11 law and fact with respect to the validity of Claims, shall be subject to the jurisdiction of the Court.  
12 All Claimants and Parties to this Settlement expressly waive trial by jury (to the extent any such  
13 right may exist) and any right of appeal or review with respect to such determinations.

14  
15 **TERMS OF THE JUDGMENT**

16 30. If the Settlement contemplated by this Amended Stipulation is approved by the  
17 Court, Co-Lead Counsel and Defendants' Counsel shall request that the Court enter a Judgment,  
18 substantially in the form attached hereto as Exhibit B.

19 **CONDITIONS OF SETTLEMENT AND EFFECT OF**  
20 **DISAPPROVAL, CANCELLATION OR TERMINATION**

21 31. The Effective Date of the Settlement shall be deemed to occur on the occurrence or  
22 waiver of all of the following events:

23 (a) the Court has entered the Preliminary Approval Order, substantially in the  
24 form set forth in Exhibit A attached hereto, as required by ¶ 3 above;

25 (b) the Settlement Amount has been deposited into the Escrow Account in  
26 accordance with the provisions of ¶ 8 above;

1 (c) Athira and Dr. Kawas have not exercised their option to terminate the  
2 Settlement pursuant to the provisions of this Amended Stipulation (including the Amended  
3 Supplemental Agreement described in ¶ 35 below);

4 (d) ~~Lead~~ Plaintiffs have not exercised their option to terminate the Settlement  
5 pursuant to the provisions of this Amended Stipulation; and

6 (e) the Court has approved the Settlement as described herein, following notice  
7 to the Settlement Class and a hearing, as prescribed by Rule 23 of the Federal Rules of Civil  
8 Procedure, and entered the Judgment and the Judgment has become Final, or the Court has entered  
9 an Alternate Judgment and none of the Parties seek to terminate the Settlement and the Alternate  
10 Judgment has become Final.  
11

12 32. Upon the occurrence of all of the events referenced in ¶ 31 above, any and all  
13 remaining interest or right of Defendants in or to the Settlement Fund, if any, shall be absolutely  
14 and forever extinguished and the Releases herein shall be effective.

15 33. If (i) Athira and Dr. Kawas exercise their right to terminate the Settlement as  
16 provided in this Amended Stipulation; (ii) ~~Lead~~ Plaintiffs exercise their right to terminate the  
17 Settlement as provided in this Amended Stipulation; (iii) the Court disapproves the Settlement; or  
18 (iv) the Effective Date as to the Settlement otherwise fails to occur, then:  
19

20 (a) The Settlement and the relevant portions of this Amended Stipulation shall  
21 be canceled and terminated.

22 (b) ~~Lead~~ Plaintiffs and Defendants shall revert to their respective positions in  
23 the Action as of February 28, 2023.

24 (c) The terms and provisions of this Amended Stipulation, with the exception  
25 of this ¶ 33 and ¶¶ 14, 16, 37 and 57, shall have no further force and effect with respect to the  
26 Parties and shall not be used in the Action or in any other proceeding for any purpose, and any  
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28



1 Judgment, or Alternate Judgment, if applicable, or order entered by the Court in accordance with  
2 the terms of this Amended Stipulation shall be treated as vacated, *nunc pro tunc*.

3 (d) Within thirty (30) calendar days after joint written notification of  
4 termination is sent by Defendants' Counsel and Co-Lead Counsel to the Escrow Agent, the  
5 Settlement Fund (including accrued interest thereon and any funds received by Co-Lead Counsel  
6 consistent with ¶ 16 above), less any Notice and Administration Costs actually incurred, paid or  
7 payable and less any Taxes paid, due or owing shall be refunded by the Escrow Agent to such  
8 persons or entities as counsel for Athira may direct. In the event that the funds received by  
9 Co-Lead Counsel consistent with ¶ 16 above have not been refunded to the Settlement Fund  
10 within the thirty (30) calendar days specified in this paragraph, those funds shall be refunded by  
11 the Escrow Agent to such persons or entities as counsel for Athira may direct immediately upon  
12 their deposit into the Settlement Fund consistent with ¶ 16 above.

14 34. It is further stipulated and agreed that ~~Lead~~-Plaintiffs, provided they unanimously  
15 agree, and Athira and Dr. Kawas, provided they unanimously agree, shall each have the right to  
16 terminate the Settlement and this Amended Stipulation, by providing written notice of their  
17 election to do so ("Termination Notice") to the other Parties to this Amended Stipulation within  
18 thirty (30) calendar days of: (a) the Court's Final refusal to enter the Preliminary Approval Order  
19 in any material respect; (b) the Court's Final refusal to approve the Settlement or any material part  
20 thereof; (c) the Court's Final refusal to enter the Judgment in any material respect as to the  
21 Settlement; (d) the date upon which the Judgment is modified or reversed in any material respect  
22 by a Final order of the United States Court of Appeals for the Ninth Circuit or the United States  
23 Supreme Court; or (e) the date upon which an Alternate Judgment is modified or reversed in any  
24 material respect by a Final order of the United States Court of Appeals for the Ninth Circuit or the  
25 United States Supreme Court, and the provisions of ¶ 33 above shall apply. However, any  
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1 decision or proceeding, whether in this Court or any appellate court, with respect to an application  
2 for attorneys' fees or payment of Litigation Expenses or with respect to any plan of allocation shall  
3 not be considered material to the Settlement, shall not affect the finality of any Judgment or  
4 Alternate Judgment, if applicable, and shall not be grounds for termination of the Settlement.

5         35. In addition to the grounds set forth in ¶ 34 above, Athira shall have the unilateral  
6 right to terminate the Settlement in the event that Settlement Class Members timely and validly  
7 requesting exclusion from the Settlement Class meet the conditions set forth in Athira's  
8 confidential supplemental agreement with ~~Lead~~ Plaintiffs (the "Amended Supplemental  
9 Agreement"), in accordance with the terms of that agreement. The Amended Supplemental  
10 Agreement, which is being executed concurrently herewith, shall not be filed with the Court and  
11 its terms shall not be disclosed in any other manner (other than the statements herein and in the  
12 Notice, to the extent necessary, or as otherwise provided in the Amended Supplemental  
13 Agreement) unless and until the Court otherwise directs or a dispute arises between ~~Lead~~ Plaintiffs  
14 and Athira concerning its interpretation or application, in which event the Parties shall submit the  
15 Amended Supplemental Agreement to the Court *in camera* and request that the Court afford it  
16 confidential treatment.  
17

18  
19         36. In addition to the grounds set forth in ¶ 34 above, ~~Lead~~ Plaintiffs shall also have the  
20 right to terminate the Settlement in the event that the Settlement Amount has not been paid as  
21 provided for in ¶ 8 above, but only if (a) Co-Lead Counsel has first notified Defendants' Counsel  
22 in writing of ~~Lead~~ Plaintiffs' intent to terminate pursuant to this paragraph, and (b) the entire  
23 Settlement Amount is not deposited in the Escrow Account within five (5) business days after  
24 Co-Lead Counsel has provided such written notice.  
25  
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**NO ADMISSION OF WRONGDOING OR LIABILITY**

1  
2 37. Neither the Term Sheet, this Amended Stipulation (whether or not consummated),  
3 including the exhibits hereto and the Plan of Allocation contained therein (or any other plan of  
4 allocation that may be approved by the Court), the negotiations leading to the execution of the  
5 Term Sheet and this Amended Stipulation, nor any proceedings taken pursuant to or in connection  
6 with the Term Sheet, this Amended Stipulation and/or approval of the Settlement (including any  
7 arguments proffered in connection therewith):

8  
9 (a) shall be offered against any of the Defendants or other Released  
10 Defendants' Parties as evidence of, or construed as, or deemed to be evidence of or otherwise  
11 constitute any presumption, concession, or admission by any of the Defendants or other Released  
12 Defendants' Parties with respect to the truth of any fact alleged by ~~Lead~~ Plaintiffs or the validity of  
13 any claim that was or could have been asserted or the deficiency of any defense that has been or  
14 could have been asserted in this Action or in any other litigation, or of any liability, negligence,  
15 fault, or other wrongdoing of any kind of any of the Defendants or other Released Defendants'  
16 Parties or in any way referred to for any other reason as against any of the Defendants or other  
17 Released Defendants' Parties, in any civil, criminal or administrative action or other proceeding;

18  
19 (b) shall be offered against ~~Lead~~ Plaintiffs or any of the other Released  
20 Plaintiffs' Parties, as evidence of, or construed as, or deemed to be evidence of or otherwise  
21 constitute any presumption, concession or admission by ~~Lead~~ Plaintiffs or any of the Released  
22 Plaintiffs' Parties that any of their claims are without merit, that any of the Defendants or other  
23 Released Defendants' Parties had meritorious defenses, or that damages recoverable under the  
24 Complaint would not have exceeded the Settlement Amount or with respect to any liability,  
25 negligence, fault or wrongdoing of any kind, or in any way referred to for any other reason as  
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1 against ~~Lead~~ Plaintiffs or any of the other Released Plaintiffs' Parties, in any civil, criminal or  
2 administrative action or other proceeding; or

3 (c) shall be construed against any of the Releasees as an admission, concession,  
4 or presumption that the consideration to be given hereunder represents the amount which could be  
5 or would have been recovered after trial;

6  
7 *provided, however,* that if this Amended Stipulation is approved by the Court, the Parties and the  
8 Releasees and their respective counsel may refer to it to effectuate the protections from liability  
9 granted hereunder or otherwise to enforce the terms of the Settlement.

#### 10 **MISCELLANEOUS PROVISIONS**

11 38. All of the exhibits attached hereto are hereby incorporated by reference as though  
12 fully set forth herein. Notwithstanding the foregoing, in the event that there exists a conflict or  
13 inconsistency between the terms of this Amended Stipulation and the terms of any exhibit attached  
14 hereto, the terms of the Amended Stipulation shall prevail.

15 39. Athira and the Individual Defendants warrant that, as to the payments made or to be  
16 made by or on behalf of them, at the time of entering into this Amended Stipulation and at the  
17 time of such payment they, or to their knowledge any entities contributing to the payment of the  
18 Settlement Amount, were not insolvent, nor will the payment required to be made by or on behalf  
19 of them render them insolvent, within the meaning of and/or for the purposes of the United States  
20 Bankruptcy Code, including §§ 101 and 547 thereof. This representation is made by each of  
21 Athira and the Individual Defendants and not by their counsel.

22  
23 40. In the event of the entry of a Final order of a court of competent jurisdiction  
24 determining the transfer of money to the Settlement Fund or any portion thereof by or on behalf of  
25 Athira and the Individual Defendants to be a preference, voidable transfer, fraudulent transfer or  
26 similar transaction and any portion thereof is required to be returned, and such amount is not  
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1 promptly deposited into the Settlement Fund by others, then, at the election of ~~Lead~~ Plaintiffs,  
2 ~~Lead~~ Plaintiffs and Defendants shall jointly move the Court to vacate and set aside the Releases  
3 given and the Judgment or Alternate Judgment, if applicable, entered in favor of Defendants and  
4 the other Releasees pursuant to this Amended Stipulation, in which event the Releases and  
5 Judgment, or Alternate Judgment, if applicable, shall be null and void, and the Parties shall be  
6 restored to their respective positions in the litigation as provided in ¶ 33 above and any cash  
7 amounts in the Settlement Fund (less any Taxes paid, due or owing with respect to the Settlement  
8 Fund and less any Notice and Administration Costs actually incurred, paid or payable) shall be  
9 returned as provided in ¶ 33.  
10

11 41. The Parties intend this Amended Stipulation and the Settlement to be a final and  
12 complete resolution of all disputes asserted or which could be asserted by ~~Lead~~ Plaintiffs and any  
13 other Settlement Class Members against the Defendants and other Released Defendants' Parties  
14 with respect to the Released Plaintiffs' Claims. Accordingly, ~~Lead~~ Plaintiffs and their counsel and  
15 Defendants and their counsel agree not to assert in any forum that this Action was brought by ~~Lead~~  
16 Plaintiffs or defended by Defendants in bad faith or without a reasonable basis. No Party shall  
17 assert any claims of any violation of Rule 11 of the Federal Rules of Civil Procedure relating to  
18 the institution, prosecution, defense, or settlement of this Action. The Parties agree that the  
19 amounts paid and the other terms of the Settlement were negotiated at arm's-length and in good  
20 faith by the Parties, including through a mediation process supervised and conducted by Jed  
21 Melnick, Esq., and reflect the Settlement that was reached voluntarily after extensive negotiations  
22 and consultation with experienced legal counsel, who were fully competent to assess the strengths  
23 and weaknesses of their respective clients' claims or defenses.  
24  
25

26 42. While retaining their right to deny that the claims asserted in the Action were  
27 meritorious, Defendants and their counsel, in any statement made to any media representative  
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1 (whether or not for attribution) will not assert that the Action was commenced or prosecuted in  
2 bad faith, nor will they deny that the Action was commenced and prosecuted in good faith and is  
3 being settled voluntarily after consultation with competent legal counsel. In all events, ~~Lead~~  
4 Plaintiffs and their counsel and Defendants and their counsel shall not make any accusations of  
5 wrongful or actionable conduct by either Party concerning the prosecution, defense, and resolution  
6 of the Action, and shall not otherwise suggest that the Settlement constitutes an admission of any  
7 claim or defense alleged.

8  
9 43. The terms of the Settlement, as reflected in this Amended Stipulation, may not be  
10 modified or amended, nor may any of its provisions be waived except by a writing signed on  
11 behalf of both ~~Lead~~ Plaintiffs and Defendants (or their successors-in-interest).

12 44. The headings herein are used for the purpose of convenience only and are not  
13 meant to have legal effect.

14 45. The administration and consummation of the Settlement as embodied in this  
15 Amended Stipulation shall be under the authority of the Court, and the Court shall retain  
16 jurisdiction for the purpose of entering orders providing for awards of attorneys' fees and  
17 Litigation Expenses to Plaintiffs' Counsel and enforcing the terms of this Amended Stipulation,  
18 including the Plan of Allocation (or such other plan of allocation as may be approved by the  
19 Court) and the distribution of the Net Settlement Fund.

20  
21 46. The waiver by one Party of any breach of this Amended Stipulation by any other  
22 Party shall not be deemed a waiver of any other prior or subsequent breach of this Amended  
23 Stipulation.

24  
25 47. This Amended Stipulation and its exhibits and the Amended Supplemental  
26 Agreement constitute the entire agreement among ~~Lead~~ Plaintiffs and Defendants concerning the  
27 Settlement and this Amended Stipulation and its exhibits. All Parties acknowledge that no other  
28

1 agreements, representations, warranties, or inducements have been made by any Party hereto  
2 concerning this [Amended](#) Stipulation, its exhibits or the [Amended](#) Supplemental Agreement other  
3 than those contained and memorialized in such documents.

4 48. This [Amended](#) Stipulation may be executed in one or more counterparts, including  
5 by a .pdf/.tif image of the signature transmitted via email. All executed counterparts and each of  
6 them shall be deemed to be one and the same instrument.

7 49. This [Amended](#) Stipulation shall be binding upon and inure to the benefit of the  
8 successors and assigns of the Parties, including any and all Releasees and any corporation,  
9 partnership, or other entity into or with which any Party hereto may merge, consolidate or  
10 reorganize.

11 50. The construction, interpretation, operation, effect and validity of this [Amended](#)  
12 Stipulation, the [Amended](#) Supplemental Agreement and all documents necessary to effectuate it  
13 shall be governed by the internal laws of the State of Washington without regard to conflicts of  
14 laws, except to the extent that federal law requires that federal law govern.  
15

16 51. Any action arising under or to enforce this [Amended](#) Stipulation or any portion  
17 thereof, shall be commenced and maintained only in the Court.

18 52. This [Amended](#) Stipulation shall not be construed more strictly against one Party  
19 than another merely by virtue of the fact that it, or any part of it, may have been prepared by  
20 counsel for one of the Parties, it being recognized that it is the result of arm's-length negotiations  
21 between the Parties and all Parties have contributed substantially and materially to the preparation  
22 of this [Amended](#) Stipulation.  
23

24 53. All counsel and any other person executing this [Amended](#) Stipulation and any of  
25 the exhibits hereto, or any related Settlement documents, warrant and represent that they have the  
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1 full authority to do so and that they have the authority to take appropriate action required or  
2 permitted to be taken pursuant to the [Amended](#) Stipulation to effectuate its terms.

3 54. Co-Lead Counsel and Defendants' Counsel agree to cooperate fully with one  
4 another in seeking Court approval of the Preliminary Approval Order and the Settlement, as  
5 embodied in this [Amended](#) Stipulation, and to use best efforts to promptly agree upon and execute  
6 all such other documentation as may be reasonably required to obtain final approval by the Court  
7 of the Settlement.

8 55. If any Party is required to give notice to another Party under this [Amended](#)  
9 Stipulation, such notice shall be in writing and shall be deemed to have been duly given upon  
10 receipt of hand delivery or email transmission, with confirmation of receipt. Notice shall be  
11 provided as follows:  
12

13 If to ~~Lead~~ Plaintiffs or Co-Lead Counsel:  
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Glancy Prongay & Murray LLP  
Attn: Casey E. Sadler  
1925 Century Park East, Suite 2100  
Los Angeles, California 90067  
Telephone: (310) 201-9150  
Email: csadler@glancylaw.com

-and-

Labaton Sucharow LLP  
Attn: Michael P. Canty  
140 Broadway  
New York, New York 10005  
Telephone: (212) 907-0700  
Email: mcanty@labaton.com

21 If to Athira and the Individual  
22  
23  
24  
25  
26  
27  
28  
Defendants Other than Dr. Kawas:  
Wilson Sonsini Goodrich & Rosati, P.C.  
Attn: Gregory L. Watts  
701 Fifth Avenue, Suite 5100  
Seattle, WA 98104-7036  
Telephone: (206) 883-2500  
Email: gwatts@wsgr.com

-and-

26 If to Dr. Kawas:  
27  
28  
Perkins Coie LLP  
Attn: Sean C. Knowles  
1201 Third Avenue, Suite 4900  
Seattle, WA 98101-3099  
Telephone: (206) 359-8000



Email: sknowles@perkinscoie.com

-and-

If to the Underwriter Defendants:

DLA Piper LLP (US)  
Anthony Todaro, Esq.  
701 Fifth Avenue, Suite 6900  
Seattle, WA 98104-7029  
Telephone: (206) 839-4800  
Email: Anthony.todaro@us.dlapiper.com

56. Except as otherwise provided herein, each Party shall bear its own costs.

57. Whether or not the Amended Stipulation is approved by the Court and whether or not the Amended Stipulation is consummated, or the Effective Date occurs, the Parties and their counsel shall use their best efforts to keep all negotiations, discussions, acts performed, agreements, drafts, documents signed and proceedings in connection with the Amended Stipulation confidential.

58. All agreements made and orders entered during the course of this Action relating to the confidentiality of information shall survive this Settlement.

59. Defendants shall be responsible for timely service of any notices that might be required pursuant to the Class Action Fairness Act, 28 U.S.C. § 1715 (“CAFA”). Defendants shall notify Co-Lead Counsel and the Court as to the completion of any CAFA notice. Athira shall bear all cost and expenses associated with providing CAFA notice.

60. No opinion or advice concerning the tax consequences of the proposed Settlement to individual Claimants is being given or will be given by the Parties or their counsel; nor is any representation or warranty in this regard made by virtue of this Amended Stipulation. Each Claimants’ tax obligations, and the determination thereof, are the sole responsibility of the Claimant, and it is understood that the tax consequences may vary depending on the particular circumstances of each Claimant.

1           **IN WITNESS WHEREOF**, the Parties hereto have caused this Amended Stipulation to  
2 be executed, by their duly authorized attorneys, as of ~~April 27~~December 15, 2023.

3  
4  
5 \_\_\_\_\_  
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Casey E. Sadler  
6 Natalie S. Pang  
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11 *Co-Lead Counsel and Counsel for Lead Plaintiff Wies*  
12 *Rafi*

13  
14 \_\_\_\_\_  
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20 *Co-Lead Counsel and Counsel for Lead*  
21 *Plaintiffs Plaintiff Antonio Bachaalani Nacif and Wies*  
22 *Rafi*

23  
24 \_\_\_\_\_  
25 Jacob Walker  
Michael Gaines  
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27 Telephone: (617) 398-5600  
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28 Email: michael@blockleviton.com

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*Counsel for Plaintiff Hang Gao*

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---

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*Attorneys for Defendants Goldman Sachs & Co. LLC, Jefferies LLC, Stifel, Nicolaus & Company, Inc., and*

*JMP Securities LLC*

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<b>Summary report:</b>	
<b>Litera Compare for Word 11.5.0.74 Document comparison done on 12/15/2023 8:46:06 PM</b>	
<b>Style name:</b> Default Style	
<b>Intelligent Table Comparison:</b> Active	
<b>Original DMS:</b> iw://labaton-mobility.imatege.work/Active/3417734/1	
<b>Modified DMS:</b> iw://labaton-mobility.imatege.work/ACTIVE/3417734/8	
<b>Changes:</b>	
<u>Add</u>	195
<del>Delete</del>	118
<del>Move From</del>	0
<u>Move To</u>	0
<u>Table Insert</u>	0
<del>Table Delete</del>	0
<u>Table moves to</u>	0
<del>Table moves from</del>	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
<b>Total Changes:</b>	<b>313</b>

# **Exhibit A**

**Exhibit A**

THE HONORABLE THOMAS S. ZILLY

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

ANTONIO BACHAALANI NACIF and  
WIES RAFI, Individually and on behalf of all  
others similarly situated,

Plaintiffs,

v.

ATHIRA PHARMA, INC., et al.,

Defendants.

CASE NO.: 2:21-cv-00861-TSZ  
(Consolidated with 21-cv-00862-TSZ and  
21-cv-00864-TSZ)

**[PROPOSED SECOND REVISED] ORDER PRELIMINARILY APPROVING  
SETTLEMENT AND PROVIDING FOR NOTICE**

WHEREAS, a consolidated class action is pending in this Court entitled *Nacif, et al., v. Athira Pharma, Inc., et al.*, Case No.: 2:21-cv-00861-TSZ (the “Action”);

WHEREAS, (a) Court-appointed lead plaintiffs Antonio Bachaalani Nacif and Wies Rafi (collectively, “Lead Plaintiffs”) and additional plaintiff Hang Gao (together with Lead Plaintiffs, “Plaintiffs”), on behalf of themselves and the Settlement Class (defined below); (b) Athira Pharma, Inc. (“Athira” or the “Company”); (c) Dr. Leen Kawas Glenna Mileson, Dr. Tadataka Yamada, Joseph Edelman, James A. Johnson, and John M. Fluke, Jr. (the “Individual Defendants”); and (d) Goldman Sachs & Co. LLC, Jefferies LLC, Stifel, Nicolaus & Company, Inc., and JMP Securities LLC (the “Underwriter Defendants,” together with Athira and the Individual Defendants, “Defendants” and, together with ~~Lead~~ Plaintiffs, the “Parties”) have determined to settle all claims asserted against Defendants in this Action and related claims with

1 prejudice on the terms and conditions set forth in the Amended Stipulation and Agreement of  
2 Settlement dated ~~April 27~~December 15, 2023 (the “Amended Stipulation”) subject to approval of  
3 this Court (the “Settlement”);

4 WHEREAS, ~~Lead~~ Plaintiffs have made an application, pursuant to Rule 23 of the Federal  
5 Rules of Civil Procedure, for an order preliminarily approving the Settlement in accordance with  
6 the Amended Stipulation, certifying the Settlement Class for purposes of the Settlement only, and  
7 allowing notice to Settlement Class Members as more fully described herein;

8 WHEREAS, the Court has read and considered: (a) ~~Lead~~ Plaintiffs’ motion for preliminary  
9 approval of the Settlement, and the papers filed and arguments made in connection therewith; and  
10 (b) the Amended Stipulation and the exhibits attached thereto; and

11 WHEREAS, unless otherwise defined herein, all capitalized words contained herein shall  
12 have the same meanings as they have in the Amended Stipulation;

13 NOW THEREFORE, IT IS HEREBY ORDERED:

14 1. **Class Certification for Settlement Purposes** – Pursuant to Rule 23(a) and (b)(3)  
15 of the Federal Rules of Civil Procedure, the Court certifies, solely for purposes of effectuating the  
16 proposed Settlement, a Settlement Class consisting of: (a) all persons and entities who or which  
17 purchased or otherwise acquired Athira Pharma, Inc. publicly traded common stock: ~~(a)~~ during  
18 the period from September 17, 2020 through March 16, 2021, inclusive, and were damaged  
19 thereby (the “Securities Act Class”) and (b) all persons and entities who or which purchased or  
20 otherwise acquired Athira Pharma, Inc. publicly traded common stock during the period from  
21 March 17, 2021 through June 17, 2021, inclusive ~~(the “Class Period”); (b) pursuant and/or~~  
22 ~~traceable to the registration statement and prospectus issued in connection with the Company’s~~  
23 ~~September 2020 initial public offering; and/or (c) pursuant and/or traceable to the registration~~  
24 ~~statement and prospectus issued in connection with the Company’s January 2021 secondary public~~  
25 ~~offering~~, and were damaged thereby (the “Exchange Act Class”). Excluded from the Settlement  
26 Class are: (a) Defendants; (b) any person who served as a partner, control person, executive officer  
27 and/or director of Athira or the Underwriter Defendants during the Class Period, and members of  
28



1 their Immediate Family; (c) present and former parents, subsidiaries, assigns, successors,  
 2 affiliates, and predecessors of Athira and the Underwriter Defendants; (d) any entity in which the  
 3 Defendants have or had a controlling interest; (e) any trust of which an Individual Defendant is the  
 4 settlor or which is for the benefit of an Individual Defendant and/or member(s) of their Immediate  
 5 Family; (f) liability insurance carriers for Athira or the Individual Defendants; and (g) the legal  
 6 representatives, heirs, successors, and assigns of any person or entity excluded under provisions  
 7 (a) through (f) hereof. Notwithstanding any provision to the contrary, (a) any Investment Vehicle  
 8 shall not be excluded from the Settlement Class; and (b) “affiliates” are persons or entities that  
 9 directly, or indirectly through one or more intermediaries, control, are controlled by or are under  
 10 common control with one of the Defendants, including Athira’s employee retirement and/or  
 11 benefit plan(s). Also excluded from the Settlement Class are any persons and entities who or  
 12 which submit a valid request for exclusion from the Settlement Class that is accepted by the Court.

13       2.       **Class Findings** – Solely for purposes of the proposed Settlement of this Action, the  
 14 Court finds that each element required for certification of the Settlement Class pursuant to Rule 23  
 15 of the Federal Rules of Civil Procedure has been met: (a) the members of the Settlement Class are  
 16 so numerous that their joinder in the Action would be impracticable; (b) there are questions of law  
 17 and fact common to the Settlement Class which predominate over any individual questions; (c) the  
 18 claims of ~~Lead Plaintiffs~~Plaintiff Wies Rafi in the Action are typical of the claims of the  
 19 ~~Settlement Class;~~(d) Lead Securities Act Class and the claims of Plaintiffs Antonio Bachaalani  
 20 Nacif and Hang Gao in the Action are typical of the claims of the Exchange Act Class; (d)  
 21 Plaintiffs and Co-Lead Counsel have and will fairly and adequately represent and protect the  
 22 interests of the Settlement Class; and (e) a class action is superior to other available methods for  
 23 the fair and efficient adjudication of the Action.

24       3.       The Court hereby finds and concludes that pursuant to Rule 23 of the Federal Rules  
 25 of Civil Procedure, and for the purposes of the Settlement only, ~~Lead~~Plaintiff Wies Rafi is an  
 26 adequate class representative of the Securities Act Class and Plaintiffs Antonio Bachaalani Nacif  
 27 and ~~Wies Rafi~~Hang Gao are adequate class representatives of the Exchange Act Class, and  
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1 certifies them as Class Representatives ~~for the Settlement Class~~. The Court also appoints Co-Lead  
2 Counsel Glancy Prongay & Murray, LLP and Labaton Sucharow LLP as Class Counsel for the  
3 Settlement Class, pursuant to Rule 23(g) of the Federal Rules of Civil Procedure.

4 4. **Preliminary Approval of the Settlement** – The Court hereby preliminarily  
5 approves the Settlement, as embodied in the Amended Stipulation, and finds that the Court will  
6 likely be able to approve the proposed Settlement as fair, reasonable, and adequate under Federal  
7 Rule of Civil Procedure 23(e)(2), subject to further consideration at the Settlement Hearing to be  
8 conducted, as described below.

9 5. **Settlement Hearing** – The Court will hold a settlement hearing (the “Settlement  
10 Hearing”) on \_\_\_\_\_, ~~2023~~2024 at \_\_: \_\_ .m. in Courtroom 15206 of the United States  
11 Courthouse, 700 Stewart Street, Seattle, WA 98101, for the following purposes: (a) to determine  
12 whether the proposed Settlement on the terms and conditions provided for in the Amended  
13 Stipulation is fair, reasonable and adequate to the Settlement Class, and should be approved by the  
14 Court; (b) to determine whether a Judgment substantially in the form attached as Exhibit B to the  
15 Amended Stipulation should be entered dismissing the Action with prejudice against Defendants;  
16 (c) to determine whether the proposed Plan of Allocation for the proceeds of the Settlement is fair  
17 and reasonable and should be approved; (d) to determine whether the motion by Co-Lead Counsel  
18 for an award of attorneys’ fees and payment of Litigation Expenses should be approved; and (e) to  
19 consider any other matters that may properly be brought before the Court in connection with the  
20 Settlement. Notice of the Settlement and the Settlement Hearing shall be given to Settlement  
21 Class Members as set forth in paragraph 7 of this Order.

22 6. The Court may adjourn the Settlement Hearing without further individual notice to  
23 the Settlement Class, and may approve the proposed Settlement with such modifications as the  
24 Parties may agree to, if appropriate, without further individual notice to the Settlement Class. Any  
25 changes to the scheduling of the Settlement Hearing or modifications to the Settlement shall be  
26 posted on the website for the Settlement.

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1           7.       **Retention of Claims Administrator and Manner of Giving Notice** – Co-Lead  
2 Counsel are hereby authorized to retain Strategic Claims Services (the “Claims Administrator”) to  
3 supervise and administer the notice procedure in connection with the proposed Settlement as well  
4 as the processing of Claims as more fully set forth below. Notice of the Settlement and the  
5 Settlement Hearing shall be given by Co-Lead Counsel as follows:

6                   (a)       within five (5) business days of the date of entry of this Order, Athira shall  
7 provide or cause to be provided to the Claims Administrator in electronic format (at no cost to the  
8 Settlement Fund, Co-Lead Counsel, ~~Lead~~ Plaintiffs, the Settlement Class or the Claims  
9 Administrator) lists of purchasers of record of Athira publicly traded common stock during the  
10 Class Period, including in the IPO and SPO, to the extent such lists are reasonably available from  
11 Athira’s stock transfer agent;

12                   (b)       not later than ten (10) business days after the date of entry of this Order (the  
13 “Notice Date”), the Claims Administrator shall cause a copy of the Notice and the Claim Form,  
14 substantially in the forms attached hereto as Exhibits 1 and 2, respectively (the “Notice Packet”),  
15 to be mailed by first-class mail to potential Settlement Class Members at the addresses set forth in  
16 the records provided by Athira or in the records which Athira caused to be provided, or who  
17 otherwise may be identified through further reasonable effort;

18                   (c)       contemporaneously with the mailing of the Notice Packet, the Claims  
19 Administrator shall cause copies of the Notice and the Claim Form to be posted on a website to be  
20 developed for the Settlement, from which copies of the Notice and Claim Form can be  
21 downloaded;

22                   (d)       not later than ten (10) business days after the Notice Date, the Claims  
23 Administrator shall cause the Summary Notice, substantially in the form attached hereto as  
24 Exhibit 3, to be published once in *Investor’s Business Daily* and to be transmitted once over the  
25 *PR Newswire*; and

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1 (e) not later than seven (7) calendar days prior to the Settlement Hearing,  
2 Co-Lead Counsel shall serve on Defendants' Counsel and file with the Court proof, by affidavit or  
3 declaration, of such mailing and publication.

4 8. **Approval of Form and Content of Notice** – The Court (a) approves, as to form  
5 and content, the Notice, the Claim Form, and the Summary Notice, attached hereto as Exhibits 1,  
6 2, and 3, respectively, and (b) finds that the mailing and distribution of the Notice and Claim Form  
7 and the publication of the Summary Notice in the manner and form set forth in paragraph 7 of this  
8 Order (i) is the best notice practicable under the circumstances; (ii) constitutes notice that is  
9 reasonably calculated, under the circumstances, to apprise Settlement Class Members of the  
10 pendency of the Action, of the effect of the proposed Settlement (including the Releases to be  
11 provided thereunder), of Co-Lead Counsel's motion for an award of attorneys' fees and payment  
12 of Litigation Expenses, of their right to object to the Settlement, the Plan of Allocation and/or  
13 Co-Lead Counsel's motion for attorneys' fees and payment of Litigation Expenses, of their right to  
14 exclude themselves from the Settlement Class, and of their right to appear at the Settlement  
15 Hearing; (iii) constitutes due, adequate and sufficient notice to all persons and entities entitled to  
16 receive notice of the proposed Settlement; and (iv) satisfies the requirements of Rule 23 of the  
17 Federal Rules of Civil Procedure, the United States Constitution (including the Due Process  
18 Clause), the Private Securities Litigation Reform Act of 1995, Public Law No. 104-67, 109 Stat.  
19 737 (codified as amended in scattered sections of 15 U.S.C.), and all other applicable law and  
20 rules. The date and time of the Settlement Hearing shall be included in the Notice and Summary  
21 Notice before they are mailed and published, respectively.

22 9. **Nominee Procedures** – Brokers and other nominees who purchased or otherwise  
23 acquired Athira publicly traded common stock during the Class Period, including in the IPO and  
24 the SPO, for the benefit of another person or entity shall, within seven (7) calendar days of receipt  
25 of the Notice either: (a) request from the Claims Administrator sufficient copies of the Notice  
26 Packet to forward to all such beneficial owners and within seven (7) calendar days of receipt of  
27 those Notice Packets forward them to all such beneficial owners; or (b) send a list of the names  
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1 and addresses of all such beneficial owners to the Claims Administrator, in which event the  
2 Claims Administrator shall promptly mail the Notice Packet to such beneficial owners. Nominees  
3 shall also provide email addresses for all such beneficial owners to the Claims Administrator, to  
4 the extent they are available. Nominees that choose to follow procedure (a) shall also send a  
5 statement to the Claims Administrator confirming that the mailing was made as directed. Upon  
6 full and timely compliance with this Order, nominees may seek reimbursement of their reasonable  
7 expenses actually incurred, not to exceed \$0.05 plus postage at the current pre-sort rate used by the  
8 Claims Administrator per Notice Packet mailed; \$0.05 per name, address, and email address (to  
9 the extent available) provided to the Claims Administrator, by providing the Claims Administrator  
10 with proper documentation supporting the expenses for which reimbursement is sought. Such  
11 properly documented expenses incurred by nominees in compliance with the terms of this Order  
12 shall be paid from the Settlement Fund, with any disputes as to the reasonableness or  
13 documentation of expenses incurred subject to review by the Court. Nominees are not authorized  
14 to print the Notice Packet themselves for mailing. Notice Packets may only be printed by the  
15 Claims Administrator.

16       10.     **Participation in the Settlement** – Settlement Class Members who wish to  
17 participate in the Settlement and to be eligible to receive a distribution from the Net Settlement  
18 Fund must complete and submit a Claim Form in accordance with the instructions contained  
19 therein. Unless the Court orders otherwise, all Claim Forms must be postmarked no later than  
20 seven (7) calendar days before the Settlement Hearing. Notwithstanding the foregoing, Co-Lead  
21 Counsel may, at their discretion, accept for processing late Claims provided such acceptance does  
22 not delay the distribution of the Net Settlement Fund to the Settlement Class. By submitting a  
23 Claim, a person or entity shall be deemed to have submitted to the jurisdiction of the Court with  
24 respect to his, her or its Claim and the subject matter of the Settlement.

25       11.     Each Claim Form submitted must satisfy the following conditions: (a) it must be  
26 properly completed, signed and submitted in a timely manner in accordance with the provisions of  
27 the preceding paragraph; (b) it must be accompanied by adequate supporting documentation for  
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1 the transactions and holdings reported therein, in the form of broker confirmation slips, broker  
2 account statements, an authorized statement from the broker containing the transactional and  
3 holding information found in a broker confirmation slip or account statement, or such other  
4 documentation as is deemed adequate by Co-Lead Counsel or the Claims Administrator; (c) if the  
5 person executing the Claim Form is acting in a representative capacity, a certification of his, her or  
6 its current authority to act on behalf of the Claimant must be included in the Claim Form to the  
7 satisfaction of Co-Lead Counsel or the Claims Administrator; and (d) the Claim Form must be  
8 complete and contain no material deletions or modifications of any of the printed matter contained  
9 therein and must be signed under penalty of perjury.

10 12. ~~Paragraphs 24(c) - (e) of the Stipulation are hereby modified as follows: all references~~  
11 ~~to “review by the Court” are stricken.~~ Co-Lead Counsel, in consultation with the Claims  
12 Administrator, shall review any disputed claims upon request by claimants.

13 13. Any Settlement Class Member that does not timely and validly submit a Claim  
14 Form or whose Claim is not otherwise approved by the Court: (a) shall be deemed to have waived  
15 his, her or its right to share in the Net Settlement Fund; (b) shall be forever barred from  
16 participating in any distributions therefrom; (c) shall be bound by the provisions of the Amended  
17 Stipulation and the Settlement and all proceedings, determinations, orders and judgments in the  
18 Action relating thereto, including, without limitation, the Judgment or Alternate Judgment, if  
19 applicable, and the Releases provided for therein, whether favorable or unfavorable to the  
20 Settlement Class; and (d) will be barred from commencing, maintaining or prosecuting any of the  
21 Released Plaintiffs’ Claims against each and all of the Defendants and other Released Defendants’  
22 Parties, as more fully described in the Amended Stipulation and Notice. Notwithstanding the  
23 foregoing, late Claim Forms may be accepted for processing as set forth in paragraph 10 above.

24 14. **Exclusion From the Settlement Class** – Any member of the Settlement Class who  
25 wishes to exclude himself, herself or itself from the Settlement Class must request exclusion in  
26 writing within the time and in the manner set forth in the Notice, which shall provide that: (a) any  
27 such request for exclusion from the Settlement Class must be mailed or delivered such that it is  
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1 received no later than twenty-one (21) calendar days prior to the Settlement Hearing, to: *Athira*  
2 *Pharma Securities Litigation*, EXCLUSIONS, c/o Strategic Claims Services, P.O. Box 230, 600  
3 N. Jackson Street, Suite 205, Media, PA 19063, and (b) each request for exclusion must (i) state  
4 the name, address, and telephone number of the person or entity requesting exclusion, and in the  
5 case of entities, the name and telephone number of the appropriate contact person; (ii) state that  
6 such person or entity “requests exclusion from the Settlement Class in the *Athira Pharma*  
7 *Securities Litigation*, Case No. 2:21-cv-00861-TSZ”; (iii) state the number of shares of Athira  
8 common stock that the person or entity requesting exclusion purchased/acquired and sold during  
9 the Class Period, as well as the dates and prices of each such purchase/acquisition and sale; and  
10 (iv) be signed by the person or entity requesting exclusion or an authorized representative. A  
11 request for exclusion shall not be effective unless it provides all the required information and is  
12 received within the time stated above, or is otherwise accepted by the Court.

13       15. Any person or entity who or which timely and validly requests exclusion in  
14 compliance with the terms stated in this Order and is excluded from the Settlement Class shall not  
15 be a Settlement Class Member, shall not be bound by the terms of the Settlement or any orders or  
16 judgments in the Action and shall not receive any payment out of the Net Settlement Fund.

17       16. Any Settlement Class Member who or which does not timely and validly request  
18 exclusion from the Settlement Class in the manner stated in this Order: (a) shall be deemed to  
19 have waived his, her or its right to be excluded from the Settlement Class; (b) shall be forever  
20 barred from requesting exclusion from the Settlement Class in this or any other proceeding; (c)  
21 shall be bound by the provisions of the Amended Stipulation and Settlement and all proceedings,  
22 determinations, orders and judgments in the Action, including, but not limited to, the Judgment or  
23 Alternate Judgment, if applicable, and the Releases provided for therein, whether favorable or  
24 unfavorable to the Settlement Class; and (d) will be barred from commencing, maintaining or  
25 prosecuting any of the Released Plaintiffs’ Claims against any of the Defendants or other Released  
26 Defendants’ Parties, as more fully described in the Amended Stipulation and Notice.

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1           17.    **Appearance and Objections at Settlement Hearing** – Any Settlement Class  
2 Member who does not request exclusion from the Settlement Class may enter an appearance in the  
3 Action, at his, her or its own expense, individually or through counsel of his, her or its own choice,  
4 by filing with the Clerk of Court and delivering a notice of appearance to both Co-Lead Counsel  
5 and Defendants’ Counsel, at the addresses set forth in paragraph 18 below. Any Settlement Class  
6 Member who does not enter an appearance will be represented by Co-Lead Counsel.

7           18.    Any Settlement Class Member who does not request exclusion from the Settlement  
8 Class may submit a written objection to the proposed Settlement, the proposed Plan of Allocation,  
9 and/or Co-Lead Counsel’s motion for an award of attorneys’ fees and payment of Litigation  
10 Expenses and appear and show cause, if he, she or it has any cause, why the proposed Settlement,  
11 the proposed Plan of Allocation and/or Co-Lead Counsel’s motion for attorneys’ fees and payment  
12 of Litigation Expenses should not be approved; *provided, however*, that no Settlement Class  
13 Member shall be entitled to contest the approval of the terms and conditions of the proposed  
14 Settlement, the proposed Plan of Allocation and/or the motion for attorneys’ fees and payment of  
15 Litigation Expenses unless that person or entity has served copies of such objection on Co-Lead  
16 Counsel and Defendants’ Counsel at the addresses set forth below such that they are received no  
17 later than twenty-one (21) calendar days prior to the Settlement Hearing.

18                           **Co-Lead Counsel**

19                           Glancy Prongay & Murray LLP  
20                           Casey E. Sadler, Esq.  
21                           1925 Century Park East, Suite 2100  
22                           Los Angeles, CA 90067

23                           -and-

24                           Labaton Sucharow LLP  
25                           Michael P. Canty, Esq.  
26                           140 Broadway  
27                           New York, New York 10005

18                           **Defendants’ Counsel**

19                           Wilson Sonsini Goodrich & Rosati, P.C.  
20                           Gregory L. Watts, Esq.  
21                           701 Fifth Avenue, Suite 5100  
22                           Seattle, WA 98104-7036

23                           -and-

24                           Perkins Coie LLP  
25                           Sean C. Knowles, Esq.  
26                           1201 Third Avenue, Suite 4900  
27                           Seattle, WA 98101-3099

28                           -and-

                              DLA Piper LLP (US)  
                              Anthony Todaro, Esq.  
                              701 Fifth Avenue, Suite 6900  
                              Seattle, WA 98104-7029



1           19. Any objections, filings and other submissions by the objecting Settlement Class  
2 Member: (a) must state the name, address, and telephone number of the person or entity objecting  
3 and must be signed by the objector; (b) must contain a statement of the Settlement Class  
4 Member's objection or objections, and the specific reasons for each objection, including whether  
5 it applies only to the objector, to a specific subset of the Settlement Class, or to the entire  
6 Settlement Class, and any legal and evidentiary support the Settlement Class Member wishes to  
7 bring to the Court's attention; and (c) must include documents sufficient to prove membership in  
8 the Settlement Class, including the number of shares of Athira common stock that the objecting  
9 Settlement Class Member purchased/acquired and sold during the Class Period, as well as the  
10 dates and prices of each such purchase/acquisition and sale. Objectors who desire to present  
11 evidence at the Settlement Hearing in support of their objection must include in their written  
12 objection the identity of any witnesses they may call to testify and any exhibits they intend to  
13 introduce into evidence at the hearing.

14           20. Any Settlement Class Member who or which does not make his, her or its objection  
15 in the manner provided herein shall be deemed to have waived his, her or its right to object to any  
16 aspect of the proposed Settlement, the proposed Plan of Allocation, and Co-Lead Counsel's  
17 motion for an award of attorneys' fees and payment of Litigation Expenses and shall be forever  
18 barred and foreclosed from objecting to the fairness, reasonableness or adequacy of the  
19 Settlement, the Plan of Allocation or the requested attorneys' fees and Litigation Expenses, or  
20 from otherwise being heard concerning the Settlement, the Plan of Allocation or the requested  
21 attorneys' fees and Litigation Expenses in this or any other proceeding.

22           21. **Stay and Temporary Injunction** – Until otherwise ordered by the Court, the  
23 Court stays all proceedings in the Action other than proceedings necessary to carry out or enforce  
24 the terms and conditions of the [Amended](#) Stipulation. Pending final determination of whether the  
25 Settlement should be approved, the Court bars and enjoins ~~Lead~~ Plaintiffs, and all other members  
26 of the Settlement Class, from commencing or prosecuting any and all of the Released Plaintiffs'  
27 Claims against each and all of the Defendants and other Released Defendants' Parties.

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1           22.     **Settlement Administration Fees and Expenses** – All reasonable costs incurred in  
2 identifying Settlement Class Members and notifying them of the Settlement, as well as in  
3 administering the Settlement, shall be paid as set forth in the [Amended](#) Stipulation without further  
4 order of the Court.

5           23.     **Settlement Fund** – The contents of the Settlement Fund held by Citibank N.A.  
6 (Private Bank), as Escrow Agent, shall be deemed and considered to be *in custodia legis* of the  
7 Court, and shall remain subject to the jurisdiction of the Court, until such time as they shall be  
8 distributed pursuant to the [Amended](#) Stipulation and/or further order(s) of the Court.

9           24.     **Taxes** – Co-Lead Counsel are authorized and directed to prepare any tax returns  
10 and any other tax reporting forms for or in respect to the Settlement Fund, to pay from the  
11 Settlement Fund any Taxes owed with respect to the Settlement Fund, and to otherwise perform  
12 all obligations with respect to Taxes and any reporting or filings in respect thereof without further  
13 order of the Court and in a manner consistent with the provisions of the [Amended](#) Stipulation.

14           25.     **Termination of Settlement** – If the Settlement is terminated as provided in the  
15 [Amended](#) Stipulation, the Settlement is not approved, or the Effective Date of the Settlement  
16 otherwise fails to occur, this Order shall be vacated, rendered null and void and be of no further  
17 force and effect, except as otherwise provided by the [Amended](#) Stipulation, and this Order shall be  
18 without prejudice to the rights of ~~Lead~~ Plaintiffs, the other Settlement Class Members and  
19 Defendants, and the Parties shall revert to their respective positions in the Action as of February  
20 28, 2023, as provided in the [Amended](#) Stipulation.

21           26.     **Use of this Order** – Neither this Order, the Term Sheet, the [Amended](#) Stipulation  
22 (whether or not consummated), including the exhibits thereto and the Plan of Allocation contained  
23 therein (or any other plan of allocation that may be approved by the Court), the negotiations  
24 leading to the execution of the Term Sheet and the [Amended](#) Stipulation, nor any proceedings  
25 taken pursuant to or in connection with the Term Sheet, the [Amended](#) Stipulation and/or approval  
26 of the Settlement (including any arguments proffered in connection therewith): (a) shall be  
27 offered against Defendants or any of the other Released Defendants’ Parties as evidence of, or  
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1 construed as, or deemed to be evidence of any presumption, concession, or admission by any of  
2 the Defendants or other Released Defendants' Parties with respect to the truth of any fact alleged  
3 by ~~Lead~~-Plaintiffs or the validity of any claim that was or could have been asserted or the  
4 deficiency of any defense that has been or could have been asserted in this Action or in any other  
5 litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of any of the  
6 Defendants or other Released Defendants' Parties or in any way referred to for any other reason as  
7 against any of the Defendants or other Released Defendants' Parties, in any civil, criminal or  
8 administrative action or other proceeding; (b) shall be offered against ~~Lead~~-Plaintiffs or any of the  
9 other Released Plaintiffs' Parties, as evidence of, or construed as, or deemed to be evidence of any  
10 presumption, concession or admission by any of the ~~Lead~~-Plaintiffs or other Released Plaintiffs'  
11 Parties that any of their claims are without merit, that any of the Defendants or the other Released  
12 Defendants' Parties had meritorious defenses, or that damages recoverable under the Complaint  
13 would not have exceeded the Settlement Amount or with respect to any liability, negligence, fault  
14 or wrongdoing of any kind, or in any way referred to for any other reason as against ~~Lead~~-Plaintiffs  
15 and any of the Released Plaintiffs' Parties, in any civil, criminal or administrative action or other  
16 proceeding; or (c) shall be construed against any of the Releasees as an admission, concession, or  
17 presumption that the consideration to be given under the Settlement represents the amount which  
18 could be or would have been recovered after trial; *provided, however*, that if the Amended  
19 Stipulation is approved by the Court, the Parties and the Releasees and their respective counsel  
20 may refer to it to effectuate the protections from liability granted thereunder or otherwise to  
21 enforce the terms of the Settlement.

22       27.     **Supporting Papers** – Co-Lead Counsel shall file and serve the opening papers in  
23 support of approval of the proposed Settlement, the Plan of Allocation, and Co-Lead Counsel's  
24 motion for an award of attorneys' fees and payment of Litigation Expenses no later than thirty-five  
25 (35) calendar days prior to the Settlement Hearing; and reply papers, if any, shall be filed and  
26 served no later than seven (7) calendar days prior to the Settlement Hearing.

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<b>Summary report:</b>	
<b>Litera Compare for Word 11.5.0.74 Document comparison done on 12/15/2023 8:48:58 PM</b>	
<b>Style name:</b> Default Style	
<b>Intelligent Table Comparison:</b> Active	
<b>Original DMS:</b> iw://labaton-mobility.imatege.work/Active/3418018/1	
<b>Modified DMS:</b> iw://labaton-mobility.imatege.work/ACTIVE/3418018/8	
<b>Changes:</b>	
<u>Add</u>	37
<del>Delete</del>	22
<del>Move From</del>	0
<u>Move To</u>	0
<u>Table Insert</u>	0
<del>Table Delete</del>	0
<u>Table moves to</u>	0
<del>Table moves from</del>	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
<b>Total Changes:</b>	<b>59</b>

# **Exhibit A-1**

**Exhibit 1**

THE HONORABLE THOMAS S. ZILLY

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

ANTONIO BACHAALANI NACIF and  
WIES RAFI, Individually and on behalf of all  
others similarly situated,

Plaintiffs,

v.

ATHIRA PHARMA, INC., et al.,

Defendants.

CASE NO.: 2:21-cv-00861-TSZ  
(Consolidated with 21-cv-00862-TSZ and  
21-cv-00864-TSZ)

**[SECOND REVISED] NOTICE OF (I) PENDENCY OF CLASS ACTION AND  
PROPOSED SETTLEMENT; (II) SETTLEMENT HEARING; AND (III) MOTION FOR  
AN AWARD OF ATTORNEYS' FEES AND PAYMENT OF LITIGATION EXPENSES**

***This is not a solicitation from a lawyer.***

**NOTICE OF PENDENCY OF CLASS ACTION:** Please be advised that your rights may be affected by the above-captioned securities class action (the "Action") pending in the United States District Court for the Western District of Washington (the "Court"), if you purchased or otherwise acquired Athira Pharma, Inc. ("Athira" or the "Company") publicly traded common stock: ~~(a) during the period from September 17, 2020 through June 17, 2021, inclusive (the "Class Period"); (b) pursuant and/or traceable to the registration statement and prospectus issued in connection with Athira's September 2020 initial public offering ("IPO"); and/or (c) pursuant~~

~~and/or traceable to the registration statement and prospectus issued in connection with Athira's January 2021 secondary public offering ("SPO"), and were damaged thereby.~~<sup>1</sup>

**NOTICE OF SETTLEMENT:** Please also be advised that the Court-appointed lead plaintiffs, Antonio Bachaalani Nacif and Wies Rafi (collectively, "Lead Plaintiffs"), and additional plaintiff Hang Gao (together with Lead Plaintiffs, "Plaintiffs"), on behalf of themselves and the Settlement Class (as defined in ¶ 2324 below), have reached a proposed settlement of the Action for \$10,000,000 in cash that, if approved, will resolve all claims in the Action and related claims (the "Settlement").

**PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from the Settlement. If you are a member of the Settlement Class, your legal rights will be affected whether or not you act.**

**If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please DO NOT contact the Court, Athira, any other Defendants in the Action, or their counsel. All questions should be directed to Co-Lead Counsel or the Claims Administrator (see ¶¶ 78 and 8688 below).**

1. **Description of the Action and the Settlement Class:** This Notice relates to a proposed Settlement of claims in a pending securities class action brought by investors alleging, among other things, that Defendants<sup>2</sup> violated the federal securities laws by making false and misleading statements related to allegedly altered images in certain research papers co-authored by Dr. Kawas. A more detailed description of the Action is set forth in paragraphs ~~12-22~~13-23 below. The proposed Settlement, if approved by the Court, will settle claims of the Settlement Class, as defined in paragraph 2324 below.

2. **Statement of the Settlement Class's Recovery:** Subject to Court approval, ~~Lead~~ Plaintiffs, on behalf of themselves and the Settlement Class, have agreed to settle the Action in exchange for a settlement payment of \$10,000,000 in cash (the "Settlement Amount") which Athira shall pay or cause to be paid into an escrow account. The Net Settlement Fund ~~(~~*i.e.*, the Settlement Amount plus any and all interest earned thereon (estimated at approximately \$500,000 assuming U.S. T-Bill yields of 5% over the span of one year) (the "Settlement Fund") less (a) any Taxes (estimated at approximately \$200,000), (b) any Notice and Administration

<sup>1</sup> All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Amended Stipulation and Agreement of Settlement dated ~~April 27~~December 15, 2023 (the "Amended Stipulation"), which is available at [www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com).

<sup>2</sup> Dr. Kawas, Glenna Mileson, Dr. Tadataka Yamada, Joseph Edelman, James A. Johnson, and John M. Fluke, Jr. are collectively referred to herein as the "Individual Defendants." Claims were also brought against Goldman Sachs & Co. LLC, Jefferies LLC, Stifel, Nicolaus & Company, Inc., and JMP Securities LLC (collectively, the "Underwriter Defendants," and together with Athira and the Individual Defendants, the "Defendants"). With the exception of Dr. Kawas and Athira, the Court dismissed all claims against the Individual Defendants and Underwriter Defendants in a July 29, 2022 order that granted in part and denied in part the Defendants' motions to dismiss.



Costs (estimated at approximately \$200,000), (c) any Litigation Expenses, including awards to Plaintiffs pursuant to the PSLRA, awarded by the Court (estimated at no more than ~~\$125,000~~235,000), and (d) any attorneys' fees awarded by the Court (estimated at no more than 33⅓% of the Settlement Fund), which would total approximately \$6,526,467, will be distributed in accordance with a plan of allocation that is approved by the Court, which will determine how the Net Settlement Fund shall be allocated among members of the Settlement Class. The proposed plan of allocation (the "Plan of Allocation") is set forth on pages \_\_ - \_\_ below.

3. As discussed below, pursuant to the proposed Plan of Allocation, the settlement proceeds available for payment of claims pursuant to the Securities Exchange Act of 1934 (the "Exchange Act Claims") shall be limited to a total amount of up to 8.5% of the Net Settlement Fund (the "Exchange Act Allocation") and no less than 91.5% of the Net Settlement Fund (the "Securities Act Allocation") will be available for payment of claims pursuant to the Securities Act of 1933 (the "Securities Act Claims").

4. ~~3.~~ Estimate of Average Amount of Recovery Per Share: Based on Lead Plaintiffs' consulting damages expert's estimates of the number of shares of Athira publicly traded common stock purchased during the Class Period that may have been affected by the conduct at issue in the Action (~~21,362,253~~21,360,000 shares), the allocations of the Net Settlement Fund proposed in the Plan of Allocation, and assuming that all Settlement Class Members elect to participate in the Settlement, the estimated average gross recovery (before accrued interest or the deduction of any Court-approved fees, expenses and costs as described herein) per eligible share is ~~\$0.47.~~ 0.72 for Securities Act Claims and \$0.10 for Exchange Act Claims.<sup>3</sup> The estimated average net recovery per eligible share may be ~~\$0.31~~0.47 for Securities Act Claims and \$0.06 for Exchange Act Claims, after factoring in estimated interest and the deduction of any Court-approved fees, expenses and costs as described herein. Accordingly, a Class Member with a Securities Act Claim who purchased ~~1001,000~~ eligible shares may receive a ~~settlement~~ payment of ~~\$31.00.~~ A470.00 and a Class Member with an Exchange Act Claim who purchased ~~10,000~~1000 eligible shares may receive a ~~settlement~~ payment of ~~\$3,100.00.~~ 60.00. According to the Plan of Allocation, the smallest payment will be \$10.00 and Lead Plaintiffs' consulting damages expert has estimated that Athira's largest publicly known investor could recover approximately \$408,000.

5. ~~4.~~ Settlement Class Members should note, however, that the foregoing average recoveries per share are only estimates. Some Settlement Class Members may recover more or less than ~~this~~these estimated ~~amount~~amounts depending on, among other factors, the number of shares of Athira common stock they purchased, when and at what prices they purchased/acquired or sold their Athira common stock, and the total number and value of valid Claims submitted. Distributions from the Net Settlement Fund to Settlement Class Members will be made based on the Plan of Allocation set forth herein (see pages \_\_ - \_\_ below) or such other plan of allocation as may be approved by the Court.

6. ~~5.~~ Average Amount of Damages Per Share: The Parties do not agree on the average amount of damages per share that would be recoverable if ~~Lead~~ Plaintiffs were to prevail in the

<sup>3</sup> It is estimated that approximately 12,790,000 million shares were allegedly damaged under the Securities Act Claims and 8,570,000 shares were allegedly damaged under the Exchange Act Claims.

Action. Among other things, Defendants disagree with the assertion that they violated the federal securities laws or that any damages were suffered by any members of the Settlement Class as a result of their conduct.

**7. ~~6.~~ Attorneys’ Fees and Expenses Sought:** Plaintiffs’ Counsel, who have been prosecuting the Action on a wholly contingent basis since its inception in 2021, have not received any payment of attorneys’ fees for their work on behalf of the Settlement Class and have advanced the funds to pay expenses necessarily incurred to prosecute this Action. Court-appointed lead counsel, Glancy Prongay & Murray, LLP and Labaton Sucharow LLP (collectively, “Co-Lead Counsel”), will apply to the Court for an award of attorneys’ fees for all Plaintiffs’ Counsel in an amount not to exceed 33⅓% of the Settlement Fund. In addition, Co-Lead Counsel will apply for payment of Litigation Expenses in an amount not to exceed ~~\$125,000~~235,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by ~~Lead~~ Plaintiffs related to their representation of the Settlement Class of no more than \$30,000 in the aggregate. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Estimates of the average cost per affected share of Athira common stock, if the Court approves Co-Lead Counsel’s fee and expense application, is \$0.16 per eligible share.

**8. ~~7.~~ Identification of Attorneys’ Representatives:** Lead Plaintiffs and the Settlement Class are represented by Casey E. Sadler, Esq. of Glancy Prongay & Murray, LLP, 1925 Century Park East, Suite 2100, Los Angeles, CA 90067, (888) 773-9224, [settlements@glancylaw.com](mailto:settlements@glancylaw.com); and Michael P. Canty, Esq., of Labaton Sucharow LLP, 140 Broadway, New York, New York 10005, (888) 219-6877, [settlementquestions@labaton.com](mailto:settlementquestions@labaton.com).

**9. ~~8.~~ Reasons for the Settlement:** The Court did not finally decide in favor of ~~Lead~~ Plaintiffs or Defendants. Instead, the Parties have agreed to settle. ~~Lead~~ Plaintiffs’ principal reason for entering into the Settlement is the substantial certain cash benefit for the Settlement Class without the risk or the delays inherent in further litigation. The substantial cash benefit must be considered against the significant risk that a smaller recovery—or no recovery at all—might be achieved after contested motions, a trial and the likely appeals that would follow a trial. This process could last several years. The Defendants deny the allegations that they made any material misstatements or omissions; that any member of the Settlement Class has suffered any damages; or that the price of Athira stock was artificially inflated by reason of any alleged misstatements or omissions. Defendants, who deny all allegations of wrongdoing or liability whatsoever, are entering into the Settlement solely to eliminate the uncertainty, burden and expense of further protracted litigation.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:</b>	
<p><b>SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN _____, <del>2023</del><u>2024</u>.</b></p>	<p>This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Settlement Class Member, you will be bound by the Settlement and you will give up any Released Plaintiffs’ Claims (defined in ¶ <del>28</del><u>29</u> below) that you have against Defendants and the other Released Defendants’ Parties (defined in ¶ <del>29</del><u>30</u> below), so it is in your interest to submit a Claim Form.</p>

<p><b>EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST THAT IS <i>RECEIVED</i> NO LATER THAN _____, <del>2023</del>2024.</b></p>	<p>If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you to ever be part of any other lawsuit against the Defendants or the other Released Defendants’ Parties concerning the Released Plaintiffs’ Claims.</p>
<p><b>SUBMIT A WRITTEN OBJECTION SO THAT IT IS <i>RECEIVED</i> NO LATER THAN _____, <del>2023</del>2024.</b></p>	<p>If you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for attorneys’ fees and Litigation Expenses, you may write to the Court and explain why you do not like them. You cannot object unless you are a Settlement Class Member and do not exclude yourself from the Settlement Class.</p>
<p><b>GO TO A HEARING ON _____, <del>2023</del>2024 AT ___:___ .M.</b></p>	<p>The Court will hold a final Settlement Hearing on _____, <del>2023</del>2024 at ___:___ .m.</p>
<p><b>DO NOTHING.</b></p>	<p>If you are a member of the Settlement Class and you do nothing, you will not receive a payment. You will, however, remain in the Settlement Class and give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.</p>

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<b>WHY DID I GET THIS NOTICE?</b>
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10. ~~9.~~ This Notice has been mailed to you because you or someone in your family or an investment account for which you serve as a custodian may have purchased or otherwise acquired Athira common stock during the Class Period. As a potential Settlement Class Member, you have a right to know about your options before the Court rules on the proposed Settlement.

11. ~~10.~~ The purpose of this Notice is to inform you of the existence of this class action, how you might be affected, and how to exclude yourself from the Settlement Class if you wish to do so. It also informs you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation and the motion by Co-Lead Counsel for an award of attorneys' fees and Litigation Expenses (the "Settlement Hearing"). See paragraph ~~75~~77 below for details about the Settlement Hearing, including the date and location of the hearing.

12. ~~11.~~ The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim or defense in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time to complete.

<b>WHAT IS THIS CASE ABOUT?</b>
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13. ~~12.~~ The Action was commenced by the filing of a class action complaint on June 25, 2021 in the United States District Court for the Western District of Washington (the "Court"), styled *Fan Wang and Hang Gao v. Athira Pharma, Inc. et al.*, Case No. 2:21-cv-00861. Two other class action complaints—styled *Jawandha v. Athira Pharma, Inc. et al.*, Case No. 2:21-cv-00862, and *Slyne v. Athira Pharma, Inc., et al.*, Case No. 2:21-cv-00864—were also filed in the Court. The Court subsequently consolidated these three cases.

14. ~~13.~~ By Order dated October 5, 2021, Antonio Bachaalani Nacif and Wies Rafi were appointed Lead Plaintiffs, Labaton Sucharow LLP and Glancy Prongay & Murray, LLP were approved as Co-Lead Counsel, and Rossi Vucinovich, P.C. was approved as Liaison Counsel.

15. ~~14.~~ On January 7, 2022, Lead Plaintiffs filed and served the operative consolidated amended complaint in the Action. It asserted claims against Athira and the Individual Defendants under Section 10(b) and Section 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder, claims against all Defendants under Sections 11 and 12(a)(2) of the Securities Act of 1933 (the "Securities Act") with respect to the Company's [Initial Public Offering \("IPO"\)](#) and [Secondary Public Offering \("SPO"\)](#), and claims against the Individual Defendants under Section 15 of the Securities Act with respect to the Company's IPO and SPO (the "Complaint"). Among other things, the Complaint alleged that Defendants made materially false and misleading statements and/or failed to disclose that the Company's president and chief executive officer, Dr. Kawas, had improperly enhanced images in certain research papers she co-authored that were published from 2011 to 2014, which were

referenced in certain applications by Washington State University (“WSU”) for patents that were then exclusively licensed to Athira. The Complaint further alleged that, when information regarding the allegedly enhanced images was publicly disclosed, the Company’s stock price was negatively impacted.

16. ~~15.~~ Following briefing on Defendants’ motions to dismiss the Complaint, the Court granted in part and denied in part those motions on July 29, 2022 (the “MTD Order”). The MTD Order denied Defendants’ motions with respect to Lead Plaintiffs’ claims under Sections 11 and 15 of the Securities Act against Dr. Kawas and Athira solely as to “Statement 3,” which was contained in Athira’s IPO and SPO Registration Statements and discussed Athira’s exclusive patent licensing agreement with WSU. The MTD Order granted Defendants’ motions to dismiss with respect to Lead Plaintiffs’ claims under Sections 11 and 15 of the Securities Act against Dr. Kawas and Athira with regard to all statements in the IPO and SPO Registration Statements other than “Statement 3.” In addition, the MTD Order dismissed all claims under Section 12(a)(2) of the Securities Act, all claims under the Exchange Act, all claims against the other Individual Defendants, and all claims against the Underwriter Defendants.

17. ~~16.~~ Following the MTD Order and the denial of Dr. Kawas’s subsequent motion for partial reconsideration of the order, Athira and Dr. Kawas separately filed answers to the Complaint.

18. ~~17.~~ Thereafter, the Private Securities Litigation Reform Act of 1995 (“PSLRA”) discovery stay was lifted and the remaining ~~Parties~~parties began discovery. Lead Plaintiffs and the remaining Defendants propounded requests for production of documents and interrogatories. The remaining Defendants and Lead Plaintiffs responded to this discovery, including providing verified interrogatory responses and producing documents. At the time the ~~Settlement~~settlement was reached, Lead Plaintiffs were preparing for class certification and fact depositions.

19. ~~18.~~ On February 16, 2023, Lead Plaintiffs and the remaining Defendants participated in a full-day mediation session with Jed Melnick, Esq. of JAMS. In advance of the session, Lead Plaintiffs and the remaining Defendants exchanged and provided to the mediator detailed mediation statements and exhibits, which addressed issues of both liability and damages. The session culminated in an agreement in principle to settle the Action.

20. ~~19.~~ Over the course of the next several weeks, the ~~Parties~~parties negotiated a term sheet (the “Term Sheet”) containing the essential terms of the ~~Settlement~~settlement, which was fully executed on February 28, 2023.

21. ~~20.~~ In connection with the agreement in principle to settle the Action set forth in the Term Sheet, Athira also provided Co-Lead Counsel with additional document discovery, which consisted of documents that the Special Committee of Athira’s Board of Directors considered and relied on in its investigation into the conduct at issue. Review of the additional documents produced by Athira, together with the previous discovery and Co-Lead Counsel’s investigation to date, has confirmed for Lead Plaintiffs and Co-Lead Counsel that the Settlement is fair, reasonable and adequate to ~~Lead~~ Plaintiffs and the other members of the Settlement Class.



22. ~~21.~~ Defendants are entering into the Settlement solely to eliminate the uncertainty, burden and expense of further protracted litigation. Each of the Defendants denies any wrongdoing or liability, and the Amended Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any of the Defendants, or any other of the Released Defendants' Parties (defined in ¶ 2930 below), with respect to any claim or allegation of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that the Defendants have, or could have, asserted. Similarly, the Amended Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any ~~Lead~~-Plaintiff of any infirmity in any of the claims asserted in the Action, or an admission or concession that any of the Defendants' defenses to liability had any merit.

23. ~~22.~~ On \_\_\_\_\_, 2023202, the Court preliminarily approved the Settlement and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

**HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?  
WHO IS INCLUDED IN THE SETTLEMENT CLASS?**

24. ~~23.~~ If you are a member of the Settlement Class, you are subject to the Settlement, unless you timely request to be excluded. The Settlement Class consists of:

(a) all persons and entities who or which purchased or otherwise acquired Athira Pharma, Inc. publicly traded common stock ~~-(a)-~~ during the period from September 17, 2020 through March 16, 2021, inclusive, and were damaged thereby (the "Securities Act Class") and (b) all persons and entities who or which purchased or otherwise acquired Athira Pharma, Inc. publicly traded common stock during the period from March 17, 2021 through June 17, 2021, inclusive (the "Class Period"); ~~(b) pursuant and/or traceable to the registration statement and prospectus issued in connection with the Company's September 2020 IPO; and/or (c) pursuant and/or traceable to the registration statement and prospectus issued in connection with the Company's January 2021 SPO, and were damaged thereby.~~<sup>3</sup> (the "Exchange Act Class").

Excluded from the Settlement Class are: (a) Defendants; (b) any person who served as a partner, control person, executive officer and/or director of Athira or the Underwriter Defendants during the Class Period, and members of their Immediate Family; (c) present and former parents, subsidiaries, assigns, successors, affiliates, and predecessors of Athira and the Underwriter Defendants; (d) any entity in which the Defendants have or had a controlling interest; (e) any trust of which an Individual Defendant is the settlor or which is for the benefit of an Individual Defendant and/or member(s) of their Immediate Family; (f) liability insurance carriers for Athira or the Individual Defendants; and (g) the legal representatives, heirs, successors, and assigns of any person or entity excluded under provisions (a) through (f) hereof. Notwithstanding any provision to the contrary, (a) any Investment Vehicle shall not be excluded from the Settlement Class; and (b) "affiliates" are persons or entities that directly, or indirectly through one or more

<sup>3</sup> A shareholder pursuing a claim for a violation of Section 11 of the Securities Act must "plead and prove that he purchased shares traceable to the allegedly defective registration statement." *Slack Techs., LLC v. Pirani*, 143 S. Ct. 1433, 1442 (2023). Traceability is the ability to show that a particular share was among those sold as part of a particular registered offering, as opposed to shares that were not.

intermediaries, control, are controlled by or are under common control with one of the Defendants, including Athira's employee retirement and/or benefit plan(s). Also excluded from the Settlement Class are any persons or entities who or which exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in this Notice. *See* "What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself," on page [ ] below.

**PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE A PAYMENT. ~~IF YOU WISH TO BE ELIGIBLE FOR A PAYMENT, YOU MUST SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION POSTMARKED NO LATER THAN \_\_\_\_\_, 2023.~~**

#### WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

25. ~~24.~~ If there were no Settlement, the expense and length of continued proceedings necessary to pursue ~~Lead~~ Plaintiffs' claims against the remaining Defendants through trial and appeals would be substantial. Additionally, the Court's MTD Order left only one actionable allegedly false and misleading statement from Athira's IPO materials and SPO materials, which was related to Athira's exclusive patent licensing agreement with WSU. Defendants had numerous avenues of attack that could preclude a recovery as to this statement. For example, they would likely assert that the statement was not materially false and misleading. Even if the hurdles to establishing liability were overcome, the amount of damages that could be attributed to the allegedly false statement would be hotly contested. ~~Lead~~ Plaintiffs would also have to prevail at several stages before any money could be recovered—motions for class certification and summary judgment, trial, and if they prevailed on those, in the appeals that were likely to follow. If Defendants were successful in proving any of their defenses, either at summary judgment, at trial or on appeal, the Settlement Class could recover substantially less than the amount provided in the Settlement, or nothing at all. Thus, there were very significant risks to the continued prosecution of the Action.

#### HOW ARE SETTLEMENT CLASS MEMBERS AFFECTED BY THE ACTION AND THE SETTLEMENT?

26. ~~25.~~ As a Settlement Class Member, you are represented by Lead Plaintiffs and Co-Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?" below.

27. ~~26.~~ If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the "Judgment"). The Judgment will dismiss with prejudice the claims against Defendants and related claims and will provide that, upon the Effective Date of the Settlement, ~~Lead~~ Plaintiffs and each of the other Settlement Class Members, on behalf of themselves, and their respective heirs, executors, administrators, trustees,

predecessors, successors, and assigns, in their capacities as such only, shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally and unconditionally released as against the Released Defendants' Parties (as defined in ¶ ~~29~~30 below) each and every Released Plaintiffs' Claim (as defined in ¶ ~~28~~29 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiffs' Claims against any of the Released Defendants' Parties.

28. ~~27.~~ If you are a Settlement Class Member and do not wish to remain a Settlement Class Member, you may exclude yourself from the Settlement Class by following the instructions in the section entitled, "What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?," below.

29. ~~28.~~ "Released Plaintiffs' Claims" means any and all claims, demands, rights, liabilities, and causes of action of every nature and description, whether known claims or Unknown Claims, contingent or absolute, mature or not mature, liquidated or unliquidated, accrued or not accrued, concealed or hidden, whether direct, representative, class, or individual in nature, regardless of legal or equitable theory and whether arising under federal, state, common, or foreign law, that ~~Lead~~ Plaintiffs or any other member of the Settlement Class: (a) asserted in the Action; or (b) could have asserted in any court or forum, that arise out of or are based upon (i) the allegations, transactions, facts, matters or occurrences, representations or omissions set forth or referred to in the complaints filed in the Action, and (ii) the purchase, acquisition, sale, or holding of Athira publicly traded common stock during the Class Period or pursuant and/or traceable to the registration statements and prospectuses issued in connection with Athira's IPO or SPO. Released Plaintiffs' Claims do not include: (a) any claims relating to enforcement of the Settlement; (b) any claims of any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court; and (c) any derivative claims asserted by shareholders on behalf of Athira in the related consolidated shareholder derivative lawsuits, captioned *Bushansky v. Kawas et al.*, Case No. 2:22-cv-497-TSZ (W.D. Wash.) and *Houlihan v. Kawas et al.*, Case No. 2:22-cv-620-TSZ (W.D. Wash.).

30. ~~29.~~ "Released Defendants' Parties" means (a) each Defendant; (b) the Immediate Family members of the Individual Defendants; (c) direct or indirect parent entities, subsidiaries, related entities, and affiliates of Athira and the Underwriter Defendants; (d) any trust of which any Individual Defendant is the settlor or which is for the benefit of any Individual Defendant and/or his or her Immediate Family members; (e) for any of the entities listed in parts (a) through (d), their respective past and present general partners, limited partners, principals, shareholders, joint venturers, members, officers, directors, managers, managing directors, supervisors, employees, contractors, consultants, experts, auditors, accountants, financial advisors, professional advisors, investment bankers, representatives, insurers, trustees, trustors, agents, attorneys, professionals, predecessors, successors, assigns, legal representatives, heirs, executors, administrators, and any controlling person thereof; and (f) any entity in which a Defendant has a controlling interest; all in their capacities as such.

31. ~~30.~~ "Unknown Claims" means any Released Plaintiffs' Claims which any Lead Plaintiff or any other Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of such claims, and any Released Defendants' Claims which any Defendant or any other Released Defendant Party does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, which, if known by him, her or it, might have



affected his, her or its decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, ~~Lead~~ Plaintiffs and Defendants shall expressly waive, and each of the other Settlement Class Members and each of the other Released Defendants' Parties shall be deemed to have waived, and by operation of the Judgment or the Alternate Judgment, if applicable, shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

~~Lead~~ Plaintiffs and Defendants acknowledge, and each of the other Settlement Class Members and each of the other Released Defendants' Parties shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

32. ~~31.~~ The Judgment will also provide that, upon the Effective Date of the Settlement, Defendants and the other Released Defendants' Parties, on behalf of themselves and their respective heirs, executors, administrators, trustees, predecessors, successors, and assigns, in their capacities as such only, shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally and unconditionally released as against ~~Lead~~ Plaintiffs and the other Released Plaintiffs' Parties (as defined in ¶ ~~33~~34 below) each and every Released Defendants' Claim (as defined in ¶ ~~32~~33 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Defendants' Claims against any of the Released Plaintiffs' Parties.

33. ~~32.~~ "Released Defendants' Claims" means all claims and causes of action of every nature and description, whether known claims or Unknown Claims, whether arising under federal, state, local, common, statutory, administrative, or foreign law, or any other law, rule, or regulation, at law or in equity, whether fixed or contingent, whether foreseen or unforeseen, whether accrued or unaccrued, whether liquidated or unliquidated, whether matured or unmatured, whether direct, representative, class, or individual in nature that arise out of or relate in any way to the institution, prosecution, or settlement of the claims against the Defendants. Released Defendants' Claims do not include any claims relating to the enforcement of the Settlement or any claims against any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court.

34. ~~33.~~ "Released Plaintiffs' Parties" means (a) ~~Lead~~ Plaintiffs, all Settlement Class members, Plaintiffs' Counsel, and (b) each of their respective family members, and their respective general partners, limited partners, principals, shareholders, joint venturers, members, officers, directors, managers, managing directors, supervisors, employees, contractors, consultants, experts, auditors, accountants, financial advisors, professional advisors, investment bankers, representatives, insurers, trustees, trustors, agents, attorneys, legal representatives, professionals, predecessors, successors, assigns, heirs, executors, administrators, and any controlling person thereof, in their capacities as such.

### HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

35. ~~34.~~ To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Settlement Class and you must timely complete and return the Claim Form with adequate supporting documentation to the Claims Administrator **postmarked or submitted online using the Settlement website no later than \_\_\_\_\_, 20232024.** A Claim Form is included with this Notice, or you may obtain one from the website for the Settlement, [www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com). You may also request that a Claim Form be mailed to you by calling the Claims Administrator toll free at ~~1-866-274-4004~~(866) 274-4004. Please retain all records of your ownership of and transactions in Athira common stock, as they may be needed to document your Claim. If you request exclusion from the Settlement Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

### HOW MUCH WILL MY PAYMENT BE?

36. ~~35.~~ At this time, it is not possible to make a precise determination as to how much any individual Settlement Class Member may receive from the Settlement. An estimate of the average per share ~~recovery~~recoveries is set forth in paragraph 34 above.

37. ~~36.~~ Pursuant to the Settlement, Athira has agreed to pay or cause the payment of ten million dollars (\$10,000,000) in cash. The Settlement Amount plus any interest or earnings thereon is referred to as the “Settlement Fund.” If the Settlement is approved by the Court and the Effective Date occurs, the “Net Settlement Fund” (that is, the Settlement Fund less (a) all federal, state and/or local taxes on any income earned by the Settlement Fund and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Fund (including reasonable expenses of tax attorneys and accountants); (b) the costs and expenses incurred in connection with providing notice to Settlement Class Members and administering the Settlement on behalf of Settlement Class Members; and (c) any attorneys’ fees and Litigation Expenses awarded by the Court) will be distributed to Settlement Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation set forth below or such other plan of allocation as the Court may approve.

38. ~~37.~~ The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal or review, whether by certiorari or otherwise, has expired.

39. ~~38.~~ Neither Athira, the Individual Defendants, nor any other entity that paid any portion of the Settlement Amount on their behalf is entitled to get back any portion of the Settlement Fund once the Court’s order or judgment approving the Settlement becomes Final. Defendants shall not have any liability, obligation or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund or the plan of allocation.

40. ~~39.~~ Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

41. ~~40.~~ Unless the Court otherwise orders, any Settlement Class Member who fails to submit a Claim Form postmarked on or before \_\_\_\_\_, 20232024 shall be fully and forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a

Settlement Class Member and be subject to the provisions of the [Amended Stipulation](#), including the terms of any judgment entered and the releases given. See ¶¶ ~~26–33~~[27–34](#) above.

~~42.~~ ~~41.~~ Participants in and beneficiaries of a plan covered by ERISA (“ERISA Plan”) should NOT include any information relating to their transactions in Athira common stock held through the ERISA Plan in any Claim Form that they submit. They should include ONLY those shares that they purchased or acquired outside of the ERISA Plan. Athira’s employee retirement and/or benefit plan(s) are excluded from the Settlement Class.

~~43.~~ ~~42.~~ The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds any Claim. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its Claim.

~~44.~~ ~~43.~~ Only Settlement Class Members will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities that are excluded from the Settlement Class by definition, or that exclude themselves from the Settlement Class pursuant to request, will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms. Athira common stock is the only security included in the Settlement.

### **PROPOSED PLAN OF ALLOCATION**

~~45.~~ ~~44.~~ The Plan of Allocation (the “Plan of Allocation” or “Plan”) set forth below is the plan for the distribution of the [Net Settlement proceeds Fund](#) that is being proposed by ~~Lead~~ Plaintiffs and Co-Lead Counsel to the Court for approval. The Court may approve this Plan of Allocation or modify it. Any order modifying the Plan of Allocation will be posted on the Settlement website at: [www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com).

~~46.~~ ~~45.~~ The objective of the Plan of Allocation is to equitably distribute the Settlement proceeds to those Settlement Class Members who suffered economic losses as a proximate result of the alleged wrongdoing. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making pro rata allocations of the Net Settlement Fund.

~~47.~~ ~~46.~~ Based on the [formulas provisions](#) set forth [below in this Plan](#), a “Recognized Loss Amount” shall be calculated by the Claims Administrator for each purchase or acquisition of Athira common stock during the ~~Class Period~~[relevant time periods](#) that is listed in the Claim Form and for which adequate documentation is provided.

~~48.~~ [Securities Act Claims](#): Shares of Athira common stock purchased or otherwise acquired (i) directly from an underwriter in the IPO or the SPO,<sup>4</sup> or (ii) in the open market during the period from September 17, 2020 through March 16, 2021, inclusive, shall be considered an acquisition of Athira common stock that is traceable to the IPO and/or SPO offering materials and is eligible for a recovery under the Securities Act (the “Securities Act Claims”).<sup>5</sup>

<sup>4</sup> Sufficient documentation must be provided to the Claims Administrator.

<sup>5</sup> In September 2020, Athira commenced the initial public offering of its common stock, in which it sold and issued a total of 13,397,712 shares at a price to the public of \$17.00 per share

Acquisitions of Athira common stock on or after March 17, 2021 are not eligible for a recovery under the Securities Act. The time period from September 17, 2020 through March 16, 2021, inclusive, is the “Securities Act Period.” The Recognized Loss Amounts for the Securities Act Claims shall be calculated as described below in “Calculation of Recognized Loss Amount Per Share Under the Securities Act.” The sum of a Claimant’s Recognized Loss Amounts Per Share Under the Securities Act will be the Claimant’s Securities Act Claim.

49. In the Calculation of Recognized Loss Amount Per Share Under the Securities Act, the “Offering Price” shall be \$17.00 (i.e., the IPO offering price) for shares of Athira common stock acquired prior to January 21, 2021. The Offering Price shall be \$22.50 (i.e., the SPO offering price) for shares of Athira common stock acquired directly from an underwriter pursuant to the SPO.<sup>6</sup> For all other shares of Athira common stock acquired during the period from January 21, 2021 through March 16, 2021, inclusive, the Offering Price shall be \$18.41, which is the weighted average of the IPO and SPO offering price.

50. **Exchange Act Claims:** The Recognized Loss Amount for shares of Athira common stock purchased or otherwise acquired during the period from March 17, 2021 through June 17, 2021, inclusive, (called the Exchange Act Period) shall be calculated as described below in “Calculation of Recognized Loss Amount Per Share Under the Exchange Act.” The sum of a Claimant’s Recognized Loss Amounts Per Share Under the Exchange Act will be the Claimant’s Exchange Act Claim.

51. As also discussed in paragraph 67 below, the settlement proceeds available for payment of the Exchange Act Claims shall be limited to a total amount of up to 8.5% of the Net Settlement Fund (the “Exchange Act Allocation”) and no less than 91.5% of the Net Settlement Fund will be available for payment of the Securities Act Claims (the “Securities Act Allocation”). Although the claims under the Exchange Act and the claims under the Securities Act in the Action generally relate to similar alleged misconduct, this approach to valuing Exchange Act Claims is the result of a supplemental arm’s-length mediation between representatives of the Exchange Act Class and representatives of the Securities Act Class before Mr. Melnick and is intended to reflect the Court’s rulings on Defendants’ motions to dismiss the Complaint, which dismissed claims under the Exchange Act.

~~52. 47. Recognized Loss Amounts are based primarily on the price declines quantified by Lead Plaintiffs’ consulting damages expert over the period which Lead Plaintiffs allege~~

which it sold and issued a total of 13,397,712 shares at a price to the public of \$17.00 per share (the “IPO”). The Company’s common stock began publicly trading on the Nasdaq Global Select Market under the symbol “ATHA” on September 18, 2020. On January 21, 2021, Athira commenced a follow-on public offering of its common stock, in which it sold and issued a total of 4,600,000 shares at a price to the public of \$22.50 per share (the “SPO”). On March 17, 2021, prior to market open, certain lock-up agreements entered into in connection with Athira’s IPO expired, and as a result, a significant portion of shares of the Company’s common stock not registered with the SEC in connection with its IPO or SPO became available for resale. (See Athira Pharma, Inc., SEC Form 10-K, filed March 25, 2021, p. 100.)

<sup>6</sup> Sufficient documentation must be provided to the Claims Administrator.

~~corrective information was entering the market place.~~ In the Action, Lead Plaintiffs allege that Defendants made false statements and omitted material facts in the IPO ~~materials~~ and SPO materials, ~~as well as during the Class Period (i.e., September 17, 2020 through June 17, 2021, inclusive) and thereafter~~, which had the effect of allegedly artificially inflating the price of Athira common stock. Lead Plaintiffs also allege that corrective disclosures removed the artificial inflation from the price of Athira common stock on June 18, 2021 (the “Corrective Disclosure Date”). Recognized Loss Amounts are based in part on the price decline in Athira common stock, as quantified by Lead Plaintiffs’ consulting damages expert, on the Corrective Disclosure Date. The estimated alleged artificial inflation in the price of Athira common stock during the Class Period is reflected in Table 1, below.

~~48. Athira conducted its IPO on September 17, 2020. Athira conducted its SPO on January 21, 2021. For purposes of this Plan of Allocation, all Athira common shares purchased from September 17, 2020 through January 20, 2021 are being treated as traceable to the IPO because only shares issued in the IPO were trading on the open market during that time. The Complaint alleged claims under the Securities Act with respect to these purchases.~~

~~49. After January 20, 2021, additional shares entered the market, which became comingled with the IPO shares. Accordingly, for purposes of this Plan of Allocation, Athira common stock purchased or otherwise acquired directly in the SPO, or in the open market during the period from January 21, 2021 through February 10, 2021, inclusive, at the SPO price of \$22.50 per share (excluding commissions and other charges), will be considered a purchase pursuant or traceable to the SPO materials. The Complaint alleged claims under the Securities Act with respect to these purchases.~~

~~50. Athira shares purchased from February 11, 2021 through the end of the Class Period on June 17, 2021 are not traceable to either the IPO or SPO registration statements for purposes of Section 11. These shares, however, were still purchased before the Class Period ends on June 17, 2021 when the purported truth was allegedly revealed to the market.~~

53. 51. In Section 11 of the Securities Act provides for an affirmative defense of negative causation, which prevents recovery for losses that defendants prove are not attributable to misrepresentations and/or omissions alleged by plaintiffs in a registration statement. Under Section 10(b) of the Exchange Act, in order to have recoverable damages in the Action, disclosures correcting thean alleged misrepresentationsmisrepresentation must be the cause of the decline in the price of the Athira common stock. In this matter, Lead Plaintiffs allege that corrective disclosures removed the artificial inflation from stock. Accordingly, given the likely defenses in the Action, the Calculation of Recognized Loss Amount Per Share Under the Securities Act and the Exchange Act assume that the decline in the price of Athira common stock on June 18, 2021 (the “, net of market and industry effects, on the Corrective Disclosure Date”) is the only compensable loss. Accordingly, in order to have a Recognized Loss Amount, Athira common stock must have been purchased or otherwise acquired during the Class Period and held until the close of the U.S. financial markets on June 17, 2021. To the extent a Claimant does not satisfy the conditions set forth in the preceding sentence, his, her or its Recognized Loss Amount for those transactions will be zero.

<b>Table 1</b>		
<b>Alleged Artificial Inflation in Athira Common Stock</b>		
<b>From</b>	<b>To</b>	<b>Per-Share Price Inflation</b>
September 17, 2020	June 17, 2021	\$7.14
June 18, 2021	Thereafter	\$0.00

~~52. The Action alleges claims under the Securities Act with respect to Athira common stock purchased pursuant or traceable to the Company's IPO materials<sup>4</sup> or SPO materials.<sup>5</sup> It alleges claims under the Exchange Act with respect to all purchases/acquisitions of Athira common stock during the Class Period.~~

~~53. For shares of Athira common stock eligible for a recovery under both the Exchange Act and the Securities Act, a Recognized Loss Amount will be calculated in the manner set forth in this Plan using an Exchange Act measure of loss, and any Recognized Loss Amount greater than zero will be increased by 25%. Although the Exchange Act claims and the Securities Act claims in the Action generally relate to similar alleged misconduct, this approach to calculating Recognized Loss Amounts is intended to reflect the Court's rulings on the motions to dismiss the Complaint, which dismissed the Exchange Act claims without prejudice.~~

54. The "90-day look back" provision of the [PSLRA Private Securities Litigation Reform Act of 1995 \(the "PSLRA"\)](#) is incorporated into the ~~calculation~~ [Calculation](#) of Recognized Loss ~~Amounts~~ [Amount Per Share Under the Exchange Act](#). This limitation provides that the Recognized Loss Amount on Athira common stock purchased during the ~~Class~~ [Exchange Act](#) Period and held as of the close of the 90-day period subsequent to the ~~Class~~ [Exchange Act](#) Period (the "90-Day Lookback Period") cannot exceed the difference between the purchase price paid for such stock and its average price during the 90-Day Lookback Period. The Recognized Loss Amount on Athira common stock purchased during the ~~Class~~ [Exchange Act](#) Period and sold during the 90-Day Lookback Period cannot exceed the difference between the purchase price paid for such stock and its rolling average price during the portion of the 90-Day Lookback Period elapsed as of the date of sale.

55. In the calculations below, all purchase and sale prices shall exclude any fees, taxes and commissions. If a Recognized Loss Amount is calculated to be a negative number, that Recognized Loss Amount shall be set to zero. Any transactions in Athira common stock executed outside of regular trading hours for the U.S. financial markets shall be deemed to have occurred during the next regular trading session.

~~<sup>4</sup> Athira common stock purchased or otherwise acquired directly in the IPO, or in the open market during the period from September 17, 2020 through January 20, 2021, inclusive, shall be considered a purchase pursuant or traceable to the IPO materials.~~

~~<sup>5</sup> Athira common stock purchased or otherwise acquired directly in the SPO, or in the open market during the period from January 21, 2021 through February 10, 2021, inclusive, at a price of \$22.50 per share (excluding commissions and other charges), shall be considered a purchase pursuant or traceable to the SPO materials.~~



**CALCULATION OF RECOGNIZED LOSS AMOUNTS PER SHARE UNDER THE EXCHANGE SECURITIES ACT**

56. Based on the formulas set forth below, a Recognized Loss Amount shall be calculated under the Securities Act for each share of Athira common stock that was purchased or otherwise acquired (i) directly from an underwriter in the IPO or the SPO,<sup>7</sup> or (ii) in the open market during the period from September 17, 2020 through March 16, 2021, inclusive, that is listed in the Claim Form and for which adequate documentation is provided.

- i. For shares sold prior to the close of the U.S. financial markets on June 17, 2021, the Recognized Loss Amount is \$0.00 per share.
- ii. For shares sold during the period from June 18, 2021 through June 25, 2021,<sup>8</sup> inclusive, the Recognized Loss Amount per share is *the lesser of*:
  - a. \$7.14; or
  - b. the purchase price (not to exceed the Offering Price) *minus* the sale price.
- iii. For shares still held as of the close of trading on June 25, 2021, the Recognized Loss Amount per share is *the lesser of*:
  - a. \$7.14; or
  - b. the purchase price (not to exceed the Offering Price) *minus* \$10.84.

**CALCULATION OF RECOGNIZED LOSS AMOUNTS PER SHARE UNDER THE EXCHANGE ACT**

57. ~~56.~~ Based on the ~~provisions~~formulas set forth ~~in this Plan, a~~ “below, a Recognized Loss Amount<sup>2</sup> shall be calculated under the Exchange Act for each purchase or acquisition of Athira common stock during the ~~Class Period~~period from March 17, 2021 through June 17, 2021, inclusive, that is listed in the Claim Form and for which adequate documentation is provided.

- i. ~~I.~~ For ~~each share purchased or otherwise acquired during the Class Period that was~~shares sold prior to the close of the U.S. financial markets on June 17, 2021, the Recognized Loss Amount is \$0.00 per share.
- ii. ~~II.~~ For ~~each share purchased or otherwise acquired during the Class Period that was~~subsequentlyshares sold during the period from June 18, 2021 through September 15,

<sup>7</sup> Sufficient documentation must be provided to the Claims Administrator.

<sup>8</sup> June 25, 2021 is the filing date of the first complaint stating a claim under the Securities Act in this matter. The closing price of Athira common stock on June 25, 2021 was \$10.84.

2021, inclusive (*i.e.*, sold during the 90-Day Lookback Period), the Recognized Loss Amount per share is the least of:

- a. \$7.14 ~~per share~~; or
- b. the purchase price *minus* the sale price; or
- c. the purchase price *minus* the “90-Day Lookback Value” on the date of sale as appears in Table 2, below.

iii. ~~III.~~ For ~~each share purchased or otherwise acquired during the Class Period and~~ shares still held as of the close of trading on September 15, 2021, the Recognized Loss Amount per share is the lesser of:

- a. \$7.14 ~~per share~~; or
- b. the purchase price *minus* the average closing price for Athira common stock during the 90-Day Lookback Period, which is \$10.33 ~~per share~~.

~~IV. For each share purchased or otherwise acquired on or after June 18, 2021, the Recognized Loss Amount is \$0.00 per share.~~

<b>Table 2</b>					
<b><u>90-Day Lookback Values</u></b>					
<b>Sale/ Disposition Date</b>	<b>90-Day Lookback Value</b>	<b>Sale/ Disposition Date</b>	<b>90-Day Lookback Value</b>	<b>Sale/ Disposition Date</b>	<b>90-Day Lookback Value</b>
6/18/2021	\$11.15	7/20/2021	\$10.51	8/18/2021	\$10.25
6/21/2021	\$10.95	7/21/2021	\$10.52	8/19/2021	\$10.23
6/22/2021	\$10.75	7/22/2021	\$10.52	8/20/2021	\$10.22
6/23/2021	\$10.71	7/23/2021	\$10.51	8/23/2021	\$10.22
6/24/2021	\$10.77	7/26/2021	\$10.49	8/24/2021	\$10.22
6/25/2021	\$10.78	7/27/2021	\$10.47	8/25/2021	\$10.22
6/28/2021	\$10.76	7/28/2021	\$10.46	8/26/2021	\$10.22
6/29/2021	\$10.72	7/29/2021	\$10.44	8/27/2021	\$10.23
6/30/2021	\$10.66	7/30/2021	\$10.41	8/30/2021	\$10.24
7/1/2021	\$10.66	8/2/2021	\$10.39	8/31/2021	\$10.25
7/2/2021	\$10.65	8/3/2021	\$10.38	9/1/2021	\$10.26
7/6/2021	\$10.68	8/4/2021	\$10.37	9/2/2021	\$10.27
7/7/2021	\$10.67	8/5/2021	\$10.38	9/3/2021	\$10.28
7/8/2021	\$10.66	8/6/2021	\$10.36	9/7/2021	\$10.29
7/9/2021	\$10.68	8/9/2021	\$10.36	9/8/2021	\$10.30
7/12/2021	\$10.67	8/10/2021	\$10.35	9/9/2021	\$10.31
7/13/2021	\$10.67	8/11/2021	\$10.34	9/10/2021	\$10.33
7/14/2021	\$10.63	8/12/2021	\$10.33	9/13/2021	\$10.33



7/15/2021	\$10.60	8/13/2021	\$10.32	9/14/2021	\$10.33
7/16/2021	\$10.54	8/16/2021	\$10.29	9/15/2021	\$10.33
7/19/2021	\$10.51	8/17/2021	\$10.27	N/A	N/A

### ADDITIONAL PROVISIONS

58. ~~57.~~ The Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (defined in paragraph ~~65~~66 below) is \$10.00 or greater.

59. ~~58.~~ **FIFO Matching:** If a Settlement Class Member has more than one purchase/acquisition or sale of Athira common stock, all purchases/acquisitions and sales shall be matched on a First In, First Out (“FIFO”) basis. ~~Under FIFO, Class Period sales~~Sales of Athira common stock will be matched against ~~Class Period~~ purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

60. ~~59.~~ **Calculation of Claimant’s “Recognized Claim”:** A Claimant’s ~~Recognized~~Securities Act Claim” under the Plan of Allocation shall be the sum of his, her, or its Recognized Loss Amounts ~~for all shares of the Athira common stock.~~Per Share Under the Securities Act. A Claimant’s “Exchange Act Claim” under the Plan of Allocation shall be the sum of his, her, or its Recognized Loss Amounts Per Share Under the Exchange Act. A Claimant’s Securities Act Claim plus his, her, or its Exchange Act Claim will be their Recognized Claim.

61. ~~60.~~ **“Purchase/Sale” Dates:** Purchases or acquisitions and sales of Athira common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance, or operation of law of Athira common stock during the Class Period shall not be deemed a purchase, acquisition, or sale of Athira common stock for the calculation of an Authorized Claimant’s Recognized Loss Amount, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of any Athira common stock unless (i) the donor or decedent purchased or otherwise acquired such Athira common stock during the Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such Athira common stock; and (iii) it is specifically so provided in the instrument of gift or assignment.

62. ~~61.~~ **Short Sales:** The date of covering a “short sale” is deemed to be the date of purchase or acquisition of the Athira common stock. The date of a “short sale” is deemed to be the date of sale of Athira common stock. Under the Plan of Allocation, however, the Recognized Loss Amount on “short sales” is zero. In the event that a Claimant has ~~an opening~~a short position in Athira common stock during the Class Period, the earliest ~~Class Period~~subsequent purchases or acquisitions shall be matched against such ~~opening~~ short position, and not be entitled to a recovery, until that short position is fully covered.

63. ~~62.~~ **Option Contracts:** Option contracts are not securities eligible to participate in the Settlement. With respect to Athira common stock purchased through the exercise of an option, the purchase date of the Athira common stock shall be the exercise date of the option and the

purchase price of the Athira common stock shall be the closing price of Athira common stock on the date of exercise. Any Recognized Loss Amount arising from purchases of Athira common stock acquired during the Class Period through the exercise of an option on Athira common stock shall be computed as provided for other purchases of Athira common stock in the Plan of Allocation.

**64. ~~63.~~ Market Gains and Losses:** To the extent a Claimant had a market gain with respect to his, her, or its overall transactions in Athira common stock during the Class Period, the value of the Claimant's Recognized Claim shall be zero. ~~To the extent that a Claimant suffered an overall market loss with respect to his, her, or its overall transactions in Athira common stock during the Class Period, but that market loss was less than the total Recognized Claim calculated above, then the Claimant's Recognized Claim shall be limited to the amount of the actual market loss.~~ Such Claimants shall in any event be bound by the Settlement.

~~65. 64. For purposes of determining whether a Claimant had a~~ The Claims Administrator shall determine a Claimant's market loss or gain with respect to his, her, or its overall transactions in Athira common stock during the Class Period or suffered a market loss their Securities Act Claims and their Exchange Act Claims, separately. For instance, with respect to Securities Act Claims, the Claims Administrator shall determine calculate the difference between (i) the ~~Total~~ Securities Act Purchase Amount<sup>69</sup> and (ii) the sum of the ~~Total~~ Securities Act Sales Proceeds<sup>710</sup> and the Securities Act Holding Value.<sup>811</sup> If the Claimant's ~~Total~~ Securities Act Purchase Amount *minus* the sum of the ~~Total~~ Securities Act Sales Proceeds and the Securities Act Holding Value is a positive number, that number will be the Claimant's market loss on such securities; if the number is a negative number or zero, that number will be the Claimant's market

<sup>69</sup> The "~~Total~~ Securities Act Purchase Amount" is the total amount the Claimant paid (excluding commissions and other charges) for all Athira common stock purchased or acquired during the ~~Class Period~~ Securities Act Period. The "~~Exchange Act Purchase Amount~~" is the total amount the Claimant paid (excluding commissions and other charges) for all Athira common stock purchased or acquired during the Exchange Act Period.

<sup>710</sup> The "~~Total~~ Securities Act Sales Proceeds" is the total amount received (excluding commissions and other charges) ~~for sales from the sale~~ of Athira common stock ~~during the Class Period~~ purchased during the Securities Act Period. The "~~Exchange Act Sales Proceeds~~" is the total amount received (excluding commissions and other charges) from the sale of Athira common stock purchased during the Exchange Act Period.

<sup>811</sup> The Claims Administrator shall ascribe a "Securities Act Holding Value" to shares of Athira common stock purchased or acquired during the ~~Class~~ Securities Act Period and still held as of the close of trading on June 17, 2021, which shall be \$11.15 per share (*i.e.*, the closing price of Athira common stock on the Corrective Disclosure Date). The total ~~calculated of such~~ holding values ~~for all Athira common stock~~ shall be the Claimant's "~~Total~~ Securities Act Holding Value."The Claims Administrator shall ascribe an "Exchange Act Holding Value" to shares of Athira common stock purchased or acquired during the Exchange Act Period and still held as of the close of trading on June 17, 2021, which shall be \$11.15 per share (i.e., the closing price of Athira common stock on the Corrective Disclosure Date). The total of such holding values shall be the Claimant's "Exchange Act Holding Value."

gain on such securities. To the extent a Claimant had a market gain on such securities, the value of the Claimant's Securities Act Claim shall be zero. To the extent a Claimant suffered a market loss on such securities, but that market loss was less than the Claimant's total Securities Act Claim, then the Claimant's Securities Act Claim shall be limited to the amount of the actual market loss. The same calculations will be made with respect to the Claimant's Exchange Act Claims.

~~65.~~ **Determination of Distribution Amount:** The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their ~~Recognized~~Securities Act Claims and Exchange Act Claims. Specifically, a "Securities Act Distribution Amount" will be calculated for each Authorized Claimant, which shall be the Authorized Claimant's ~~Recognized~~Securities Act Claim divided by the total ~~Recognized~~Securities Act Claims of all Authorized Claimants, multiplied by the ~~total~~ amount ~~in~~of the ~~Net Settlement Fund~~Securities Act Allocation. Similarly, an "Exchange Act Distribution Amount" will be calculated for each Authorized Claimant, which shall be the Authorized Claimant's Exchange Act Claim divided by the total Exchange Act Claims of all Authorized Claimants, multiplied by the amount of the Exchange Act Allocation. The sum of an Authorized Claimant's Securities Act Distribution Amount and Exchange Act Distribution Amount will be an Authorized Claimant's Distribution Amount. If any Authorized Claimant's Distribution Amount calculates to less than \$10.00, it will ~~not be included in the calculation~~be removed from the final pro rata calculations and no distribution will be made to such Authorized Claimant. Any Distribution Amounts of less than \$10.00 will be included in the ~~pool~~pools distributed to those ~~Settlement Class Members~~Authorized Claimants whose Distribution Amounts are \$10.00 or greater.

~~67.~~ **Maximum Recovery for Exchange Act Claims:** Cumulative payments of all Exchange Act Claims will be limited to no more than 8.5% of the Net Settlement Fund (Exchange Act Allocation). Thus, if the total cumulative payments for Exchange Act Claims of Authorized Claimants exceed 8.5% of the Net Settlement Fund, then the Exchange Act Claims will be reduced proportionately until they collectively equal 8.5% of the Net Settlement Fund. If the total cumulative payments of all Exchange Act Claims of Authorized Claimants is less than 8.5% of the Net Settlement Fund, then the Exchange Act Claims will be limited to their actual lesser proportion of the Net Settlement Fund. Any excess will be transferred to the Securities Act Allocation.

~~66.~~ After the initial distribution of the Net Settlement Fund, the Claims Administrator shall make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the fund at least nine (9) months after the initial distribution, if Co-Lead Counsel, in consultation with the Claims Administrator, determine that it is cost-effective to do so, the Claims Administrator shall conduct a re-distribution of the funds remaining, after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, and Taxes to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 in such additional re-distributions may occur thereafter if Co-Lead Counsel, in consultation with the Claims Administrator, determine that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, and Taxes would be cost-effective. At such

time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance shall be contributed to the Public Justice Foundation, or such other non-sectarian, not-for-profit organization(s) approved by the Court.

69. ~~67.~~ Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Claimants. No person shall have any claim against ~~Lead~~ Plaintiffs, Plaintiffs' Counsel, Lead Plaintiffs' consulting damages expert, Defendants, Defendants' Counsel, or any of the other Releasees, or the Claims Administrator or other agent designated by Co-Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders of the Court. ~~Lead~~ Plaintiffs, Defendants and their respective counsel, and all other Defendants' Releasees, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund, the Net Settlement Fund, the plan of allocation, or the determination, administration, calculation, or payment of any Claim Form or nonperformance of the Claims Administrator, the payment or withholding of Taxes owed by the Settlement Fund, or any losses incurred in connection therewith.

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE SETTLEMENT CLASS SEEKING?  
HOW WILL THE LAWYERS BE PAID?**

70. ~~68.~~ Plaintiffs' Counsel have not received any payment for their services in pursuing claims in the Action on behalf of the Settlement Class, nor have Plaintiffs' Counsel been paid for their Litigation Expenses.<sup>912</sup> In connection with final approval of the Settlement, Co-Lead Counsel will apply to the Court for an award of attorneys' fees on behalf of all Plaintiffs' Counsel in an amount not to exceed 33⅓% of the Settlement Fund. At the same time, Co-Lead Counsel also intend to apply for payment of Litigation Expenses in an amount not to exceed ~~\$125,000~~ 235,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by ~~Lead~~ Plaintiffs related to their representation of the Settlement Class in an aggregate amount not to exceed \$30,000. The Court will determine the amount of any award of attorneys' fees or Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund.

**WHAT IF I DO NOT WANT TO BE A MEMBER OF THE SETTLEMENT CLASS?  
HOW DO I EXCLUDE MYSELF?**

71. ~~69.~~ Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written request for exclusion from the Settlement Class, addressed to *Athira Pharma Securities Litigation*, EXCLUSIONS, c/o Strategic Claims Services, P.O. Box 230, 600 N. Jackson Street, Suite 205, Media, PA 19063. The exclusion request must be **received no later than** \_\_\_\_\_, ~~2023~~ 2024. You will not be able to exclude yourself from the Settlement Class after that date.

<sup>912</sup> Plaintiffs' Counsel are Labaton Sucharow LLP, Glancy Prongay & Murray LLP, Rossi Vucinovich, P.C., ~~and~~ the Schall Law Firm, and Block & Leviton LLP. Co-Lead Counsel may also allocate a portion of awarded attorneys' fees to Longman Law, PC, which appeared at the beginning of the case on behalf of proposed lead plaintiffs Timothy and Tai Slyne.

72. ~~70.~~ Each request for exclusion must: (a) state the name, address and telephone number of the person or entity requesting exclusion, and in the case of entities the name and telephone number of the appropriate contact person; (b) state that such person or entity “requests exclusion from the Settlement Class in *Athira Pharma Securities Litigation*, Case No. 2:21-cv-00861-TSZ”; (c) state the number of shares of Athira common stock that the person or entity requesting exclusion purchased/acquired and sold during the Class Period (*i.e.*, from September 17, 2020 through June 17, 2021, inclusive), as well as the dates and prices of each such purchase/acquisition and sale; and (d) be signed by the person or entity requesting exclusion or an authorized representative. A request for exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

73. ~~71.~~ If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have a pending lawsuit, arbitration, or other proceeding, or later file one, relating to any Released Plaintiffs’ Claim against any of the Released Defendants’ Parties.

74. ~~72.~~ If you ask to be excluded from the Settlement Class, you will not be eligible to receive any payment from the Net Settlement Fund so do not file a Claim Form.

75. ~~73.~~ Athira has the right to terminate the Settlement if valid requests for exclusion are received from members of the Settlement Class that exceed an amount agreed to by ~~Lead~~ Plaintiffs and Defendants.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE  
SETTLEMENT? HOW DO I OBJECT?  
MAY I SPEAK AT THE HEARING IF I DON’T LIKE THE SETTLEMENT?**

76. ~~74.~~ **Settlement Class Members do not need to attend the Settlement Hearing. The Court will consider any objection made in accordance with the provisions below even if a Settlement Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Hearing.**

77. ~~75.~~ The Settlement Hearing will be held on \_\_\_\_\_, ~~2023~~2024 at \_\_: \_\_ .m., before the Honorable Thomas S. Zilly at the United States District Court for the Western District of Washington, United States Courthouse, Courtroom 15206, 700 Stewart Street, Seattle, WA 98101. The Court reserves the right to approve the Settlement, the Plan of Allocation, Co-Lead Counsel’s motion for an award of attorneys’ fees and payment of Litigation Expenses and/or any other matter related to the Settlement at or after the Settlement Hearing.

78. ~~76.~~ Any Settlement Class Member who or which does not request exclusion may object to the Settlement, the proposed Plan of Allocation and/or Co-Lead Counsel’s motion for an award of attorneys’ fees and payment of Litigation Expenses. Objections must be in writing. You must mail any written objection, together with copies of all other papers supporting the objection, to Co-Lead Counsel and Defendants’ Counsel at the addresses set forth below so that the papers are *received on or before* \_\_\_\_\_, ~~2023~~2024.

**Co-Lead Counsel**

**Glancy Prongay & Murray LLP**

Casey E. Sadler, Esq.  
1925 Century Park East  
Suite 2100  
Los Angeles, CA 90067

-and-

**Labaton Sucharow LLP**

Michael P. Canty, Esq.  
140 Broadway  
New York, New York 10005

**Defendants' Counsel**

**Wilson Sonsini Goodrich & Rosati,  
P.C.**

Gregory L. Watts, Esq.  
701 Fifth Avenue  
Suite 5100  
Seattle, WA 98104-7036

-and-

**Perkins Coie LLP**

Sean C. Knowles, Esq.  
1201 Third Avenue  
Suite 4900  
Seattle, WA 98101-3099

-and-

**DLA Piper LLP (US)**

Anthony Todaro, Esq.  
701 Fifth Avenue, Suite 6900  
Seattle, WA 98104-7029

79. ~~77.~~ Any objection: (a) must state the name, address and telephone number of the person or entity objecting and must be signed by the objector; (b) must contain a statement of the Settlement Class Member's objection or objections, the specific reasons for each objection, including whether it applies only to the objector, to a specific subset of the Settlement Class, or to the entire Settlement Class, and any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention; and (c) must include documents sufficient to prove membership in the Settlement Class, including the number of shares of Athira common stock that the objecting Settlement Class Member purchased/acquired and sold during the Class Period (*i.e.*, from September 17, 2020 through June 17, 2021, inclusive), as well as the dates and prices of each such purchase/acquisition and sale. You may not object to the Settlement, the Plan of Allocation or Co-Lead Counsel's motion for attorneys' fees and payment of Litigation Expenses if you exclude yourself from the Settlement Class or if you are not a member of the Settlement Class.

80. ~~78.~~ Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

81. ~~79.~~ You may submit a written objection without appearing at the Settlement Hearing.

82. ~~80.~~ You are not required to hire an attorney to represent you in connection with objecting or appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at



your own expense, and that attorney must file a notice of appearance with the Court and serve it on Co-Lead Counsel and Defendants' Counsel at the addresses set forth in ~~¶76~~[paragraph 78](#) above so that the notice is *received on or* \_\_\_\_\_, ~~2023~~[2024](#).

~~83.~~ ~~81.~~ The Settlement Hearing may be adjourned by the Court, or held remotely, without further individual notice to the Settlement Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Co-Lead Counsel.

~~84.~~ ~~82.~~ **Unless the Court orders otherwise, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation or Co-Lead Counsel's motion for an award of attorneys' fees and payment of Litigation Expenses. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.**

#### WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?

~~85.~~ ~~83.~~ If you purchased or otherwise acquired Athira publicly traded common stock from September 17, 2020 through June 17, 2021, inclusive, including in the IPO and the SPO, for the beneficial interest of persons or entities other than yourself as a nominee, you must within SEVEN (7) CALENDAR DAYS of receipt of this Notice either: (a) request from the Claims Administrator sufficient copies of the Notice and Claim Form (the "Notice Packet") to forward to all such beneficial owners and within SEVEN (7) CALENDAR DAYS of receipt of those Notice Packets forward them to all such beneficial owners; or (b) send a list of the names and addresses of all such beneficial owners to the Claims Administrator at *Athira Pharma Securities Litigation*, c/o Strategic Claims Services, P.O. Box 230, 600 N. Jackson Street, Suite 205, Media, PA 19063, in which event the Claims Administrator shall promptly mail the Notice Packet to such beneficial owners. Nominees shall also provide email addresses for all such beneficial owners to the Claims Administrator, to the extent they are available. If you choose to follow procedure (a), upon such mailing you must send a statement to the Claims Administrator confirming that the mailing was made as directed.

~~86.~~ ~~84.~~ Upon full and timely compliance with these directions, nominees may seek reimbursement of their reasonable expenses actually incurred, not to exceed \$0.05 plus postage at the current pre-sort rate used by the Claims Administrator per Notice Packet mailed; or \$0.05 per name, address, and email address (to the extent available) provided to the Claims Administrator, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. **YOU ARE NOT AUTHORIZED TO PRINT THE NOTICE PACKET YOURSELF. NOTICE PACKETS MAY ONLY BE PRINTED BY THE COURT-APPOINTED CLAIMS ADMINISTRATOR.**

#### WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

~~87.~~ ~~85.~~ This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in this Action, you are referred to the [Amended Stipulation and Complaint](#) filed in the Action, and any related orders entered by the Court, which will be posted on the website maintained by the Claims Administrator, [www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com).

88. ~~86.~~ Questions about this Notice or the Settlement should be directed to Co-Lead Counsel using the contact information provided in ~~¶¶ 7~~paragraphs 8 and ~~76~~78, above. All inquiries concerning the Claim Form should be directed to:

*Athira Pharma Securities Litigation*  
c/o Strategic Claims Services  
P.O. Box 230  
600 N. Jackson Street, Suite 205  
Media, PA 19063  
~~866-274-4004~~  
(866) 274-4004  
www.AthiraSecuritiesSettlement.com

**DO NOT CALL OR WRITE THE COURT, THE CLERK OF THE COURT, DEFENDANTS OR THEIR COUNSEL REGARDING THIS NOTICE.**

Dated: \_\_\_\_\_, ~~2023~~2024

By Order of the Court  
United States District Court  
Western District of Washington



<b>Summary report:</b>	
<b>Litera Compare for Word 11.5.0.74 Document comparison done on 12/15/2023 8:52:18 PM</b>	
<b>Style name:</b> Default Style	
<b>Intelligent Table Comparison:</b> Active	
<b>Original DMS:</b> iw://labaton-mobility.imatege.work/Active/3418013/1	
<b>Modified DMS:</b> iw://labaton-mobility.imatege.work/ACTIVE/3418013/4	
<b>Changes:</b>	
<u>Add</u>	290
<del>Delete</del>	257
<del>Move From</del>	0
<u>Move To</u>	0
<u>Table Insert</u>	0
<del>Table Delete</del>	0
<u>Table moves to</u>	0
<del>Table moves from</del>	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
<b>Total Changes:</b>	<b>547</b>

# **Exhibit A-2**

**Exhibit 2**

THE HONORABLE THOMAS S. ZILLY

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

ANTONIO BACHAALANI NACIF and  
WIES RAFI, Individually and on behalf of all  
others similarly situated,

Plaintiffs,

v.

ATHIRA PHARMA, INC., et al.,

Defendants.

CASE NO.: 2:21-cv-00861-TSZ  
(Consolidated with 21-cv-00862-TSZ and  
21-cv-00864-TSZ)

**PROOF OF CLAIM FORM**

**I. GENERAL INSTRUCTIONS**

1. To recover as a member of the Settlement Class based on your claims in the action entitled *Nacif et al., v. Athira Pharma, Inc. et al.*, Case No.: 2:21-cv-00861-TSZ (the “Action”), you must complete and, on page \_\_\_ below, sign this Proof of Claim Form (“Claim Form”). If you fail to submit a timely and properly addressed (as set forth in paragraph 3 below) Claim Form, your Claim may be rejected and you may not receive any recovery from the Net Settlement Fund created in connection with the proposed Settlement.<sup>1</sup>

<sup>1</sup> All capitalized terms used in this Claim Form that are not otherwise defined shall have the meanings ascribed to them in the [Amended](#) Stipulation and Agreement of Settlement dated ~~April~~

2. Submission of this Proof of Claim, however, does not assure that you will share in the proceeds of the Settlement of the Action.

3. **YOU MUST MAIL BY FIRST FIRST-CLASS MAIL OR SUBMIT ONLINE YOUR COMPLETED AND SIGNED CLAIM FORM, ACCOMPANIED BY COPIES OF THE DOCUMENTS REQUESTED BELOW, NO LATER THAN \_\_\_\_\_, ~~2023~~2024, ADDRESSED AS FOLLOWS:**

*Athira Pharma Securities Litigation*  
c/o Strategic Claims Services  
P.O. Box 230  
600 N. Jackson Street, Suite 205  
Media, PA 19063  
Online Submissions:  
[www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com)

If you are NOT a member of the Settlement Class, as defined in the accompanying Notice and below, DO NOT submit a Claim Form.

4. If you did not timely request exclusion and are a Class Member, you will be bound by the terms of any judgment entered in the Action, including the releases provided therein, **WHETHER OR NOT YOU SUBMIT A CLAIM FORM.**

## **II. CLAIMANT IDENTIFICATION**

5. You are a member of the Settlement Class if you: (a) purchased or otherwise acquired Athira Pharma, Inc. publicly traded common stock: ~~-(a)-~~ during the period from September 17, 2020 through March 16, 2021, inclusive, and were damaged thereby (the “Securities Act Class”) and/or (b) purchased or otherwise acquired Athira Pharma, Inc. publicly traded common stock during the period from March 17, 2021 through June 17, 2021, inclusive

meanings ascribed to them in the Amended Stipulation and Agreement of Settlement dated ~~April 27~~ December 15, 2023 (the “Amended Stipulation”), which is available at [www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com).

~~(the “Class Period”); (b) pursuant and/or traceable to the registration statement and prospectus issued in connection with the Company’s September 2020 Initial Public Offering (“IPO”); and/or (c) pursuant and/or traceable to the registration statement and prospectus issued in connection with the Company’s January 2021 Secondary Public Offering (“SPO”), and were damaged thereby~~ (the “Exchange Act Class”). If you purchased or acquired Athira publicly traded common stock and held the certificate(s) in your name, you are the beneficial purchaser or acquirer as well as the record purchaser or acquirer. If, however, you purchased or acquired Athira publicly traded common stock and the certificate(s) were registered in the name of a third party, such as a nominee or brokerage firm (“nominee”), you are the beneficial purchaser or acquirer and the third party is the record purchaser or acquirer.

6. Use Part I of this form entitled “Claimant Identification” to identify each beneficial purchaser/acquirer and purchaser/acquirer of record, if different from the beneficial purchaser/acquirer of the Athira shares that form the basis of this Claim. THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL PURCHASER(S) OR ACQUIRER(S) OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER(S) OR ACQUIRER(S) OF THE ATHIRA PUBLICLY TRADED COMMON STOCK UPON WHICH THIS CLAIM IS BASED.

7. All joint purchasers or acquirers must sign this Claim Form. Executors, administrators, guardians, conservators, and trustees or others acting in a representative capacity on behalf of a Class Member must complete and sign this Claim Form on behalf of persons represented by them, and submit evidence of their current authority to act on behalf of that Class Member, including titles or capacities. The Social Security (or taxpayer identification) number and telephone number of the beneficial owner may be used in verifying the Claim. Failure to provide the foregoing information could delay verification of your Claim or result in rejection of the Claim.

III. ~~IDENTIFICATION~~IDENTIFICATION OF TRANSACTIONS

8. Use Part II of this form entitled “Schedule of Transactions in Athira Publicly Traded Common Stock” to supply all required details of your transaction(s) in Athira publicly traded common stock. If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name on each additional sheet. **THE PARTIES DO NOT HAVE INFORMATION ABOUT YOUR TRANSACTIONS IN ATHIRA COMMON STOCK.**

9. On the schedules, provide all of the requested information with respect to *all* of your purchases or acquisitions and *all* of your sales of Athira publicly traded common stock which took place during the time periods requested below, whether such transactions resulted in a profit or a loss. You must also provide all of the requested information with respect to *all* of the shares of Athira publicly traded common stock you held at the close of trading on ~~January 20~~June 25, 2021, and September 15, 2021. Failure to report all such transactions may result in the rejection of your Claim.

10. ~~Shares will be deemed to have been purchased~~If you did not purchase or acquire shares on the open market, but you purchased/acquired shares pursuant ~~or traceable~~ to Athira’s Initial Public Offering (the “IPO, which occurred”) on or about September 17, 2020, ~~if they were purchased or acquired during the period from September 17, 2020 through January 20, 2021, both dates inclusive.~~ Shares will be deemed to have been purchased pursuant ~~or traceable to Athira’s SPO, which occurred~~ or its Secondary Public Offering (the “SPO”) on or about January 21, 2021, ~~if they were purchased or acquired during the period from January 21, 2021 through February 10, 2021, both dates inclusive, at the SPO price of \$22.50 per share (excluding commissions and other charges).~~ If you believe you purchased shares pursuant to Athira’s SPO, you must produce affirmative documentation showing that you purchased ~~pursuant to the~~

~~offering. For example, offering trade confirmations should indicate no brokerage fees or commissions associated with that purchase and/or that the purchase was~~directly from one of the ~~offering underwriters~~Underwriter Defendants. Such documentation will be deemed to satisfy this requirement only for the purposes of this Settlement.

11. List each transaction separately and in chronological order, by trade date, beginning with the earliest. You must accurately provide the month, day, and year of each transaction you list.

12. The date of covering a “short sale” is deemed to be the date of purchase of Athira publicly traded common stock. The date of a “short sale” is deemed to be the date of sale of Athira publicly traded common stock.

13. For each transaction, copies of broker confirmations or other documentation of your transactions should be attached to your Claim Form. Failure to provide this documentation could delay verification of your Claim or result in rejection of your Claim.

14. NOTICE REGARDING ~~ELECTRONIC FILES:~~ ~~Certain Claimants~~INSTITUTIONAL FILERS: Representatives with authority to file on behalf of (a) accounts of multiple Settlement Class Members and/or (b) institutional accounts with large numbers of transactions ~~may request, or may be asked, to~~(“Representative Filers”) must submit information regarding their transactions in an electronic ~~files. This is different from the online submission process that is available at~~ www.AthiraSecuritiesSettlement.com. If you have a large number of transactions and wish to file your Claim electronically, spreadsheet format. If you are a Representative Filer, you must contact the Claims Administrator at efile@strategicclaims.net or ~~go to~~ www.AthiraSecuritiesSettlement.com visit their website at www.strategicclaims.net/institutional-filers/ to obtain the required file layout. ~~All Claimants~~ must Claims that are not submitted in electronic spreadsheet format and in accordance with the





Co-Beneficial Owner's First Name MI Co-Beneficial Owner's Last Name

[Grid for Co-Beneficial Owner's First Name, MI, and Co-Beneficial Owner's Last Name]

Entity Name (if Claimant is not an individual)

[Grid for Entity Name]

Record Owner Name (if different from Beneficial Owner(s) listed above)

[Grid for Record Owner Name]

Representative Name (if different from Beneficial Owner(s) listed above)

[Grid for Representative Name]

Address1 (street name and number)

[Grid for Address1]

Address2 (apartment, unit, or box number)

[Grid for Address2]

City

State ZIP/Postal Code

[Grid for City, State, and ZIP/Postal Code]

Foreign Country (only if not USA)

Foreign Country (only if not USA)

[Grid for Foreign Country]

Social Security Number (last four digits only) Taxpayer Identification Number (last four digits only)

[Grid for Social Security Number and Taxpayer Identification Number]

Telephone Number (day)

Telephone Number (evening)

[Grid for Telephone Number (day) and Telephone Number (evening)]

Email address: \_\_\_\_\_

Account Number (if filing for multiple accounts, file a separate Claim Form for each account)



**C. Sales of Athira publicly traded common stock from September 17, 2020 through September 15, 2021, inclusive (must be documented):**

Sale Date MM/DD/YY (List Chronologically)	Number of Shares Sold	Sale Price Per Share	Total Sale Price (excluding taxes, commissions, and fees, if any)
1. _____	1. _____	1. _____	1. _____
2. _____	2. _____	2. _____	2. _____
3. _____	3. _____	3. _____	3. _____
4. _____	4. _____	4. _____	4. _____
5. _____	5. _____	5. _____	5. _____
6. _____	6. _____	6. _____	6. _____

**D. Number of shares of Athira publicly traded common stock held at the close of trading on ~~January 20~~ June 25, 2021 (must be documented):**

\_\_\_\_\_

**E. Number of shares of Athira publicly traded common stock held at the close of trading on September 15, 2021 (must be documented):** \_\_\_\_\_

\_\_\_\_\_

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page.

**YOU MUST READ AND SIGN THIS FORM ON PAGE \_\_ BELOW. FAILURE TO SIGN THIS FORM MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.**

**IV. SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS**

By signing and submitting this Claim Form, the Claimant(s) or the person(s) acting on behalf of the Claimant(s) certify(ies) that: I (We) submit this Claim Form under the terms of the Plan of Allocation described in the accompanying Notice. I (We) also submit to the jurisdiction

of the United States District Court for the Western District of Washington (the “Court”) with respect to my (our) Claim as a member of the Settlement Class and for purposes of enforcing the releases set forth herein. I (We) further acknowledge that I (we) will be bound by and subject to the terms of any judgment entered in connection with the Settlement in the Action, including the releases set forth therein. I (We) agree to furnish additional information to the Claims Administrator to support this Claim, such as additional documentation for transactions in Athira common stock, if required to do so. I (We) have not submitted any other claim covering the same transactions in Athira common stock during the Class Period and know of no other person having done so on my (our) behalf.

**V. RELEASES, WARRANTIES, AND CERTIFICATION**

I (We) hereby warrant and represent that I am (we are) a member of the Settlement Class as defined in the Notice, and that I am (we are) not excluded from the Settlement Class as set forth in the Notice.

As a member of the Settlement Class, I (we) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally, and forever compromise, settle, release, resolve, relinquish, waive, and discharge with prejudice the Released Plaintiffs’ Claims as to each and all of the Defendants and the other Released Defendants’ Parties (as these terms are defined in the accompanying Notice). This release shall be of no force or effect unless and until the Court approves the Settlement and it becomes effective on the Effective Date.

I (We) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release or any other part or portion thereof.

I (We) hereby warrant and represent that I (we) have included information about all of my (our) purchases and sales of Athira publicly traded common stock that occurred during the time periods requested and the number of shares held by me (us), to the extent requested.

I (We) certify that I am (we are) NOT subject to backup tax withholding. (If you have been notified by the Internal Revenue Service that you are subject to backup withholding, please strike out the prior sentence.)

I (We) declare under penalty of perjury under the laws of the United States of America that all of the foregoing information supplied by the undersigned is true and correct.

I (We) declare under penalty of perjury under the laws of the United States of America that all of the foregoing information supplied on this Claim Form by the undersigned is true and correct.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, ~~2023~~2024 in \_\_\_\_\_,  
(Month/Year) (City)  
\_\_\_\_\_  
(State)

\_\_\_\_\_  
(Sign your name here)

\_\_\_\_\_  
(Type or print your name here)

\_\_\_\_\_  
(Capacity of person(s) signing, e.g., Beneficial Purchaser or Acquirer, Executor or Administrator)

**ACCURATE CLAIMS PROCESSING TAKES A SIGNIFICANT AMOUNT OF TIME.  
THANK YOU FOR YOUR PATIENCE.**

Reminder Checklist:

- |   |  |
|---|--|
| <ol style="list-style-type: none"> <li>1. Please sign the above release and acknowledgment.</li> <li>2. If this Claim is being made on behalf of Joint Claimants, then both must sign.</li> <li>3. Remember to attach copies of supporting documentation, if available.</li> <li>4. <b>Do not send</b> originals of certificates.</li> <li>5. Keep a copy of your Claim Form and all supporting documentation for your</li> </ol> | <ol style="list-style-type: none"> <li>6. If you desire an acknowledgment of receipt of your Claim Form, please send it Certified Mail, Return Receipt Requested.</li> <li>7. If you move, please send your new address to the address below.</li> <li>8. <b>Do not use red pen or highlighter</b> on the Claim Form or supporting documentation.</li> </ol> |
|---|--|

records.

**THIS CLAIM FORM MUST BE SUBMITTED ONLINE OR MAILED NO LATER THAN \_\_\_\_\_, ~~2023~~2024, ADDRESSED AS FOLLOWS:**

*Athira Pharma Securities Litigation*  
c/o Strategic Claims Services  
P.O. Box 230  
600 N. Jackson Street, Suite 205  
Media, PA 19063  
Tel: (866) 274-4004  
Fax: (610) 565-7985  
[www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com)

<b>Summary report:</b>	
<b>Litera Compare for Word 11.5.0.74 Document comparison done on 12/15/2023 8:54:35 PM</b>	
<b>Style name:</b> Default Style	
<b>Intelligent Table Comparison:</b> Active	
<b>Original DMS:</b> iw://labaton-mobility.imatege.work/Active/3419803/1	
<b>Modified DMS:</b> iw://labaton-mobility.imatege.work/ACTIVE/3419803/5	
<b>Changes:</b>	
<a href="#">Add</a>	32
<del>Delete</del>	25
<del>Move From</del>	0
<a href="#">Move To</a>	0
<a href="#">Table Insert</a>	0
<del>Table Delete</del>	0
<a href="#">Table moves to</a>	0
<del>Table moves from</del>	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
<b>Total Changes:</b>	<b>57</b>

# **Exhibit A-3**



Exhibit 3

THE HONORABLE THOMAS S. ZILLY

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

ANTONIO BACHAALANI NACIF and  
WIES RAFI, Individually and on behalf of all  
others similarly situated,

Plaintiffs,

v.

ATHIRA PHARMA, INC., et al.,

Defendants.

CASE NO.: 2:21-cv-00861-TSZ  
(Consolidated with 21-cv-00862-TSZ and  
21-cv-00864-TSZ)

**[SECOND REVISED] SUMMARY NOTICE OF (I) PENDENCY OF CLASS ACTION  
AND  
PROPOSED SETTLEMENT; (II) SETTLEMENT HEARING;  
AND (III) MOTION FOR AN AWARD OF ATTORNEYS' FEES  
AND PAYMENT OF LITIGATION EXPENSES**

**TO:** All persons and entities who or which purchased or otherwise acquired Athira Pharma, Inc. ("Athira") publicly traded common stock: ~~(a)~~ during the period from September 17, 2020 through June 17, 2021, inclusive; ~~(b) pursuant and/or traceable to the registration statement and prospectus issued in connection with Athira's September 2020 initial public offering; and/or (c) pursuant and/or traceable to the registration statement and prospectus issued in connection with Athira's January 2021 secondary public offering,~~ and were damaged thereby (the "Settlement Class");

**PLEASE READ THIS NOTICE CAREFULLY, YOUR RIGHTS WILL BE AFFECTED  
BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT.**

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure that the above-captioned litigation (the “Action”) has been certified as a class action on behalf of the Settlement Class, except for certain persons and entities who are excluded from the Settlement Class by definition as set forth in the full printed Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Hearing; and (III) Motion for an Award of Attorneys’ Fees and Payment of Litigation Expenses (the “Notice”).

YOU ARE ALSO NOTIFIED that ~~Lead~~ Plaintiffs in the Action have reached a proposed settlement of the Action for \$10,000,000 in cash (the “Settlement”), which, if approved, will resolve all claims in the Action and related claims.

A hearing will be held on \_\_\_\_\_, ~~2023~~2024 at \_\_\_:\_\_\_ .m., before the Honorable Thomas S. Zilly at the United States District Court for the Western District of Washington, United States Courthouse, Courtroom 15206, 700 Stewart Street, Seattle, WA 98101, to determine: (i) whether the proposed Settlement should be approved as fair, reasonable, and adequate; (ii) whether the Action should be dismissed with prejudice against Defendants, and the Releases specified and described in the Amended Stipulation and Agreement of Settlement dated ~~April 27~~December 15, 2023 (and in the Notice) should be granted; (iii) whether the proposed Plan of Allocation should be approved as fair and reasonable; and (iv) whether Co-Lead Counsel’s application for an award of attorneys’ fees and payment of expenses should be approved.

**If you are a member of the Settlement Class, your rights will be affected by the pending Action and the Settlement, and you may be entitled to share in the Settlement Fund.** If you have not yet received the Notice and Proof of Claim Form (“Claim Form”), you may obtain copies of these documents by contacting the Claims Administrator at *Athira Pharma Securities Litigation*, c/o Strategic Claims Services, P.O. Box 230, 600 N. Jackson Street, Suite 205, Media, PA 19063, ~~+866-274-4004~~(866) 274-4004. Copies of the Notice and Claim Form can also be downloaded from the website maintained by the Claims Administrator, [www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com).

If you are a member of the Settlement Class, in order to be eligible to receive a payment under the proposed Settlement, you must submit a Claim Form to the Claims Administrator *postmarked* no later than \_\_\_\_\_, ~~2023~~2024, if sent by mail, or *submitted online* using the Settlement website no later than \_\_\_\_\_, ~~2023~~2024. If you are a Settlement Class Member and do not submit a proper Claim Form, you will not be eligible to share in the distribution of the net proceeds of the Settlement but you will nevertheless be bound by any judgments or orders entered by the Court in the Action.

If you are a member of the Settlement Class and wish to exclude yourself from the Settlement Class, you must submit a request for exclusion to the Claims Administrator such that it is *received no later than* \_\_\_\_\_, ~~2023~~2024, in accordance with the instructions set forth in the Notice. If you properly exclude yourself from the Settlement Class, you will not be bound by any judgments or orders entered by the Court in the Action and you will not be eligible to share in the proceeds of the Settlement.

Any objections to the proposed Settlement, the proposed Plan of Allocation, or Co-Lead Counsel's motion for attorneys' fees and payment of expenses, must be delivered to Co-Lead Counsel and Defendants' Counsel such that they are *received no later than* \_\_\_\_\_, ~~2023~~2024, in accordance with the instructions set forth in the Notice.

**Please do not contact the Court, the Clerk's office, Athira, Defendants, or their counsel regarding this notice. All questions about this notice, the proposed Settlement, or your eligibility to participate in the Settlement should be directed to Co-Lead Counsel or the Claims Administrator.**

Inquiries, other than requests for the Notice and Claim Form, should be made to Co-Lead Counsel:

<b>GLANCY PRONGAY &amp; MURRAY LLP</b> Casey E. Sadler, Esq. 1925 Century Park East, Suite 2100 Los Angeles, CA 90067 Telephone: (888) 773-9224 Email: settlements@glancylaw.com	<b>LABATON SUCHAROW LLP</b> Michael P. Canty, Esq. 140 Broadway New York, New York 10005 Telephone: (888) 219-6877 Email: settlementquestions@labaton.com
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Requests for the Notice and Claim Form should be made to:

*Athira Pharma Securities Litigation*  
c/o Strategic Claims Services  
P.O. Box 230  
600 N. Jackson Street, Suite 205  
Media, PA 19063  
~~+866-274-4004~~  
(866) 274-4004  
www.AthiraSecuritiesSettlement.com

By Order of the Court

<b>Summary report:</b>	
<b>Litera Compare for Word 11.5.0.74 Document comparison done on 12/15/2023 8:56:17 PM</b>	
<b>Style name:</b> Default Style	
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Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
<b>Total Changes:</b>	<b>22</b>

# **Exhibit B**

**Exhibit B**

THE HONORABLE THOMAS S. ZILLY

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UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

ANTONIO BACHAALANI NACIF and  
WIES RAFI, Individually and on behalf of all  
others similarly situated,

Plaintiffs,

v.

ATHIRA PHARMA, INC., et al.,

Defendants.

CASE NO.: 2:21-cv-00861-TSZ  
(Consolidated with 21-cv-00862-TSZ and  
21-cv-00864-TSZ)

**[REVISED PROPOSED] JUDGMENT APPROVING CLASS ACTION SETTLEMENT**

WHEREAS, a consolidated class action is pending in this Court entitled *Nacif, et al., v. Athira Pharma, Inc., et al.*, Case No.: 2:21-cv-00861-TSZ (the “Action”);

WHEREAS, (a) Court-appointed lead plaintiffs Antonio Bachaalani Nacif and Wies Rafi (collectively, “Lead Plaintiffs”) and additional plaintiff Hang Gao (together with Lead Plaintiffs, “Plaintiffs”), on behalf of themselves and the Settlement Class (defined below); (b) Athira Pharma, Inc. (“Athira” or the “Company”); (c) Dr. Leen Kawas, Glenna Mileson, Dr. Tadataka Yamada, Joseph Edelman, James A. Johnson, and John M. Fluke, Jr. (the “Individual Defendants”); and (d) Goldman Sachs & Co. LLC, Jefferies LLC, Stifel, Nicolaus & Company, Inc., and JMP Securities LLC (the “Underwriter Defendants,” and together with Athira and the Individual Defendants, “Defendants, and together with ~~Lead~~ Plaintiffs, the “Parties”) have entered

1 into ~~an~~ Amended Stipulation and Agreement of Settlement dated ~~April 27~~December 15, 2023  
2 (the “Amended Stipulation”), which provides for a complete dismissal with prejudice of the  
3 claims asserted against Defendants in the Action and related claims on the terms and conditions  
4 set forth in the Amended Stipulation, subject to the approval of this Court (the “Settlement”);

5 WHEREAS, unless otherwise defined in this Judgment, the capitalized terms herein shall  
6 have the same meaning as they have in the Amended Stipulation;

7 WHEREAS, by Order dated \_\_\_\_\_, ~~2023~~202 (the “Preliminary Approval  
8 Order”), this Court: (a) preliminarily approved the Settlement; (b) certified the Settlement Class  
9 solely for purposes of effectuating the Settlement; (c) ordered that notice of the proposed  
10 Settlement be provided to potential Settlement Class Members; (d) provided Settlement Class  
11 Members with the opportunity either to exclude themselves from the Settlement Class or to object  
12 to the proposed Settlement; and (e) scheduled a hearing regarding final approval of the Settlement;

13 WHEREAS, due and adequate notice has been given to the Settlement Class;

14 WHEREAS, the Court conducted a hearing on \_\_\_\_\_, ~~2023~~2024 (the “Settlement  
15 Hearing”) to consider, among other things, (a) whether the terms and conditions of the Settlement  
16 are fair, reasonable and adequate to the Settlement Class, and should therefore be approved; and  
17 (b) whether a judgment should be entered dismissing the Action with prejudice as against the  
18 Defendants; and

19 WHEREAS, the Court having reviewed and considered the Amended Stipulation, all  
20 papers filed and proceedings held in connection with the Settlement, all oral and written  
21 comments received regarding the Settlement, and the record in the Action, and good cause  
22 appearing therefor;

23 IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

24 1. **Jurisdiction** – The Court has jurisdiction over the subject matter of the Action, and  
25 all matters relating to the Settlement, as well as personal jurisdiction over all of the Parties and  
26 each of the Settlement Class Members.

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1           2.       **Incorporation of Settlement Documents** – This Judgment incorporates and makes  
2 a part hereof: (a) the Amended Stipulation filed with the Court on \_\_\_\_\_, 2023; and (b)  
3 the Notice and the Summary Notice, both of which were filed with the Court on \_\_\_\_\_,  
4 ~~2023~~2024.

5           3.       **Class Certification for Settlement Purposes** – The Court hereby affirms its  
6 determinations in the Preliminary Approval Order certifying, for the purposes of the Settlement  
7 only, the Action as a class action pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil  
8 Procedure on behalf of the Settlement Class consisting of: (a) all persons and entities who or  
9 which purchased or otherwise acquired Athira Pharma, Inc. publicly traded common stock: ~~(a)~~  
10 during the period from September 17, 2020 through March 16, 2021, inclusive, and were damaged  
11 thereby (the “Securities Act Class”) and (b) all persons and entities who or which purchased or  
12 otherwise acquired Athira Pharma, Inc. publicly traded common stock during the period from  
13 March 17, 2021 through June 17, 2021, inclusive ~~(the “Class Period”); (b) pursuant and/or~~  
14 ~~traceable to the registration statement and prospectus issued in connection with the Company’s~~  
15 ~~September 2020 initial public offering; and/or (c) pursuant and/or traceable to the registration~~  
16 ~~statement and prospectus issued in connection with the Company’s January 2021 secondary public~~  
17 ~~offering~~, and were damaged thereby (the “Exchange Act Class”). Excluded from the Settlement  
18 Class are: (a) Defendants; (b) any person who served as a partner, control person, executive officer  
19 and/or director of Athira or the Underwriter Defendants during the Class Period, and members of  
20 their Immediate Family; (c) present and former parents, subsidiaries, assigns, successors,  
21 affiliates, and predecessors of Athira and the Underwriter Defendants; (d) any entity in which the  
22 Defendants have or had a controlling interest; (e) any trust of which an Individual Defendant is the  
23 settlor or which is for the benefit of an Individual Defendant and/or member(s) of their Immediate  
24 Family; (f) liability insurance carriers for Athira or the Individual Defendants; and (g) the legal  
25 representatives, heirs, successors, and assigns of any person or entity excluded under provisions  
26 (a) through (f) hereof. Notwithstanding any provision to the contrary, (a) any Investment Vehicle  
27 shall not be excluded from the Settlement Class; and (b) “affiliates” are persons or entities that  
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1 directly, or indirectly through one or more intermediaries, control, are controlled by or are under  
2 common control with one of the Defendants, including Athira's employee retirement and/or  
3 benefit plan(s). [Also excluded from the Settlement Class are the persons and entities listed on  
4 Exhibit 1 hereto who or which are excluded from the Settlement Class pursuant to request.]

5 4. **Adequacy of Representation** – Pursuant to Rule 23 of the Federal Rules of Civil  
6 Procedure, and for the purposes of the Settlement only, the Court hereby affirms its determinations  
7 in the Preliminary Approval Order certifying ~~Lead~~ Plaintiffs as Class Representatives for the  
8 Settlement Class and appointing Co-Lead Counsel Glancy Prongay & Murray, LLP and Labaton  
9 Sucharow LLP as Class Counsel for the Settlement Class. ~~Lead~~ Plaintiffs and Co-Lead Counsel  
10 have fairly and adequately represented the Settlement Class both in terms of litigating the Action  
11 and for purposes of entering into and implementing the Settlement and have satisfied the  
12 requirements of Federal Rules of Civil Procedure 23(a)(4) and 23(g), respectively.

13 5. **Notice** – The Court finds that the dissemination of the Notice and the publication of  
14 the Summary Notice: (a) were implemented in accordance with the Preliminary Approval Order;  
15 (b) constituted the best notice practicable under the circumstances; (c) constituted notice that was  
16 reasonably calculated, under the circumstances, to apprise Settlement Class Members of (i) the  
17 pendency of the Action; (ii) the effect of the proposed Settlement (including the Releases to be  
18 provided thereunder); (iii) Co-Lead Counsel's motion for an award of attorneys' fees and payment  
19 of Litigation Expenses; (iv) their right to object to any aspect of the Settlement, the Plan of  
20 Allocation and/or Co-Lead Counsel's motion for attorneys' fees and payment of Litigation  
21 Expenses; (v) their right to exclude themselves from the Settlement Class; and (vi) their right to  
22 appear at the Settlement Hearing; (d) constituted due, adequate, and sufficient notice to all persons  
23 and entities entitled to receive notice of the proposed Settlement; and (e) satisfied the requirements  
24 of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the  
25 Due Process Clause), the Private Securities Litigation Reform Act of 1995, Public Law No.  
26 104-67, 109 Stat. 737 (codified as amended in scattered sections of 15 U.S.C.), and all other  
27 applicable law and rules.

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1           6.       **Final Settlement Approval and Dismissal of Claims** – Pursuant to, and in  
2 accordance with, Rule 23 of the Federal Rules of Civil Procedure, this Court hereby fully and  
3 finally approves the Settlement set forth in the Amended Stipulation in all respects (including,  
4 without limitation: (a) the amount of the Settlement; (b) the Releases provided for therein; and (c)  
5 the dismissal with prejudice of the claims asserted against Defendants in the Action), and finds  
6 that the Settlement is, in all respects, fair, reasonable and adequate to the Settlement Class. The  
7 Parties are directed to implement, perform and consummate the Settlement in accordance with the  
8 terms and provisions contained in the Amended Stipulation.

9           7.       The Action and all of the claims asserted against Defendants in the Action by ~~Lead~~  
10 Plaintiffs and the other Settlement Class Members are hereby dismissed with prejudice. The  
11 Parties shall bear their own costs and expenses, except as otherwise expressly provided in the  
12 Amended Stipulation.

13           8.       **Binding Effect** – The terms of the Amended Stipulation and of this Judgment shall  
14 be forever binding on Defendants, ~~Lead~~ Plaintiffs and all other Settlement Class Members  
15 (regardless of whether or not any individual Settlement Class Member submits a Claim Form or  
16 seeks or obtains a distribution from the Net Settlement Fund), as well as their respective  
17 successors and assigns. [The persons and entities listed on Exhibit 1 hereto are excluded from the  
18 Settlement Class pursuant to request and are not bound by the terms of the Amended Stipulation  
19 or this Judgment.]

20           9.       **Releases** – The Releases set forth in paragraphs 5 and 6 of the Amended  
21 Stipulation, together with the definitions contained in paragraph 1 of the Amended Stipulation  
22 relating thereto, are expressly incorporated herein in all respects. The Releases are effective as of  
23 the Effective Date. Accordingly, this Court orders that:

24                   (a)       Without further action by anyone, and subject to paragraph 10 below, upon  
25 the Effective Date of the Settlement, ~~Lead~~ Plaintiffs and each of the other Settlement Class  
26 Members, on behalf of themselves, and their respective heirs, executors, administrators, trustees,  
27 predecessors, successors, and assigns, in their capacities as such only, shall be deemed to have,  
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1 and by operation of law and of the Judgment shall have, fully, finally and unconditionally released  
2 as against Defendants and the other Released Defendants' Parties each and every Released  
3 Plaintiffs' Claim, and shall forever be barred and enjoined from prosecuting any or all of the  
4 Released Plaintiffs' Claims against any of the Defendants and other Released Defendants' Parties.  
5 This Release shall not apply to any of the Excluded Claims (as that term is defined in paragraph  
6 1(~~1~~) of the [Amended](#) Stipulation).

7 (b) Without further action by anyone, and subject to paragraph 10 below, upon  
8 the Effective Date of the Settlement, Defendants and the other Released Defendants' Parties, on  
9 behalf of themselves and their respective heirs, executors, administrators, trustees, predecessors,  
10 successors, and assigns, in their capacities as such only, shall be deemed to have, and by operation  
11 of law and of the judgment shall have, fully, finally and unconditionally released as against ~~Lead~~  
12 Plaintiffs and the other Released Plaintiffs' Parties each and every Released Defendants' Claim,  
13 and shall forever be barred and enjoined from prosecuting any or all of the Released Defendants'  
14 Claims against ~~Lead~~ Plaintiffs and the other Released Plaintiffs' Parties. [This Release shall not  
15 apply to any person or entity listed on Exhibit 1 hereto.]

16 10. Notwithstanding paragraphs 9(a) – (b) above, nothing in this Judgment shall bar  
17 any action by any of the Parties to enforce or effectuate the terms of the [Amended](#) Stipulation or  
18 this Judgment.

19 11. **Rule 11 Findings** – The Court finds and concludes that the Parties and their  
20 respective counsel have complied in all respects with the requirements of Rule 11 of the Federal  
21 Rules of Civil Procedure in connection with the institution, prosecution, defense, and settlement of  
22 the Action.

23 12. **No Admissions** – Neither this Judgment, the Term Sheet, the [Amended](#) Stipulation  
24 (whether or not consummated), including the exhibits thereto and the Plan of Allocation contained  
25 in the Notice (or any other plan of allocation that may be approved by the Court), the negotiations  
26 leading to the execution of the Term Sheet and the [Amended](#) Stipulation, nor any proceedings  
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1 taken pursuant to or in connection with the Term Sheet, the Amended Stipulation and/or approval  
2 of the Settlement (including any arguments proffered in connection therewith):

3 (a) shall be offered against any of the Defendants or any of the other Released  
4 Defendants' Parties as evidence of, or construed as, or deemed to be evidence of or otherwise  
5 constitute any presumption, concession, or admission by any of the Defendants or the other  
6 Released Defendants' Parties with respect to the truth of any fact alleged by ~~Lead~~ Plaintiffs or the  
7 validity of any claim that was or could have been asserted or the deficiency of any defense that has  
8 been or could have been asserted in this Action or in any other litigation, or of any liability,  
9 negligence, fault, or other wrongdoing of any kind of any of the Defendants or any of the other  
10 Released Defendants' Parties or in any way referred to for any other reason as against any of the  
11 Defendants or other Released Defendants' Parties, in any civil, criminal or administrative action or  
12 other proceeding;

13 (b) shall be offered against ~~Lead~~ Plaintiffs or any of the other Released  
14 Plaintiffs' Parties, as evidence of, or construed as, or deemed to be evidence of or otherwise  
15 constitute any presumption, concession or admission by any of the ~~Lead~~ Plaintiffs or the other  
16 Released Plaintiffs' Parties that any of their claims are without merit, that any of the Defendants or  
17 other Released Defendants' Parties had meritorious defenses, or that damages recoverable under  
18 the Complaint would not have exceeded the Settlement Amount or with respect to any liability,  
19 negligence, fault or wrongdoing of any kind, or in any way referred to for any other reason as  
20 against ~~Lead~~ Plaintiffs or any of the other Released Plaintiffs' Parties, in any civil, criminal or  
21 administrative action or other proceeding; or

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1 (c) shall be construed against any of the Releasees as an admission, concession,  
2 or presumption that the consideration to be given under the Settlement represents the amount  
3 which could be or would have been recovered after trial; *provided, however*, that the Parties and  
4 the Releasees and their respective counsel may refer to this Judgment and the Amended  
5 Stipulation to effectuate the protections from liability granted hereunder and thereunder or  
6 otherwise to enforce the terms of the Settlement.

7 13. **Retention of Jurisdiction** – Without affecting the finality of this Judgment in any  
8 way, this Court retains continuing and exclusive jurisdiction over: (a) the Parties for purposes of  
9 the administration, interpretation, implementation and enforcement of the Settlement; (b) the  
10 disposition of the Settlement Fund; (c) any motion for an award of attorneys’ fees and/or  
11 Litigation Expenses by Co-Lead Counsel in the Action that will be paid from the Settlement Fund;  
12 (d) any motion to approve the Plan of Allocation; (e) any motion to approve the Class Distribution  
13 Order; and (f) the Settlement Class Members for all matters relating to the Action.

14 14. Separate orders shall be entered regarding approval of a plan of allocation and the  
15 motion of Co-Lead Counsel for an award of attorneys’ fees and payment of Litigation Expenses.  
16 Such orders shall in no way affect or delay the finality of this Judgment and shall not affect or  
17 delay the Effective Date of the Settlement.

18 15. **Modification of the Agreement of Settlement** – Without further approval from  
19 the Court, ~~Lead~~ Plaintiffs and Defendants are hereby authorized to agree to and adopt such  
20 amendments or modifications of the Amended Stipulation or any exhibits attached thereto to  
21 effectuate the Settlement that: (a) are not materially inconsistent with this Judgment; and (b) do  
22 not materially limit the rights of Settlement Class Members in connection with the Settlement.  
23 Without further order of the Court, ~~Lead~~ Plaintiffs and Defendants may agree to reasonable  
24 extensions of time to carry out any provisions of the Settlement.

25 16. **Termination of Settlement** – If the Settlement is terminated as provided in the  
26 Amended Stipulation or the Effective Date of the Settlement otherwise fails to occur, this  
27 Judgment shall be vacated, rendered null and void and be of no further force and effect, except as  
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1 otherwise provided by the Amended Stipulation, and this Judgment shall be without prejudice to  
2 the rights of ~~Lead~~ Plaintiffs, the other Settlement Class Members and Defendants, and the Parties  
3 shall revert to their respective positions in the Action as of February 28, 2023, as provided in the  
4 Amended Stipulation.

5  
6 17. **Entry of Final Judgment** – There is no just reason to delay the entry of this  
7 Judgment as a final judgment in this Action. Accordingly, the Clerk of the Court is expressly  
8 directed to immediately enter this final judgment in this Action.

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10 SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, ~~2023~~2024.

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The Honorable Thomas S. Zilly  
United States District Judge

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**Exhibit 1**

**[List of Persons and Entities Excluded from the Settlement Class Pursuant to Request]**

<b>Summary report:</b>	
<b>Litera Compare for Word 11.5.0.74 Document comparison done on 12/15/2023 8:58:29 PM</b>	
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Embedded Excel	0
Format changes	0
<b>Total Changes:</b>	<b>61</b>



# **Exhibit 3**

THE HONORABLE THOMAS S. ZILLY

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UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

ANTONIO BACHAALANI NACIF and WIES  
RAFI, individually and on behalf of all others  
similarly situated,

Plaintiffs,

v.

ATHIRA PHARMA, INC., et al.,

Defendants.

CASE NO.: 2:21-cv-00861-TSZ

**DECLARATION OF JED D.  
MELNICK, ESQ. OF JAMS  
REGARDING ALLOCATION OF  
SETTLEMENT FUNDS BETWEEN  
SECURITIES ACT AND EXCHANGE  
ACT CLAIMS**

I, Jed D. Melnick, hereby declare as follows:

1. I am a mediator associated with JAMS, Inc. I have mediated more than one thousand disputes, including complex securities class actions and shareholder derivative actions; in addition to being nationally recognized by Chambers, I have twice been recognized as an ADR Champion by the National Law Journal. I have published articles on mediation, founded a nationally ranked dispute resolution journal; and mentored young mediators.

2. I was selected by Lead Plaintiffs<sup>1</sup> and the Athira Defendants<sup>2</sup> (collectively, the “Parties”) to serve as the mediator in the above-captioned action. I make this declaration based on my personal knowledge and am competent to testify to the matters set forth herein. Subsequent to this Court’s September 27, 2023 order denying without prejudice Lead Plaintiffs’ unopposed motion for preliminary approval of a proposed settlement (“Order”), the Parties requested that I analyze the issues, considering the relevant legal issues and settlement dynamics from the mediation that I oversaw, and propose an allocation between Class members with 1933 Securities Act (“Securities Act”) claims and Class members with only 1934 Exchange Act claims (“Exchange Act”) claims. The Parties have consented to my submitting this declaration regarding the negotiations which led to the proposed settlement (the “Settlement”) of this matter and the subsequent process by which I recommended a settlement allocation between the Securities Act

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<sup>1</sup> Co-lead plaintiff for the Exchange Act settlement class is Antonio Nacif, represented by Labaton Sucharow LLP; Hang Gao, represented by Block & Leviton LLP, has been newly invited to co-represent the Exchange Act settlement class. Co-lead plaintiff for the Securities Act settlement class is Wies Rafi, represented by Glancy Prongay & Murray LLP (together with Nacif and Gao, “Plaintiffs”).

<sup>2</sup> The Athira Defendants are Athira Pharma, Inc., Athira’s founder and former Chief Executive Officer, Leen Kawas, Athira’s former Chief Financial Officer, and members of Athira’s Board of Directors. “Defendants” are the “Athira Defendants” and the underwriters of Athira’s IPO and SPO (“Underwriter Defendants”).

and Exchange Act claims. To be clear, this declaration is without waiver of any other aspect of the parties' mediation and/or settlement privileges.

3. While ultimately for the Court to decide, as detailed below, after a rigorous mediation followed by an arm's length, adversarial process informed by zealous advocacy regarding competing settlement values – I submit that a fair and reasonable distribution of the Settlement is to assign no less than ninety-one and a half percent (91.5%) of the net settlement proceeds to those class members with claims under Section 11 of the Securities Act (including purchases directly in and/or traceable to Athira's September 2020 initial offering of stock ["IPO"] and/or January 2021 second offering of stock ["SPO"], through the date that the lock-up agreement on pre-IPO shares expired, before the market opened on March 17, 2021) and up to eight and a half percent (8.5%) of the net settlement proceeds to those class members who only have claims under the Exchange Act, i.e., purchased their shares after the lock-up period expired on March 17, 2021.

4. The Court, of course, will make the determination as to the "fairness" of the Plan of Allocation under governing law. However, from a mediator's perspective, I recommend that this settlement allocation is reasonable, informed by a good-faith and arm's length process, and as detailed below, reflective of my careful assessment of the risks, potential rewards and relative strengths and weaknesses of the claims asserted against Defendants including the relevant settlement dynamics from the underlying mediation.

5. Following the Parties' agreement to select me as a mediator, Counsel exchanged detailed mediation statements and voluminous case-related materials addressing the facts and law applicable to the claims, analysis of potential damages, and Athira's ability to pay a potential judgment, if any.

6. Settlement negotiations commenced on February 16, 2023, when counsel for the Parties and representatives of Athira's insurance carrier representatives met with me and my staff in New York (both in person and via Zoom videoconference) for a full-day mediation session. I oversaw all of the settlement negotiations in this case. During the session, I met with each of the Parties and Athira's carrier representatives. We discussed in detail the merits of the case, including liability, damages, the relative strengths and weaknesses of the claims and the prospect that further litigation and a potential appeal would further diminish Athira's insurance proceeds.

7. In regard to the Exchange Act claims, I discussed with the Parties the possibility that, although the claims were dismissed with prejudice, Co-Lead Plaintiffs could pursue an appeal on the issue of scienter under the PSLRA. A successful appeal of the Exchange Act claims would increase their value, but such value could only be realized if this Court's decision was reversed on appeal. While an appeal was pending, Athira's insurance would continue to diminish, and the Parties would face continued litigation uncertainty. Dwindling insurance resources would also impact Defendants' ability to either defend or settle the live, sustained Securities Act claims.

8. In light of these factors and without disclosing confidential settlement perspectives, I understood that achieving a global resolution, with certainty and finality as to *all* claims, was of crucial importance to the stakeholders.

9. After a full day of mediation, the parties reached an agreement in principle to settle the class action for \$10 million in exchange for broad releases covering all claims that were or could have been asserted, encompassing both the Securities Act and Exchange Act claims.

10. Following the Court's Order rejecting the proposed plan of allocation, Lead Counsel for Plaintiffs selected me to propose an allocation applicable to the distribution of the

Settlement proceeds between Class members who have Securities Act claims and those members who only have Exchange Act claims.

11. On November 16, 2023, Counsel for the Parties met with me and my staff for a half-day session, via Zoom videoconference. In advance of the session, Counsel submitted letter briefs supporting their views and Plaintiffs provided a summary of the damages expert report (“Expert Report”) of Zachary Nye, PH. D, of Stanford Consulting Group, Inc. During the session, Counsel shared competing perspectives on the strengths and weaknesses of the Class’s claims under Exchange Act and Securities Act theories, the relative value of the claims, the amount of damages available under each, the number of potential Exchange Act and/or Securities Act claimants, the likelihood of a successful appeal of the Court’s dismissal of the Exchange Act claims, and Defendants’ reasons and motivations for settling and agreeing to the Settlement amount.

12. Specifically, we discussed the Court’s concerns reflected in its Order, namely, that the prior proposed plan of allocation potentially permitted Class members with Exchange Act claims to recover more, in the aggregate, than class members with Securities Act claims, “even though their claims have little value in light of the Court’s Dismissal Order.” Order at 7-8. Counsel expressed their views about how best to address this and the interclass competition potentially raised amongst the various Class members.

13. Although there is no mathematical formula that can be used to precisely determine the amount of settlement funds that should be shared between differently situated class members, distributing settlement proceeds according to the relative strengths and weaknesses of the claims at issue is well-founded and appropriate. *See Schulte v. Fifth Third Bank*, 805 F. Supp. 2d 560, 589 (N.D. Ill. 2011) (“when real and cognizable differences exist between the likelihood of ultimate

success for different plaintiffs, it is appropriate to weigh distribution of the settlement in favor of plaintiffs whose claims comprise the set that was more likely to succeed”), quoting *In re PaineWebber Ltd. P'ships Litig.*, 171 F.R.D. 104, 133 (S.D.N.Y.), *affirmed* 117 F.3d 721 (2d Cir. 1997); *In re Omnivision Tech., Inc.*, 559 F. Supp. 2d 1036, 1045 (C.D. Cal. 2008) (“It is reasonable to allocate the settlement funds to class members based on the extent of their injuries or the strength of their claims on the merits.”); *In re Heritage Bond Litig.*, 2005 WL 1594403, \*11 (CD Cal 2005) (“It is also reasonable to allocate more of the settlement to class members with stronger claims on the merits.”).

14. In my long-standing experience mediating and helping to resolve many hundreds of cases under federal securities laws, live, sustained (Securities Act) claims earn a “premium” of settlement value relative to dismissed (Exchange Act) claims, with the latter typically subject to a “discounted” allocation of five to fifteen percent. Moreover, and as detailed above, because I was intimately involved in the negotiation process that led to the mediated outcome and conducted a robust process to hear Counsel’s competing perspectives, I carefully assessed and considered each claim’s strengths and weaknesses as impacting settlement value including from a perspective of the negotiation dynamic itself.

15. A fair and reasonable allocation necessarily must reflect that the Exchange Act claims have a more remote probability of recovery, having been dismissed by the Court with prejudice in a well-reasoned Order and their value being dependent on the uncertain appellate revival of their claims. Notwithstanding, the Exchange Act claims have settlement value: (i) due to the risk of reversal on appeal, if pursued, of the Court’s dismissal order; (ii) the litigation costs associated with such an appeal of the Exchange Act claims that would further diminish the Athira Defendants’ available insurance; and (iii) the meaningful value to the stakeholders of achieving a

global resolution encompassing the full release of the Exchange Act claims was of meaningful value to the stakeholders.

16. The prior proposed plan of allocation suggested that less than 48.5% of Athira's stock is traceable to either the IPO or SPO, and the Court was concerned that a 25% increase for Class members with Securities Act claims may not adequately protect their interests. Order at 9.

17. As set forth in Plaintiffs' Expert Report, a summary of which I reviewed in connection with this process, assuming that the sub-period for Securities Act claims runs through the date that the lock-up agreement on pre-IPO shares expired, approximately 60% of Athira's stock is traceable to either the IPO or SPO. This results in greater potential overall damages associated with the Securities Act claims and higher per-claimant recoveries relative to Exchange Act claims, which are associated with fewer Class members and comparatively lower potential overall damages. As a result, allocating no less than ninety-one and a half percent (91.5%) of the net settlement proceeds to those class members with claims under Section 11 of the Securities Act will ensure a more robust recovery for these Class members, in recognition that these claims survived dismissal, are stronger on the merits and are more likely to succeed.

18. As detailed above, I was intimately involved with the negotiations that led to the mediated Settlement. I carefully assessed the litigation and other risks inherent in the lawsuit and conducted a vigorous, adversarial process dedicated to assessing competing perspectives on settlement value, the amount of damages available under each claim and the number of potential Securities Act and/or Exchange Act claimants. In addition, I have long-standing experience mediating and helping to resolve hundreds of cases under the federal securities laws.



19. Accordingly, it is my opinion that the settlement allocation described herein represents a fair, reasonable, and well-founded distribution of the Settlement proceeds between and among differently situated Class members.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

DATED: December 15, 2023

*Jed D. Melnick*  
\_\_\_\_\_  
Jed D. Melnick

# **Exhibit 4**

UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

ANTONIO BACHAALANI NACIF and  
WIES RAFI, Individually and on behalf of all  
others similarly situated,

Plaintiffs,

v.

ATHIRA PHARMA, INC., et al.,

Defendants.

CASE NO.: 2:21-cv-00861-TSZ  
(Consolidated with 21-cv-00862-TSZ and  
21-cv-00864-TSZ)

DECLARATION OF ZACHARY NYE, PH.D.

December 14, 2023

**I. Background and Qualifications**

1. I am a financial economist and Vice President at Stanford Consulting Group, Inc. (“SCG”). Since 1981, SCG has provided economic research and expert testimony for business litigation, and regulatory and legislative proceedings. All SCG professionals hold masters or doctoral degrees in business, economics, finance or operations research, and certain senior consultants have testified as experts in these fields. I have an A.B. in Economics from Princeton University; an M.Sc. in Finance from the London Business School; and a Ph.D. in Finance from the Paul Merage School of Business at the University of California, Irvine. I have co-authored academic research published in peer-reviewed conference proceedings, as well as working papers with finance faculty at various universities. My research areas include the market efficiency of financial and derivative securities, volatility forecasting, risk management, financial econometrics, valuation and corporate finance. I have previously served as an expert witness in matters involving securities litigation, as well as business and intellectual property valuation. My curriculum vitae, which includes my academic research, publications in the past ten years, and prior expert testimony in the past four years, is attached hereto as Exhibit 1.

2. My current hourly rate is \$990. I have received assistance from individuals at SCG, who worked under my direction; their fees charged for this project are their standard hourly rates. Neither my compensation nor that of any individual at SCG is contingent on the outcome of this litigation.

**II. Scope of Engagement**

3. I have been retained by Counsel for Lead Plaintiffs in this matter to opine on per-share and Class-wide damages for the following two groups of investors in Athira Pharma, Inc.

(“Athira” or the “Company”) common stock during the period from September 17, 2020 through June 17, 2021, inclusive (the “Class Period”):

- i. **Securities Act Claims:** I have been asked to calculate damages under §11 (“Section 11”) of the Securities Act of 1933 (the “Securities Act”), for investors who purchased or otherwise acquired shares of Athira common stock pursuant and/or traceable to the Company’s initial public offering conducted on or around September 18, 2020 (the “IPO”), and/or its follow-on public offering conducted on or around January 21, 2021 (the “SPO”).<sup>1</sup> For purposes of my analysis, I was asked to assume that acquisitions of Athira common stock during the period from September 17, 2020 through March 16, 2021, inclusive, are traceable to the offering materials issued in connection with the Company’s IPO and/or SPO, and eligible for a recovery under Section 11.<sup>2, 3</sup>
- ii. **Exchange Act Claims:** I have been asked to calculate damages under §10(b) (“Section 10(b)”) of the Securities Exchange Act of 1934 (the “Exchange Act”), for investors who purchased or otherwise acquired Athira common stock during the period from March 17, 2021 through June 17, 2021, inclusive.

4. I understand that the proposed settlement amount in this matter is \$10,000,000 (the “Settlement Amount”). Based on the Settlement Amount, I have also been asked to provide: (i) an estimate of the average recovery per damaged share; and (ii) an estimate of the maximum recovery for a single publicly-known entity using reported quarter-end institutional holdings data for Athira common stock during the Class Period.

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<sup>1</sup> In September 2020, Athira commenced the initial public offering of its common stock, in which it sold and issued a total of 13,397,712 shares at a price to the public of \$17.00 per share. The Company’s common stock began trading on the Nasdaq Global Select Market under the symbol “ATHA” on September 18, 2020. In January 2021, Athira commenced a follow-on public offering of its common stock, in which it sold and issued a total of 4,600,000 shares at a price to the public of \$22.50 per share.

<sup>2</sup> I understand that certain lock-up agreements entered into in connection with the Company’s initial public offering expired prior to market open on March 17, 2021. (*See, e.g.*, Athira Pharma, Inc., SEC Form 10-K, filed March 25, 2021, p. 100.)

<sup>3</sup> Herein, “offering materials” refers collectively to the “IPO Materials” and “SPO Materials” as defined in the Complaint, ¶¶7, 174, 180.

### III. Summary of Lead Plaintiffs' Allegations and the Alleged Corrective Disclosure

5. It is my understanding that Lead Plaintiffs allege that Defendants made materially false and misleading statements and/or omissions during the Class Period, as well as in the IPO and SPO Materials, regarding Athira's business and the qualifications of its then-president and CEO, Dr. Leen Kawas ("Kawas"). More specifically, Lead Plaintiffs allege that Defendants failed to disclose, *inter alia*, that "Kawas's research publications regarding the compound underlying the company's lead product contained altered images and that the dissertation Kawas published in connection with obtaining her Ph.D., was obtained with falsified research."<sup>4</sup>

6. Lead Plaintiffs further allege that the adverse facts regarding the allegedly enhanced images were revealed after market close on June 17, 2021, causing a decline in the price of Athira common stock and "causing economic loss to investors who had purchased or otherwise acquired Athira's [common stock] during the Class Period."<sup>5, 6</sup>

### IV. Event Study

7. For the purpose of estimating price inflation present in Athira common stock during the Class Period, I performed a standard event study. As part of my event study, the Company-specific return on each day of the Class Period was estimated using a regression analysis, which measures the relationship between Athira's stock returns and 1) changes in market-wide factors

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<sup>4</sup> Complaint, ¶112.

<sup>5</sup> Complaint, ¶138.

<sup>6</sup> With respect to Lead Plaintiffs' claims under Sections 11 and 15 of the Securities Act, it is my understanding that the Court's Order dated July 29, 2022 (the "MTD Order") denied Defendants' motions to dismiss with respect to Lead Plaintiffs' claims against Kawas and Athira with respect to "Statement 3" in the IPO and SPO registration statements, and granted Defendants' motions to dismiss with respect to all other alleged misstatements in the IPO and SPO registration statements. In addition, the MTD Order dismissed all claims under Section 12(a)(2) of the Securities Act, all claims under the Exchange Act, all claims against the other Individual Defendants, and all claims against the Underwriter Defendants.

that would be expected to impact all stocks; and 2) changes in industry-wide factors that would be expected to impact stocks in Athira's particular industry. By measuring how Athira's stock returns move in relation to an overall market index and an industry index, one can also measure how it responds to Company-specific news on a given day.

8. The Company-specific return (*i.e.*, net of market and industry effects) observed following the alleged corrective disclosure, which forms the basis of my estimate of price inflation in Athira common stock during the Class Period, is as follows:<sup>7</sup>

<b>Alleged Impact Date</b>	<b>Previous Closing Price</b>	<b>Actual Return</b>	<b>Company-Specific Return</b>	<b>Confidence Level</b>	<b>Contribution to Price Inflation</b>
6/18/2021	\$18.24	-38.87%	-39.16%	100.0%	\$7.14

Consistent with Lead Plaintiffs' allegations, my analysis of per-share damages assumes that artificial inflation in the price of Athira common stock was introduced in the IPO Materials, and dissipated only when the alleged corrective information came to light after market close on June 17, 2021.

#### **V. Per-Share Damages for Section 11 Securities Act Claims**

9. Section 11 of the Securities Act concerns liability for false statements in a registration statement, under which statutory calculation of damages is defined as the:

difference between the amount paid for the security (not exceeding the price at which the security was offered to the public) and (1) the value thereof as of the time such suit was brought, or (2) the price at which such security shall have been disposed of in the market before suit, or (3) the price at which such security shall have been disposed of after suit but before judgment if such damages shall be less than the damages representing the difference between the amount paid for the security (not exceeding the price at which the security was offered to the public) and the value thereof as of the time such suit was brought....<sup>8</sup>

<sup>7</sup> *In re Pfizer, Inc. Sec. Litig.*, Case No. 14-2853-cv (2d Cir. Apr. 12, 2016), pp. 16, 17.

<sup>8</sup> 15 U.S.C. § 77k(e).

In addition, Section 11 provides for an affirmative defense of negative causation which prevents recovery for losses that defendants prove are not attributable to alleged misrepresentations and/or omissions in the offering's registration statement. Thus, under the assumption that Defendants would be able to demonstrate negative causation at trial, the decline in the price of Athira common stock in response to the corrective disclosure alleged by Lead Plaintiffs, net of market and industry-wide effects, is the only compensable loss in this matter.

10. With respect to “the price at which the security was offered to the public” as used in Section 11(e) above (the “Offering Price”), I was asked to assume that the Offering Price was: (i) \$17.00 (*i.e.*, the IPO offering price) for shares of Athira common stock acquired during the period from September 17, 2020 through January 20, 2021 (*i.e.*, the day before the SPO), inclusive; and (ii) \$18.41 for shares of Athira common stock acquired during the period from January 21, 2021 through March 16, 2021, inclusive, which is the weighted average of the IPO offering price and the SPO offering price.<sup>9, 10</sup> I was also asked to assume that the first relevant lawsuit filed on behalf of the purchasers of Athira common stock with a claim under the Securities Act was filed on June 25, 2021 (the “Suit Date”). The closing price of Athira common stock on the Suit Date was \$10.84.

11. Based on the above, per-share damages for acquisitions of Athira common stock during the period from September 17, 2020 through March 16, 2021, inclusive, are calculated as follows:

- i. For shares sold prior to the close of the U.S. financial markets on June 17, 2021, per-share damages are \$0.00.

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<sup>9</sup> Specifically,  $(13,397,712 * \$17.00 + 4,600,000 * \$22.50) / 17,997,712 = \$18.41$ .

<sup>10</sup> I understand that in the proposed Plan of Allocation, the Offering Price shall be \$22.50 for shares of Athira common stock acquired directly in SPO, where sufficient documentation is provided.



- ii. For shares sold during the period from June 18, 2021 through June 25, 2021 (*i.e.*, the Suit Date), inclusive, per-share damages are the lesser of:
  - a. \$7.14; or
  - b. the purchase price (not to exceed the Offering Price) minus the sale price.
- iii. For shares still held as of the close of trading on June 25, 2021, per-share damages are the lesser of:
  - a. \$7.14; or
  - b. the purchase price (not to exceed the Offering Price) minus \$10.84.

## **VI. Per-Share Damages for Section 10(b) Exchange Act Claims**

12. Generally speaking, per-share damages under Section 10(b) are equal to the lesser of: (i) the amount of artificial inflation in the stock on the date of purchase less the amount of artificial inflation in the stock on the date of sale, if sold; or (ii) the amount determined by the “90-day lookback” provision of the Private Securities Litigation Reform Act of 1995 (the “PSLRA”).<sup>11</sup> Furthermore, in accordance with *Dura*, no damages are incurred on shares sold before the alleged corrective event.<sup>12</sup>

13. Specifically, for each share of Athira common stock purchased during the period from March 17, 2021 through June 17, 2021, inclusive, per-share damages are calculated as follows:

- i. For shares sold on or before the close of the U.S. financial markets on June 17, 2021, damages are \$0.00 per share.

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<sup>11</sup> 15 U.S.C. § 78u-4(e). The “90-day lookback” provision of the PSLRA applies such that losses on shares purchased during the Class Period and held as of the close of the 90-day period subsequent to the Class Period (the “90-Day Lookback Period”) cannot exceed the difference between the purchase price paid for the stock and the average price of the stock during the 90-Day Lookback Period. Losses on shares purchased during the Class Period and sold during the 90-Day Lookback Period cannot exceed the difference between the purchase price paid for the stock and the rolling average price of the stock during the portion of the 90-Day Lookback Period elapsed as of the date of sale.

<sup>12</sup> *Dura Pharms., Inc. v. Broudo*, 544 U.S. 336 (2005) (“*Dura*”).

- ii. For shares sold during the period from June 18, 2021 through September 15, 2021 (*i.e.*, sold during the 90-Day Lookback Period), per-share damages are the least of:
  - a. \$7.14; or
  - b. the purchase price minus the sale price; or
  - c. the purchase price minus the average price of the stock during the 90-Day Lookback Period as of the date of sale.
- iii. For shares still held as of the close of trading on September 15, 2021, per-share damages are the lesser of:
  - a. \$7.14; or
  - b. the purchase price minus the average price of the stock during the 90-Day Lookback Period, which is \$10.33.

## **VII. Class-Wide Damages**

14. To estimate aggregate Class-wide damages, the timing and quantity of investor transactions in Athira common stock during the Class Period were estimated using the proportional “80/20 Multi-Trader Model,” which is a version of the General Trading Model (“GTM”),<sup>13</sup> which has been advocated by representative authors from Cornerstone Research, an economic consulting firm frequently engaged by defendants in class action securities litigation.<sup>14</sup> “Virtually every securities litigation case in which aggregate damages are estimated relies on a version of the GTM for the number of shares damaged and the damage theory for the amount of artificial inflation.”<sup>15</sup> The proportional 80/20 Multi-Trader Model posits two active traders (*e.g.*, institutions and individuals) with different holdings and propensities to trade. The so-called

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<sup>13</sup> Barclay, Michael, and Frank C. Torchio. “A Comparison of Trading Models Used for Calculating Aggregate Damages in Securities Litigation.” *Law and Contemporary Problems*, vol. 64, no. 2/3, 2001, pp. 105–136 (“Barclay and Torchio (2001)”) at 117.

<sup>14</sup> William H. Beaver, James K. Malernee and Michael C. Keeley, “Stock Trading Behavior and Damage Estimation in Securities Cases,” Cornerstone Research working paper, 1993.

<sup>15</sup> Barclay and Torchio (2001) at p. 105.

“80/20” split between the two sets of traders specifies a large set of “slow” traders (*i.e.*, they hold 80% of shares available, but trade 20% of the volume) and a small set of “fast” traders (*i.e.*, they hold 20% of shares available, but trade 80% of the volume).

15. Applying the theory of per-share damages described above to the daily trading behavior predicted by the 80/20 Multi-Trader Model, aggregate Class-wide damages are estimated to be as follows:<sup>16, 17</sup>

<b>Summary of Class-Wide Damages</b>			
<b>Claims</b>	<b>Period</b>	<b>Number of Damaged Shares</b>	<b>Damages</b>
Section 11	9/17/20 – 3/16/21	12.72 million	\$83.10 million
Section 10(b)	3/17/21 – 6/17/21	8.64 million	\$60.76 million
<b>Total</b>		<b>21.36 million</b>	<b>\$143.86 million</b>

### **VIII. Estimated Average Recovery Per Damaged Share**

16. Based on the estimated number of shares of Athira common stock that were damaged under the 80/20 Multi-Trader Model (*i.e.*, approximately 21.36 million shares), a gross settlement of \$10.0 million, and assuming that all Settlement Class Members elect to participate in the Settlement, the estimated average recovery (before the deduction of any fees, expenses and costs) is \$0.47 per damaged share.

17. Furthermore, it is my understanding that 91.5% of the net settlement proceeds shall be assigned to Settlement Class Members with a claim under Section 11, and 8.5% of the net settlement proceeds shall be assigned to Settlement Class Members with a claim only under Section 10(b). After taking into account this allocation of the net settlement proceeds, the

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<sup>16</sup> Trading volume has been reduced by 33% for to correct for the typical level of dealer-intermediated trading. (*See* Barclay and Torchio (2001) at p. 110.)

<sup>17</sup> Additional data input and sources include: shares outstanding, closing price, trading volume and short interest as reported by Bloomberg; and institutional and insider holdings as reported by Thomson Reuters Eikon.

estimated average recovery per damaged share (before the deduction of any fees, expenses and costs) is \$0.72 for Section 11 claims, and \$0.10 for Section 10(b)-only claims.

#### **IX. Estimated Maximum Recovery**

18. I have also been asked to calculate the potential recovery for Athira's largest, publicly-known, institutional investor during the Class Period, BlackRock Institutional Trust Company, N.A. ("BlackRock"), based on reported quarter-end holdings data for Athira common stock,<sup>18</sup> and applying the theory of per-share damages described above, which conforms with the Recognized Loss Amount formulas in the Proposed Plan of Allocation.<sup>19</sup> Assuming that all Settlement Class Members elect to participate in the Settlement, and taking into account the allocation of the net settlement proceeds between the Section 11 and Section 10(b)-only claims, the estimated approximate recovery for BlackRock is: \$0.625 million gross recovery;<sup>20</sup> and \$0.408 million net recovery, assuming a Net Settlement Fund of \$6,526,467, as estimated by Co-Lead Counsel.


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<sup>18</sup> Source: Refinitiv Eikon. Institutions that file Form 13F with the SEC report shares held as of the end of each calendar quarter. Excluded from this analysis are entities that participated in Athira's Series B financing that closed on June 4, 2020, as the reported quarterly holdings potentially include shares acquired in connection with the financing round, as opposed to shares acquired in the open market. (*See* <https://investors.athira.com/news-releases/news-release-details/athira-pharma-closes-85-million-series-b-financing>.)

<sup>19</sup> Daily holdings, purchases and sales for each institution are estimated by interpolation using the observed exchange trading volume in Athira common stock between the reported quarterly positions.

<sup>20</sup> The estimated gross recovery for BlackRock includes \$0.600 million based on Section 11 claims, and \$0.025 based on Section 10(b)-only claims.

Executed on December 14, 2023, at Redwood City, California.



Zachary Nye, Ph.D.

# Exhibit 1



702 MARSHALL STREET, SUITE 200  
REDWOOD CITY, CA 94063  
650.298.0200  
WWW.SCGINC.COM

## Zachary R. Nye

Email: zach@scginc.com

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### Education

**Ph.D. – University of California, Irvine**  
Finance

2009  
Irvine, California

- Dissertation: Macro-Augmented Volatility Forecasting.
- Research Interests: Market efficiency of underlying and derivative securities, volatility forecasting, risk management, financial econometrics, valuation and corporate finance.
- Teaching Experience: Corporate Finance, Investments, and Risk Management.

**M.Sc. – London Business School**  
Finance

2004  
London, England

- Earned distinction for Masters Thesis on the informational efficiency of credit-linked notes.

**A.B. – Princeton University**  
Economics

2001  
Princeton, New Jersey

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### Employment History

**Vice President**  
Stanford Consulting Group, Inc.

Summer 2015 – present  
Redwood City, California

The Stanford Consulting Group, Inc. provides economic research and expert testimony for business litigation, as well as regulatory and legislative proceedings.

Responsibilities include:

- quantifying economic damages (*e.g.*, present value of expected future earnings, price inflation, lost profits, unjust enrichment, reasonable royalties);
- enterprise, project, equity, debt, derivative-security and intellectual-property valuation;
- assessing the informational efficiency of financial securities;
- analyzing fairness opinions related to corporate mergers and acquisitions;
- econometric modeling and analysis;
- marginal cost analysis;
- preparing expert reports and declarations;
- providing deposition and trial testimony; and
- supporting counsel in preparation for cross examination of opposing experts.

**Senior Consultant**  
Stanford Consulting Group, Inc.

Summer 2009 – Summer 2015  
Redwood City, California

# Exhibit 1

**Associate**  
Stanford Consulting Group, Inc.

Summer 2004 – Summer 2005  
Redwood City, California

**Mortgage Consultant**  
Woolwich PLC

Fall 2002 – Summer 2003  
Oxford, UK

**Trading Desk Specialist**  
Merrill Lynch, Defined Asset Funds

Fall 2001 – Summer 2002  
Plainsboro, New Jersey

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## Academic Research

Nye, Zachary and Mark Washburn, 2013, “Macro-Augmented Volatility Forecasting,” *Western Decision Sciences Institute Proceedings*. Paper presented at the WDSI Annual Meeting, Long Beach, California, March 27, 2013. Winner of the 2013 Best Theoretical/Empirical Research Paper Awards.

Nye, Zachary and Philippe Jorion, 2009, “Macro-Augmented Volatility Forecasting,” Working Paper, University of California at Irvine.

Nye, Zachary and Timothy C. Johnson, 2005, “Market Efficiency's Hidden Teeth: An Unambiguous Test for Derivative Securities,” Working Paper, London Business School.

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## Testimony

In re Talis Biomedical Securities Litigation, United States District Court, Northern District of California, Case No. 3:22-cv-00105-SI

Deposition December 8, 2023

In re Apache Corp. Securities Litigation, United States District Court, Southern District of Texas, Houston Division, Case No. 4:21-cv-00575

Deposition November 8, 2023  
Evidentiary Hearing December 6, 2023

Altimeo Asset Management, et al. v. Qihoo 360 Technology Co. Ltd., et al., United States District Court, Southern District of New York, Case No. 1:19-cv-10067-PAE

Deposition November 30, 2023

Christopher L. Sayce, et al. v. Forescout Technologies, Inc., et al., United States District Court, Northern District of California, San Francisco Division, Case No. 3:20-cv-00076-SI

Deposition November 20, 2023

In re Alta Mesa Resources, Inc. Securities Litigation, United States District Court, Southern District of Texas, Houston Division, Case No. 4:19-cv-00957

Deposition November 14, 2023

Miriam Edwards, et al. v. McDermott International, Inc., et al., United States District Court, Southern District of Texas, Houston Division, Case No. 4:18-cv-04330

Deposition April 26, 2023  
Evidentiary Hearing September 27, 2023

Halman Aldubi Provident and Pension Funds Ltd., et al. v. Teva Pharmaceuticals Industries Limited, et al., United States District Court, Eastern District of Pennsylvania, Case No. 2:20-cv-04660-KSM

Deposition November 4, 2022  
Evidentiary Hearing September 21, 2023

## Exhibit 1

John V. Ferris, et al. v. Wynn Resorts Limited, et al., United States District Court, District of Nevada, Case No. 2:18-cv-00479-GMN-DJA

Deposition	August 26, 2022
Deposition	January 31, 2023

In re Jernigan Capital, Inc. Securities Litigation, United States District Court, Southern District of New York, Case No. 1:20-cv-09575-JLR

Deposition	January 27, 2023
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Ali Karimi, et al. v. Deutsche Bank AG, et al., United States District Court, Southern District of New York, Case No. 1:22-cv-02854-JSR

Deposition	August 12, 2022
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Teresa Doskocz, et al. v. ALS Lien Services, et al., Superior Court of California, County of Contra Costa, Case No. C17-01486

Deposition	April 23, 2018
Deposition	March 8, 2022
Deposition	April 14, 2022
Trial	April 29, 2022

Paul Hayden, et al. v. Portola Pharmaceuticals, Inc., et al., United States District Court, Northern District of California, Case No. 3:20-cv-00367-VC

Deposition	March 30, 2022
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United States of America ex rel. Lori Morsell, et al. v. Symantec Corporation, United States District Court for the District of Columbia, Civil Action No. 12-cv-0800 (RC)

Deposition	March 13, 2019
Trial	March 22, 2022

United States of America ex rel. Tiffany Montrieff, et al. v. Peripheral Vascular Associates, P.A., United States District Court for the Western District of Texas, San Antonio Division, Civil Action No. SA-17-CV-00317-XR

Deposition	July 31, 2020
Trial	February 14, 2022

In re Advance Auto Parts, Inc. Securities Litigation, United States District Court, District of Delaware, Case No. 1:18-CV-00212-RGA

Deposition	July 14, 2020
Deposition	September 30, 2021

In re Allergan PLC Securities Litigation, United States District Court, Southern District of New York, Civil Action No. 18-CV-12089-CM

Deposition	May 19, 2020
Deposition	September 27, 2021

Gabby Klein, et al. v. Altria Group, Inc., et al., United States District Court, Eastern District of Virginia, Richmond Division, Case No. 3:20-cv-00075-DJN

Deposition	August 31, 2021
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In re Tahoe Resources, Inc. Securities Litigation, United States District Court, District of Nevada, Case No. 2:17-cv-01868-RFB-NJK

Deposition	August 4, 2021
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Hawaii Structural Ironworkers Pension Trust Fund, et al. v. AMC Entertainment Holdings, Inc., et al., United States District Court, Southern District of New York, Case 1:18-cv-00299-AJN-SLC

Deposition	July 9, 2020
Deposition	July 28, 2021



## Exhibit 1

In re Mylan N.V. Securities Litigation, United States District Court, Southern District of New York, Case No. 1:16-CV-07926 (JPO)

Deposition November 22, 2019

Deposition July 20, 2021

Oregon Laborers Employers Pension Trust Fund, et al. v. Maxar Technologies Inc., et al., United States District Court, District of Colorado, Case No. 1:19-cv-00124-WJM-SKC

Deposition May 28, 2021

Roei Azar, et al. v. Yelp, Inc., et al., United States District Court, Northern District of California, Case No. 3:18-cv-00400-EMC

Deposition March 2, 2021

Roofers' Pension Fund, et al. v. Joseph C. Papa, et al., United States District Court, District of New Jersey, Civil Action No. 2:16-cv-02805-MCA-LDW

Deposition April 2, 2019

Deposition January 14, 2021

Utah Retirement Systems, et al. v. Healthcare Services Group, Inc., et al., United States District Court, Eastern District of Pennsylvania, Case No. 2:19-cv-01227-ER

Deposition December 10, 2020

Matt Karinski, et al. v. Stamps.com, Inc., et al., United States District Court, Central District of California, Case No. 2:19-cv-01828-MWF-SK

Deposition August 14, 2020

Alexandre Pelletier, et al. v. Endo International PLC, et al., United States District Court, Eastern District of New York, Civil Action No. 2:17-cv-05114-MMB

Deposition July 27, 2020

In re Zillow Group, Inc. Securities Litigation, United States District Court, Western District of Washington at Seattle, Case No. 2:17-cv-01387-JCC

Deposition March 10, 2020

Joseph Prause, et al. v. TechnipFMC plc, et al., United States District Court, Southern District of Texas, Houston Division, Case No. 4:17-cv-02368

Deposition February 5, 2020

Deposition March 9, 2020

In re Quorum Health Securities Litigation, United States District Court, Middle District of Tennessee, Case No. 3:16-cv-02475

Deposition August 17, 2018

Deposition January 14, 2020

In re Snap Inc. Securities Litigation, United States District Court, Central District of California, Western Division, Case No. 2:17-cv-03679-SVW-AGR

Deposition December 13, 2019

Jet Capital Master Fund, L.P., et al. v. American Realty Capital Properties, Inc., et al., United States District Court, Southern District of New York, Case No. 1:15-cv-00307-AKH

Deposition July 26, 2019

City of Pontiac General Employees' Retirement System, et al. v. Dell Inc., et al., United States District Court, Western District of Texas, Austin Division, Case No. 1:15-cv-00374-LY

Deposition April 19, 2017

Deposition November 6, 2018

## Exhibit 1

Pirnirk v. Fiat Chrysler Automobiles N.V., et al., United States District Court, Southern District of New York, Case No. 1:15-CV-07199-JMF

Deposition	February 2, 2018
Deposition	September 13, 2018

Bradley Cooper, et al. v. Thoratec Corporation, et al., United States District Court, Northern District of California, Oakland Division, Case No. 4:14-cv-00360-CW

Deposition	March 6, 2018
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L-3 Communications Corporation, et al. v. Serco, Inc., United States District Court for the Eastern District of Virginia, Case No. 1:15-cv-701-GBL-JFA

Deposition	October 22, 2015
Deposition	October 18, 2017

In re Juno Therapeutics, Inc., United States District Court of Western District of Washington at Seattle, Case No. C16-1069RSM

Deposition	October 4, 2017
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Brad Mauss, et al. v. NuVasive, Inc., et al., United States District Court, Southern District of California, Case No.: 13-cv-02005-JM

Deposition	December 20, 2016
Deposition	August 28, 2017

In re Akorn, Inc. Securities Litigation, United States District Court, Northern District of Illinois, Eastern Division, Case No. 15-CV-01944

Deposition	June 21, 2017
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In re Ocwen Financial Corporation Securities Litigation, United States District Court, Southern District of Florida, Case 14-81057-CIV-WPD

Deposition	September 23, 2016
Deposition	March 28, 2017

Stephen Calfo, et al. v. John P. Messina, Sr., et al., United States District Court, Southern District of New York, Civil Action No. 15 Civ. 04010 (LGS)

Deposition	January 5, 2017
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In re EZCORP, Inc. Securities Litigation, United States District Court, Southern District of New York, Case No. 14-cv-6834 (ALC)

Deposition	October 14, 2016
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Arthur Menaldi, et al. v. Och-Ziff Capital Management Group LLC, et al., United States District Court, Southern District of New York, No. 14-CV-03251-JPO

Deposition	October 3, 2016
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Keith Thomas, et al. v. MagnaChip Semiconductor Corp., et al., United States District Court, Northern District of California, Case No. 3:14-cv-01160-JST

Deposition	September 16, 2016
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In re Rocket Fuel, Inc. Securities Litigation, United States District Court, Northern District of California, Oakland Division, Case No. 4:14-cv-03998-PJH

Deposition	September 14, 2016
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Barbara Strougo, Individually and on Behalf of All Others Similarly Situated v. Barclays PLC, et al., United States District Court, Southern District of New York, Case No. 14-cv-5797 (SAS)

Deposition	August 11, 2015
Evidentiary Hearing	November 5, 2015
Deposition	June 16, 2016

## Exhibit 1

In re Merck & Co., Inc. Securities, Derivative & “ERISA” Litigation, United States District Court, District of New Jersey, Case Numbers: 05-cv-5060; 07-cv-4021; 07-cv-4022; 07-cv-4023; 07-cv-4024; 07-cv-4546; 11-cv-6259; and 15-cv-518

Deposition	December 6, 2013
Deposition	October 1, 2015

Richard Thorpe and Darrel Weisheit, Individually and on Behalf of All Others Similarly Situated v. Walter Investment Management Corp., et al., United States District Court, Southern District of Florida, Case No. 1:14-cv-20880-UU

Deposition	September 16, 2015
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City of Austin Police Retirement System, *Individually and on Behalf of All Others Similarly Situated* v. Kinross Gold Corporation, et al., United States District Court, Southern District of New York, Civil Action No. 1:12-cv-01203-VEC-KNF

Deposition	November 19, 2014
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In re El Paso Partners, L.P. Derivative Litigation, Court of Chancery of the State of Delaware, C.A. No. 7141-CS

Deposition	September 24, 2013
Trial	November 12 and 13, 2014

L-3 Communications Corporation, et al. v. Jaxon Engineering & Maintenance, Inc., et al., United States District Court for the District of Colorado, Civil Action No. 10-cv-02868-MSK-KMT

Deposition	August 7, 2014
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Axa Corporate Solutions Assurance, et al. v. Honeywell International, Inc., et al., Superior Court of the State of Arizona in and for the County of Maricopa, No. CV2011-019334

Deposition	February 24, 2014
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In re Heckmann Corporation Securities Litigation, United States District Court for the District of Delaware, Case No. 1:10-cv-00378-LPS-MPT

Deposition	November 9, 2012
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# **Exhibit 5**

THE HONORABLE THOMAS S. ZILLY

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UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

ANTONIO BACHAALANI NACIF and WIES  
RAFI, individually and on behalf of all others  
similarly situated,

Plaintiffs,

v.

ATHIRA PHARMA, INC., et al.,

Defendants.

CASE NO.: 2:21-cv-00861-TSZ

**DECLARATION OF PETER A. JOY IN  
SUPPORT OF PLAINTIFFS' RENEWED  
MOTION FOR PRELIMINARY  
APPROVAL OF PROPOSED CLASS  
SETTLEMENT**

I, PETER A. JOY, pursuant to 28 U.S.C. § 1746, hereby declare as follows:

**I. QUALIFICATIONS AND DISCLOSURES**

1. I am a person over eighteen (18) years of age and competent to testify. I make this Declaration based on my own professional knowledge and understanding of applicable case authority, class action treatises, customs and practices of legal professionals in class action matters, and materials related to the above-captioned case. The class action conflicts of interest expert opinions in this Declaration are also based upon my experience, skill, training and education, and the expert opinions expressed herein are consistent with ordinary custom or practice, and are presented here to a reasonable degree of professional certainty.

DECL. OF PETER A. JOY  
CASE NO. 2:21-cv-00861-TSZ

LABATON SUCHAROW LLP  
140 BROADWAY, New York, NY 10005  
PHONE: 212 907-0700  
FAX: 212 818-0477

1           2.       I am an attorney at law admitted to practice and on active status and in good standing  
2 in the State of Missouri (1998) and the State of Ohio (1977). I was admitted to practice in the  
3 District of Columbia (1979), where I am in good standing but on inactive status. I am also admitted  
4 to practice before the U.S. Supreme Court (1995), the Sixth Circuit Court of Appeals (1983), the  
5 Third Circuit Court of Appeals (1984), the Fifth Circuit Court of Appeals (1999), the Eighth Circuit  
6 Court of Appeals (1999), and the District Court for the Northern District of Ohio (1979). I have had  
7 a Martindale-Hubbell AV rating since 1980. My practice experience includes litigating class actions  
8 in federal court.  
9

10           3.       I am the Henry Hitchcock Professor of Law at Washington University in St. Louis  
11 School of Law, St. Louis, Missouri, where I have taught since 1998, and where I was Vice Dean  
12 from January 2010 to July 2012, and Vice Dean for Academic Affairs from September 2018 to  
13 January 1, 2020. I previously taught at Case Western Reserve School of Law, Cleveland, Ohio,  
14 from 1978-1980, and 1981-1998. I have also had positions as a Visiting Professor, Visiting Scholar,  
15 or Visiting Fellow at other universities in the United States, Australia, Japan, The Netherlands, and  
16 the United Kingdom. I have taught at law schools for over forty years.  
17

18           4.       My major areas of teaching are legal ethics, clinical teaching, and trial practice and  
19 procedure. My primary area of research and scholarship is legal ethics, although I also write about  
20 legal education, clinical legal education, trial practice and procedure.  
21

22           5.       I am an elected member of the American Law Institute (“ALI”). I am also a member  
23 of the American Bar Association (“ABA”) Center for Professional Responsibility and Missouri Bar  
24 Association. I am a former member of the Ohio Bar Association, Cleveland Bar Association, and  
25 Cuyahoga County Bar Association, in the State of Ohio. I am a Subject Matter Expert for the  
26

1 Multistate Professional Responsibility Exam (“MPRE”) with the National Conference of Bar  
2 Examiners in the United States.

3           6.       I am a co-author of *Professional Responsibility: A Contemporary Approach* (3d ed.  
4 West 2017, 4th ed. 2020, 5th ed. 2023), and co-author of the second, third, and fourth editions of the  
5 teaching manual for that textbook. I have published another book, several book chapters, and  
6 numerous articles, and the articles have appeared in law reviews, ABA publications, and state and  
7 local bar association publications. I am a columnist (and a previously contributing-editor) for an  
8 ethics column for the ABA publication, *Criminal Justice*.

9  
10           7.       My legal scholarship has been cited widely, including by: United States House of  
11 Representatives, Committee on the Judiciary, Committee Report, Lawsuit Abuse Reduction Act of  
12 2011, 112-174 (resubmitted in 2013, 2015, and 2017); *ABA/BNA Lawyers’ Manual on Professional*  
13 *Conduct; Annotated Model Rules of Professional Conduct*; ABA Standing Committee on Ethics and  
14 Professional Development; Association of the Bar of the City of New York Committee on  
15 Professional and Judicial Ethics; Supreme Court of Ohio Board of Professional Conduct; legal  
16 ethics treatises; and various state and federal court decisions in the United States. The news media  
17 frequently quotes me on a variety of legal ethics issues, including several quotes in the *ABA*  
18 *Journal*, *New York Times*, and *Associate Press News*.

19  
20           8.       I am a frequent presenter for continuing legal education (CLE) courses sponsored by  
21 federal and state courts, bar associations, law firms, and law schools. Sponsoring organizations  
22 include: the ABA. the ABA Center for Professional Responsibility, the Federal Judicial Center, and  
23 Federal District Courts in Missouri and Illinois.

1           9.       I have been an expert witness in Ohio, Missouri, Kansas, Illinois, Massachusetts, and  
2 New York, including issues in class actions. I have testified as an expert in state courts in Ohio and  
3 Missouri, and in Federal District Courts for the Northern District of Ohio and the District of Kansas.

4           10.       Within the last five years, I have not testified in a federal court case.

5  
6 **II.     DOCUMENTS AND MATERIALS REVIEWED**

7           11.       In addition to the materials discussed previously, I have reviewed the following  
8 documents and materials: Order appointing Antonio Bachaalani Nacif and Wies Rafi co-lead  
9 plaintiffs, entered on October 5, 2021, ECF No. 60; Consolidated Amended Complaint for  
10 Violations of The Federal Securities Laws, dated January 7, 2022, ECF No. 74; Order granting in  
11 part and denying in part a motion to dismiss brought by Defendants, entered on July 29, 2022, ECF  
12 No. 89; Order deferring Underwriters' Motion for Judgment Under Rule 54(b), entered February  
13 17, 2023, ECF No. 114; Stipulated Motion Re: Deferral of Deadlines and [Proposed Order], dated  
14 March 8, 2023, ECF No. 117; the docket notation granting parties' stipulated motion, entered on  
15 March 10, 2023; Stipulation and Agreement of Settlement with Defendants, dated April 27, 2023,  
16 ECF No. 118-2; Order directing parties to meet and confer and file a Joint Status Report, entered  
17 on May 31, 2023, ECF No. 119; Joint Status Report, dated June 30, 2023, ECF No. 122; Order  
18 denying Plaintiffs' Unopposed Motion for Preliminary Approval of Class Action Settlement,  
19 entered on September 27, 2023, ECF No. 123; Declaration of Jed Melnick, mediator, filed  
20 concurrently herewith; and the Court's docket generally.

21  
22  
23 **III.    FACTS ASSUMED**

24           12.       For the purposes of this Declaration, I have assumed the following facts based on my  
25 review of the documents and materials described above and/or confirmed by counsel for Plaintiffs:

- 26           •     The above-captioned action (the "Action") asserts claims pursuant to:

27 DECL. OF PETER A. JOY  
28 CASE NO. 2:21-CV-00861-TSZ

LABATON SUCHAROW LLP  
140 BROADWAY, New York, NY 10005  
PHONE: 212 907-0700  
FAX: 212 818-0477



- Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §§ 78j(b) & 78t(a), and United States Securities and Exchange Commission (“SEC”) Rule 10b-5, 17 C.F.R. § 240.10b-5 (collectively, the “Exchange Act Claims”); and
- Sections 11, 12(a)(2), and 15 of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. §§ 77k, 77l, and 77o (collectively, the “Securities Act Claims”).
- Among the individuals who sought appointment as lead plaintiff in this action, Antonio Bachaalani Nacif had the largest financial interest and Wies Rafi had the next largest financial interest. *See* ECF No. 60 at 5. The Court appointed Nacif as co-lead plaintiff for the Exchange Act Claims and Rafi as co-lead plaintiff for the Securities Act Claims (together, Nacif and Rafi are the “Plaintiffs”). *See id.* at 5–9.
- Plaintiffs’ counsel intend to request that Hang Gao be added as an additional representative for the Exchange Act Claims subclass.
- Rafi only has purchases in the Securities Act period while Nacif and Gao have purchases in both the Securities Act and Exchange Act periods.<sup>1</sup>
- Defendants are Athira Pharma, Inc. (“Athira”), Athira’s founder and former Chief Executive Officer (Leen Kawas, Ph.D.), Athira’s Chief Financial Officer (Glenna Mileson), members of Athira’s Board of Directors (Joseph Edelman and John M. Fluke, Jr.), and the underwriters for Athira’s stock offerings (together with Plaintiffs, the “Parties”).
- By Order entered July 29, 2022, ECF No. 89 (“Dismissal Order”), the Court granted in part and denied in part a motion to dismiss brought by Defendants. Except as to claims against Athira and Kawas with respect to one alleged misstatement in Athira’s offering documents, the Securities Act Claims were dismissed, but with leave to amend the claims asserted under Sections 11 and 15 of the Securities Act. Plaintiffs’ Exchange Act Claims were also dismissed, without prejudice and with leave to amend as to Athira and the individual defendants, but with prejudice as to the underwriter defendants. *See id.* at 29–32, 38–39, 43–49.
- Plaintiffs chose to prosecute the remaining Securities Act Claims rather than amend their pleading.
- Plaintiffs subsequently entered into a Stipulation and Agreement of Settlement with Defendants and sought preliminary approval of a class action settlement on behalf of a settlement class that includes members who have both Securities Act and Exchange Act

---

<sup>1</sup> While Nacif initially did not assert Securities Act Claims (*see* ECF No. 60 at 5), he now has Securities Act Claims based on purchases of Athira stock during the Securities Act period, which was extended to the end of the lockup period for Athira’s IPO in accordance with the Court’s September 27, 2023 Order (*see* ECF No. 123 at 12).

1 Claims and members who have only Exchange Act Claims. *See* ECF No. 118-2  
2 (“Stipulation”) ¶ 1(ss).

- 3 • In an Order dated September 27, 2023, the Court denied Plaintiffs’ unopposed motion for  
4 preliminary settlement approval based, in part, on the Court’s finding that Plaintiffs had  
5 conflicts of interest. *See* ECF No. 123 at 5-7. Specifically, the Court reasoned that “the  
6 only way Nacif can recover from this lawsuit is through settlement, and thus, his interests  
7 are antagonistic toward all class members . . . .” *Id.* at 5. The Court further reasoned that  
8 “although Rafi still has viable Securities Act claims, his interests nevertheless conflict with  
9 those of other class members.” *Id.* The Court therefore denied Plaintiffs’ unopposed motion  
10 for preliminary settlement approval, stating that it “will enter a partial judgment pursuant to  
11 Rule 54(b) in form set forth in the Order entered February 17, 2023 . . . and will set the  
12 remaining claims in this matter for trial unless a renewed motion for preliminary approval of  
13 a proposed class settlement is filed within sixty (60) days of the date of this Order.” *Id.* at  
14 14.
- 15 • The Court’s February 17, 2023 Order directed the parties to provide briefing on whether the  
16 Court should enter partial judgment containing the following language, in relevant part:

17 The Court having dismissed some claims with prejudice and other claims  
18 without prejudice, plaintiffs having opted not to file an amended pleading,  
19 certain defendants having requested entry of partial judgment, and the Court  
20 finding no just reason for delay, now, therefore, judgment is hereby ENTERED  
21 pursuant to Federal Rule of Civil Procedure 54(b) as follows:

22 (i) in favor of defendants Glenna Mileson, Joseph Edelman, John M. Fluke, Jr.,  
23 and James A. Johnson, and against plaintiffs Antonio Bachaalani Nacif and  
24 Wies Rafi, on all of plaintiffs’ claims;

25 (ii) in favor of defendants Goldman Sachs & Co. LLC, Jeffries LLC, JMP  
26 Securities LLC, and Stifel Nicolaus & Company, Inc., and against plaintiffs  
27 Antonio Bachaalani Nacif and Wies Rafi, on plaintiffs’ first (§ 10(b) / Rule  
28 10b-5), third (§ 11), and fourth (§ 12) claims; and

(iii) in favor of defendants Athira Pharma, Inc. and Leen Kawas, Ph.D., and  
against plaintiffs Antonio Bachaalani Nacif and Wies Rafi, on plaintiffs’ first  
(§ 10(b) / Rule 10b-5), second (§ 20(a)), and fourth (§ 12) claims, and as to  
Statements 1 and 2 on plaintiffs’ third (§ 11) and fifth (§ 15) claims.

ECF No. 114 at 6-7.

- If the Court were to file such a judgment, Nacif would have appellate rights with respect to  
his Exchange Act Claims, pursuant to Federal Rule of Appellate Procedure 54(1)(A).

1 **IV. SUMMARY OF CLASS ACTION CONFLICTS OF INTEREST EXPERT**  
2 **OPINIONS**

3 13. The following is a summary of my class action conflicts of interest expert opinions:

- 4 • By entering into the Stipulation, the Defendants expressed their desire to settle all Securities  
5 Act and Exchange Act Claims. Defendants explained their position in the Joint Status  
6 Response that “the proposed Settlement from the Defendants’ perspective is to achieve  
7 finality regarding all claims that were asserted in the Complaint or that could have been  
8 asserted in the Complaint based upon the underlying alleged facts,” which include all  
9 possible Exchange Act Claims. ECF No. 122 at 3 Because the Defendants seek to settle all  
10 claims, including all Exchange Act Claims, it is my expert opinion that Nacif does not have  
11 a conflict of interest with class members, including class members with both Exchange Act  
12 Claims and Securities Act Claims, because he is similarly situated. It is also my expert  
13 opinion that Rafi does not have a conflict of interest with class members.
- 14 • It is my expert opinion that Nacif’s interests are aligned with the interests of class members  
15 with Exchange Act Claims because Nacif has Exchange Act Claims. Nacif would have  
16 appellate rights if the Court were to enter a final judgment consistent with the Court’s  
17 February 17, 2023 Order. Nacif still has justiciable Exchange Act Claims against  
18 Defendants, and Defendants wish to settle Nacif’s claims as well as the claims of class  
19 members with Exchange Act Claims.

20 **I. CLASS ACTION CONFLICTS OF INTEREST EXPERT OPINIONS AND**  
21 **ANALYSIS**

22 **A. Because Defendants Seek to Settle All Claims, Including All Exchange Act**  
23 **Claims and All Securities Act Claims, Nacif Does Not Have a Conflict of**  
24 **Interest with Class Members because He Is Similarly Situated to Class**  
25 **Members with Exchange Act Claims and Securities Act Claims. Rafi Does Not**  
26 **Have a Conflict of Interest with Class Members.**

27 14. As I will explain more fully below, it is my expert opinion that because the  
28 Defendants seek to settle all claims, including all Exchange Act Claims and Securities Act Claims,  
Nacif does not have a conflict of interest with class members with both types of claims because he  
is similarly situated to them.<sup>2</sup> It is also my expert opinion that Rafi does not have a conflict of  
interest with class members.

---

<sup>2</sup> Although Nacif does not have a conflict of interest, Plaintiffs’ counsel intend to request that Hang Gao be added as settlement class representative for the Exchange Act Claims.

1           15.     In the Joint Status Report in response to the Order dated May 31, 2023, ECF No.  
2 122, the Defendants expressed their desire that “the proposed Settlement from the Defendants’  
3 perspective is to achieve finality regarding all claims that were asserted in the Complaint or that  
4 could have been asserted in the Complaint based upon the underlying alleged facts,” which include  
5 all possible Exchange Act Claims. ECF No. 122 at 3.

6           16.     Courts will not find a putative class named plaintiff adequate due to conflict of  
7 interests in two general situations. First, a named plaintiff will have a disqualifying conflict of  
8 interests if “the class representatives ‘have antagonistic or conflicting interests with members of the  
9 class,’” *Donaldson v. Microsoft Corp.*, 205 F.R.D. 558, 568 (W.D. Wash. 2001), described by some  
10 courts “if the representative’s interests are antagonistic or in conflict with the objectives of those  
11 being represented.” *Freeman v. Blue Ridge Paper Prods., Inc.*, No. 2:08-CV-35, 2011 WL  
12 13098808, at \*6 (E.D. Tenn. Sept. 30, 2011) (quoting 7A *Wright, Miller & Kane, Federal Practice*  
13 *and Procedure Civil* 3d § 1768 (4th ed. 2022); *Marisol A. v. Giuliani*, 126 F.3d 372, 378 (2d Cir.  
14 1997). Another leading treatise on class action litigation explains that for a representative to fail the  
15 adequacy requirement of Rule 23(a)(4), which is the same adequacy requirement found in Rule  
16 23(e)(2)(A), “the conflict must be ‘fundamental’ such that the conflict concerns ‘the specific issues  
17 in controversy.’” 3 *Newberg and Rubenstein on Class Actions* § 7:31 (6th ed. 2023); *In re Online*  
18 *DVD-Rental Antitrust Litig.*, 779 F.3d 934, 942 (9th Cir. 2015) (“Only conflicts that are  
19 fundamental to the suit and go to the heart of the litigation prevents a plaintiff from meeting the  
20 Rule 23(a)(4) adequacy requirement.”) (quoting *Newberg on Class Actions*). It is my expert opinion  
21 that neither Nacif nor Rafi have interests antagonistic to the putative class or the issues in  
22 controversy, and therefore do not have a conflict of interest.

23           17.     Second, some circuits will find a disqualifying conflict of interest “where the  
24 economic interests and objectives of the named representatives differ significantly from the  
25 economic interests and objectives of unnamed class members.” *Valley Drug Co. v. Geneva*  
26 *Pharms., Inc.*, 350 F.3d 1181, 1190 (11th Cir. 2003); *Bieneman v. City of Chi.*, 864 F.2d 463 (7th

1 Cir. 1988). A leading treatise explains, “[t]he linchpin of adequate representation is alignment of  
2 interests and incentives between the representative plaintiffs and absent class members.” 1  
3 *McLaughlin on Class Actions* § 4:30 (20th ed. 2023). In the present case, Nacif’s economic interests  
4 are aligned with the interests putative plaintiffs who have Exchange Act Claims or Securities Act  
5 Claims, or both types of claims, because his interests are the same as their interests—*i.e.*, to  
6 maximize the settlement value of both types of claims. While Rafi’s economic interests are more  
7 closely aligned with the interests of the subclass of putative plaintiffs who only have Securities Act  
8 Claims, a respected mediator, Jed D. Melnick, mediated the proposed settlement distribution plan  
9 and stated “it is my opinion that the settlement allocation described herein represents a fair,  
10 reasonable, and well-founded distribution of Settlement proceeds between and among differently  
11 situated Class members.” Of course, it is ultimately for the Court to decide whether the proposed  
12 Settlement is fair and reasonable.

13 **B. Nacif Would Have Appellate Rights If the Court Were to Enter a Final**  
14 **Judgment Consistent with the Court’s February 17, 2023 Order. Nacif Still Has**  
15 **Justiciable Exchange Act Claims against Defendants, and Defendants Wish to**  
16 **Settle Nacif’s Claims as Well as the Claims of Class Members with Exchange**  
17 **Act Claims**

18 18. As I will explain more fully below, it is my expert opinion that Nacif’s interests are  
19 aligned with the interests of class members with Exchange Act Claims because Nacif would have  
20 appellate rights if the Court were to enter a final judgment consistent with the Court’s February 17,  
21 2023 Order. Thus, Nacif still has justiciable Exchange Act Claims against the Defendants.

22 19. The Defendants wish to settle Nacif’s claims as well as the claims of other class  
23 members with Exchange Act Claims. Thus, Nacif is similarly situated to class members with  
24 Exchange Act Claims because neither Nacif nor such other putative plaintiffs can trace some of  
25 their stock purchases to the IPO or SPO. In its September 27, 2023 Order, the Court reasoned that  
26 “the only way Nacif can recover from this lawsuit is through settlement, and thus, his interests are  
27 antagonistic toward all class members . . . .” *Id.* at 5. However, as the authors of a leading treatise  
28 explain: “All that is required—as the phrase ‘absence of conflict’ suggests—is such sufficiently

1 similarity of interest that there is no affirmative antagonism between the representative and the  
2 class.” 1 *Newberg and Rubenstein on Class Actions* § 3:58 (6th ed. 2023).

3 20. Although Nacif’s justiciable Exchange Act Claims are dependent on his appellate  
4 rights, should the Court enter a final judgment consistent with the Court’s February 17, 2023 order,  
5 it is my expert opinion that for the purposes of reaching a final settlement of all claims, including all  
6 Exchange Act Claims, Nacif’s claims are the equivalent of the putative class members who have  
7 Exchange Act Claims. In other words, the key consideration is that Nacif is working to represent the  
8 interests of other class members with Exchange Act Claims, and not working against their interests.  
9 Thus, it is my expert opinion that Nacif shares similarity of interests and does not have a conflict of  
10 interest with class members who have Exchange Act Claims.

11 **CONCLUSION**

12 These are my independent conflicts of interest expert opinions formed on my own and  
13 without the assistance of any person. These opinions are based upon my knowledge, skill,  
14 experience, training, and education, and informed by the facts assumed, materials I reviewed, and  
15 research I performed. All of my legal ethics opinions are consistent with ordinary legal education  
16 custom or practice and are presented here to a reasonable degree of professional certainty. I reserve  
17 the right to expand upon or modify the opinions in this Declaration if presented with additional facts  
18 or materials, or if I conduct supplemental research after the submission of this Declaration.

19 I declare under penalty of perjury that the foregoing is true and correct.

20 Date: December 13, 2023

21 Respectfully submitted,

22 Peter A. Joy

23 Peter A. Joy  
24 Attorney at Law  
25 6624 Pershing Avenue  
26 St. Louis, MO 63130  
27 Tel. (314) 935-6445  
28 E-mail: joy@wustl.edu

DECL. OF PETER A. JOY  
CASE NO. 2:21-CV-00861-TSZ

LABATON SUCHAROW LLP  
140 BROADWAY, New York, NY 10005  
PHONE: 212 907-0700  
FAX: 212 818-0477

# **Exhibit 6**

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THE HONORABLE THOMAS S. ZILLY

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

ANTONIO BACHAALANI NACIF and  
WIES RAFI, Individually and on behalf of all  
others similarly situated,

Plaintiffs,

v.

ATHIRA PHARMA, INC., et al.

Defendants.

CASE NO.: 2:21-cv-00861-TSZ  
(Consolidated with 21-cv-00862-TSZ  
and 21-cv-00864-TSZ)

**DECLARATION OF LAURA S.  
DUNCAN**



1 I, Laura S. Duncan, declare as follows:

2 1. I am an attorney at the law firm of Wilson Sonsini Goodrich & Rosati, P.C., outside  
3 counsel for Athira Pharma, Inc. (“Athira” or the “Company”). I have personal knowledge of the  
4 facts set forth herein and, if called as a witness, I would testify competently thereto.

5 2. Both I and my law firm represented Athira in connection with its September 17,  
6 2020 initial public offering (“IPO”) and January 20, 2021 secondary public offering (“SPO”).

7 3. At the time of Athira’s IPO, all Athira shares not issued pursuant to the IPO, i.e.,  
8 all pre-existing or pre-IPO shares, were subject to lock-up or market stand-off restrictions that  
9 prevented their trading. These restrictions were evidenced by restrictive legends in the records of  
10 the registrar for Athira’s stock, Computershare Trust Company, N.A. (“Computershare”) as of the  
11 closing of the IPO. Shares bearing such restrictive legends cannot be sold and transferred unless  
12 and until the restrictive legends are removed.

13 4. As of the closing of Athira’s IPO, there were 19,087,472 shares of common stock  
14 subject to lock-up or market stand-off restrictions.

15 5. From the time of Athira’s IPO through March 16, 2021, our law firm did not deliver  
16 an opinion instructing Computershare to remove the restrictive legends on any of these pre-IPO  
17 Athira shares.


18 6. I have confirmed with Athira’s registrar at Computershare that its records reflect  
19 that as of March 16, 2021 these same pre-IPO shares bore restrictive legends that prevented their  
20 trading.

21 7. The lock-up expired before the market opened on March 17, 2021.

22 8. On this basis, it is clear that Athira’s pre-IPO shares did not trade from September  
23 17, 2020 through March 16, 2021.

24 I declare under penalty of perjury that the foregoing is true and correct.

25 Executed this 14th day of December, 2023 at Bainbridge Island, Washington.

26 DocuSigned by:  
  
CBB8353FED7E4B6...  
27 Laura S. Duncan

**Exhibit A**

THE HONORABLE THOMAS S. ZILLY

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

ANTONIO BACHAALANI NACIF and  
WIES RAFI, Individually and on behalf of all  
others similarly situated,

Plaintiffs,

v.

ATHIRA PHARMA, INC., et al.,

Defendants.

CASE NO.: 2:21-cv-00861-TSZ  
(Consolidated with 21-cv-00862-TSZ and  
21-cv-00864-TSZ)

**[PROPOSED SECOND REVISED] ORDER PRELIMINARILY APPROVING  
SETTLEMENT AND PROVIDING FOR NOTICE**

WHEREAS, a consolidated class action is pending in this Court entitled *Nacif, et al., v. Athira Pharma, Inc., et al.*, Case No.: 2:21-cv-00861-TSZ (the “Action”);

WHEREAS, (a) Court-appointed lead plaintiffs Antonio Bachaalani Nacif and Wies Rafi (collectively, “Lead Plaintiffs”) and additional plaintiff Hang Gao (together with Lead Plaintiffs, “Plaintiffs”), on behalf of themselves and the Settlement Class (defined below); (b) Athira Pharma, Inc. (“Athira” or the “Company”); (c) Dr. Leen Kawas Glenna Mileson, Dr. Tadataka Yamada, Joseph Edelman, James A. Johnson, and John M. Fluke, Jr. (the “Individual Defendants”); and (d) Goldman Sachs & Co. LLC, Jefferies LLC, Stifel, Nicolaus & Company, Inc., and JMP Securities LLC (the “Underwriter Defendants,” together with Athira and the Individual Defendants, “Defendants” and, together with Plaintiffs, the “Parties”) have determined to settle all claims asserted against Defendants in this Action and related claims with prejudice on the terms and

1 conditions set forth in the Amended Stipulation and Agreement of Settlement dated December 15,  
2 2023 (the “Amended Stipulation”) subject to approval of this Court (the “Settlement”);

3 WHEREAS, Plaintiffs have made an application, pursuant to Rule 23 of the Federal Rules  
4 of Civil Procedure, for an order preliminarily approving the Settlement in accordance with the  
5 Amended Stipulation, certifying the Settlement Class for purposes of the Settlement only, and  
6 allowing notice to Settlement Class Members as more fully described herein;

7 WHEREAS, the Court has read and considered: (a) Plaintiffs’ motion for preliminary  
8 approval of the Settlement, and the papers filed and arguments made in connection therewith; and  
9 (b) the Amended Stipulation and the exhibits attached thereto; and

10 WHEREAS, unless otherwise defined herein, all capitalized words contained herein shall  
11 have the same meanings as they have in the Amended Stipulation;

12 NOW THEREFORE, IT IS HEREBY ORDERED:

13 1. **Class Certification for Settlement Purposes** – Pursuant to Rule 23(a) and (b)(3) of  
14 the Federal Rules of Civil Procedure, the Court certifies, solely for purposes of effectuating the  
15 proposed Settlement, a Settlement Class consisting of: (a) all persons and entities who or which  
16 purchased or otherwise acquired Athira Pharma, Inc. publicly traded common stock during the  
17 period from September 17, 2020 through March 16, 2021, inclusive, and were damaged thereby  
18 (the “Securities Act Class”) and (b) all persons and entities who or which purchased or otherwise  
19 acquired Athira Pharma, Inc. publicly traded common stock during the period from March 17, 2021  
20 through June 17, 2021, inclusive, and were damaged thereby (the “Exchange Act Class”). Excluded  
21 from the Settlement Class are: (a) Defendants; (b) any person who served as a partner, control  
22 person, executive officer and/or director of Athira or the Underwriter Defendants during the Class  
23 Period, and members of their Immediate Family; (c) present and former parents, subsidiaries,  
24 assigns, successors, affiliates, and predecessors of Athira and the Underwriter Defendants; (d) any  
25 entity in which the Defendants have or had a controlling interest; (e) any trust of which an Individual  
26 Defendant is the settlor or which is for the benefit of an Individual Defendant and/or member(s) of  
27 their Immediate Family; (f) liability insurance carriers for Athira or the Individual Defendants; and  
28 (g) the legal representatives, heirs, successors, and assigns of any person or entity excluded under

1 provisions (a) through (f) hereof. Notwithstanding any provision to the contrary, (a) any Investment  
2 Vehicle shall not be excluded from the Settlement Class; and (b) “affiliates” are persons or entities  
3 that directly, or indirectly through one or more intermediaries, control, are controlled by or are under  
4 common control with one of the Defendants, including Athira’s employee retirement and/or benefit  
5 plan(s). Also excluded from the Settlement Class are any persons and entities who or which submit  
6 a valid request for exclusion from the Settlement Class that is accepted by the Court.

7       2.       **Class Findings** – Solely for purposes of the proposed Settlement of this Action, the  
8 Court finds that each element required for certification of the Settlement Class pursuant to Rule 23  
9 of the Federal Rules of Civil Procedure has been met: (a) the members of the Settlement Class are  
10 so numerous that their joinder in the Action would be impracticable; (b) there are questions of law  
11 and fact common to the Settlement Class which predominate over any individual questions; (c) the  
12 claims of Plaintiff Wies Rafi in the Action are typical of the claims of the Securities Act Class and  
13 the claims of Plaintiffs Antonio Bachaalani Nacif and Hang Gao in the Action are typical of the  
14 claims of the Exchange Act Class; (d) Plaintiffs and Co-Lead Counsel have and will fairly and  
15 adequately represent and protect the interests of the Settlement Class; and (e) a class action is  
16 superior to other available methods for the fair and efficient adjudication of the Action.

17       3.       The Court hereby finds and concludes that pursuant to Rule 23 of the Federal Rules  
18 of Civil Procedure, and for the purposes of the Settlement only, Plaintiff Wies Rafi is an adequate  
19 class representative of the Securities Act Class and Plaintiffs Antonio Bachaalani Nacif and Hang  
20 Gao are adequate class representatives of the Exchange Act Class, and certifies them as Class  
21 Representatives. The Court also appoints Co-Lead Counsel Glancy Prongay & Murray, LLP and  
22 Labaton Sucharow LLP as Class Counsel for the Settlement Class, pursuant to Rule 23(g) of the  
23 Federal Rules of Civil Procedure.

24       4.       **Preliminary Approval of the Settlement** – The Court hereby preliminarily  
25 approves the Settlement, as embodied in the Amended Stipulation, and finds that the Court will  
26 likely be able to approve the proposed Settlement as fair, reasonable, and adequate under Federal  
27 Rule of Civil Procedure 23(e)(2), subject to further consideration at the Settlement Hearing to be  
28 conducted, as described below.

1           5.       **Settlement Hearing** – The Court will hold a settlement hearing (the “Settlement  
2 Hearing”) on \_\_\_\_\_, 2024 at \_\_:\_\_.m. in Courtroom 15206 of the United States  
3 Courthouse, 700 Stewart Street, Seattle, WA 98101, for the following purposes: (a) to determine  
4 whether the proposed Settlement on the terms and conditions provided for in the Amended  
5 Stipulation is fair, reasonable and adequate to the Settlement Class, and should be approved by the  
6 Court; (b) to determine whether a Judgment substantially in the form attached as Exhibit B to the  
7 Amended Stipulation should be entered dismissing the Action with prejudice against Defendants;  
8 (c) to determine whether the proposed Plan of Allocation for the proceeds of the Settlement is fair  
9 and reasonable and should be approved; (d) to determine whether the motion by Co-Lead Counsel  
10 for an award of attorneys’ fees and payment of Litigation Expenses should be approved; and (e) to  
11 consider any other matters that may properly be brought before the Court in connection with the  
12 Settlement. Notice of the Settlement and the Settlement Hearing shall be given to Settlement Class  
13 Members as set forth in paragraph 7 of this Order.

14           6.       The Court may adjourn the Settlement Hearing without further individual notice to  
15 the Settlement Class, and may approve the proposed Settlement with such modifications as the  
16 Parties may agree to, if appropriate, without further individual notice to the Settlement Class. Any  
17 changes to the scheduling of the Settlement Hearing or modifications to the Settlement shall be  
18 posted on the website for the Settlement.

19           7.       **Retention of Claims Administrator and Manner of Giving Notice** – Co-Lead  
20 Counsel are hereby authorized to retain Strategic Claims Services (the “Claims Administrator”) to  
21 supervise and administer the notice procedure in connection with the proposed Settlement as well  
22 as the processing of Claims as more fully set forth below. Notice of the Settlement and the  
23 Settlement Hearing shall be given by Co-Lead Counsel as follows:

24                   (a)       within five (5) business days of the date of entry of this Order, Athira shall  
25 provide or cause to be provided to the Claims Administrator in electronic format (at no cost to the  
26 Settlement Fund, Co-Lead Counsel, Plaintiffs, the Settlement Class or the Claims Administrator)  
27 lists of purchasers of record of Athira publicly traded common stock during the Class Period,  
28

1 including in the IPO and SPO, to the extent such lists are reasonably available from Athira’s stock  
2 transfer agent;

3 (b) not later than ten (10) business days after the date of entry of this Order (the  
4 “Notice Date”), the Claims Administrator shall cause a copy of the Notice and the Claim Form,  
5 substantially in the forms attached hereto as Exhibits 1 and 2, respectively (the “Notice Packet”), to  
6 be mailed by first-class mail to potential Settlement Class Members at the addresses set forth in the  
7 records provided by Athira or in the records which Athira caused to be provided, or who otherwise  
8 may be identified through further reasonable effort;

9 (c) contemporaneously with the mailing of the Notice Packet, the Claims  
10 Administrator shall cause copies of the Notice and the Claim Form to be posted on a website to be  
11 developed for the Settlement, from which copies of the Notice and Claim Form can be downloaded;

12 (d) not later than ten (10) business days after the Notice Date, the Claims  
13 Administrator shall cause the Summary Notice, substantially in the form attached hereto as Exhibit  
14 3, to be published once in *Investor’s Business Daily* and to be transmitted once over the *PR*  
15 *NewsWire*; and

16 (e) not later than seven (7) calendar days prior to the Settlement Hearing, Co-  
17 Lead Counsel shall serve on Defendants’ Counsel and file with the Court proof, by affidavit or  
18 declaration, of such mailing and publication.

19 8. **Approval of Form and Content of Notice** – The Court (a) approves, as to form and  
20 content, the Notice, the Claim Form, and the Summary Notice, attached hereto as Exhibits 1, 2, and  
21 3, respectively, and (b) finds that the mailing and distribution of the Notice and Claim Form and the  
22 publication of the Summary Notice in the manner and form set forth in paragraph 7 of this Order (i)  
23 is the best notice practicable under the circumstances; (ii) constitutes notice that is reasonably  
24 calculated, under the circumstances, to apprise Settlement Class Members of the pendency of the  
25 Action, of the effect of the proposed Settlement (including the Releases to be provided thereunder),  
26 of Co-Lead Counsel’s motion for an award of attorneys’ fees and payment of Litigation Expenses,  
27 of their right to object to the Settlement, the Plan of Allocation and/or Co-Lead Counsel’s motion  
28 for attorneys’ fees and payment of Litigation Expenses, of their right to exclude themselves from

1 the Settlement Class, and of their right to appear at the Settlement Hearing; (iii) constitutes due,  
2 adequate and sufficient notice to all persons and entities entitled to receive notice of the proposed  
3 Settlement; and (iv) satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure,  
4 the United States Constitution (including the Due Process Clause), the Private Securities Litigation  
5 Reform Act of 1995, Public Law No. 104-67, 109 Stat. 737 (codified as amended in scattered  
6 sections of 15 U.S.C.), and all other applicable law and rules. The date and time of the Settlement  
7 Hearing shall be included in the Notice and Summary Notice before they are mailed and published,  
8 respectively.

9           9.       **Nominee Procedures** – Brokers and other nominees who purchased or otherwise  
10 acquired Athira publicly traded common stock during the Class Period, including in the IPO and the  
11 SPO, for the benefit of another person or entity shall, within seven (7) calendar days of receipt of  
12 the Notice either: (a) request from the Claims Administrator sufficient copies of the Notice Packet  
13 to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Notice  
14 Packets forward them to all such beneficial owners; or (b) send a list of the names and addresses of  
15 all such beneficial owners to the Claims Administrator, in which event the Claims Administrator  
16 shall promptly mail the Notice Packet to such beneficial owners. Nominees shall also provide email  
17 addresses for all such beneficial owners to the Claims Administrator, to the extent they are available.  
18 Nominees that choose to follow procedure (a) shall also send a statement to the Claims  
19 Administrator confirming that the mailing was made as directed. Upon full and timely compliance  
20 with this Order, nominees may seek reimbursement of their reasonable expenses actually incurred,  
21 not to exceed \$0.05 plus postage at the current pre-sort rate used by the Claims Administrator per  
22 Notice Packet mailed; \$0.05 per name, address, and email address (to the extent available) provided  
23 to the Claims Administrator, by providing the Claims Administrator with proper documentation  
24 supporting the expenses for which reimbursement is sought. Such properly documented expenses  
25 incurred by nominees in compliance with the terms of this Order shall be paid from the Settlement  
26 Fund, with any disputes as to the reasonableness or documentation of expenses incurred subject to  
27 review by the Court. Nominees are not authorized to print the Notice Packet themselves for mailing.  
28 Notice Packets may only be printed by the Claims Administrator.

1           10.     **Participation in the Settlement** – Settlement Class Members who wish to  
2 participate in the Settlement and to be eligible to receive a distribution from the Net Settlement Fund  
3 must complete and submit a Claim Form in accordance with the instructions contained therein.  
4 Unless the Court orders otherwise, all Claim Forms must be postmarked no later than seven (7)  
5 calendar days before the Settlement Hearing. Notwithstanding the foregoing, Co-Lead Counsel  
6 may, at their discretion, accept for processing late Claims provided such acceptance does not delay  
7 the distribution of the Net Settlement Fund to the Settlement Class. By submitting a Claim, a person  
8 or entity shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her  
9 or its Claim and the subject matter of the Settlement.

10           11.     Each Claim Form submitted must satisfy the following conditions: (a) it must be  
11 properly completed, signed and submitted in a timely manner in accordance with the provisions of  
12 the preceding paragraph; (b) it must be accompanied by adequate supporting documentation for the  
13 transactions and holdings reported therein, in the form of broker confirmation slips, broker account  
14 statements, an authorized statement from the broker containing the transactional and holding  
15 information found in a broker confirmation slip or account statement, or such other documentation  
16 as is deemed adequate by Co-Lead Counsel or the Claims Administrator; (c) if the person executing  
17 the Claim Form is acting in a representative capacity, a certification of his, her or its current authority  
18 to act on behalf of the Claimant must be included in the Claim Form to the satisfaction of Co-Lead  
19 Counsel or the Claims Administrator; and (d) the Claim Form must be complete and contain no  
20 material deletions or modifications of any of the printed matter contained therein and must be signed  
21 under penalty of perjury.

22           12.     Co-Lead Counsel, in consultation with the Claims Administrator, shall review any  
23 disputed claims upon request by claimants.

24           13.     Any Settlement Class Member that does not timely and validly submit a Claim Form  
25 or whose Claim is not otherwise approved by the Court: (a) shall be deemed to have waived his, her  
26 or its right to share in the Net Settlement Fund; (b) shall be forever barred from participating in any  
27 distributions therefrom; (c) shall be bound by the provisions of the Amended Stipulation and the  
28 Settlement and all proceedings, determinations, orders and judgments in the Action relating thereto,



1 including, without limitation, the Judgment or Alternate Judgment, if applicable, and the Releases  
2 provided for therein, whether favorable or unfavorable to the Settlement Class; and (d) will be barred  
3 from commencing, maintaining or prosecuting any of the Released Plaintiffs' Claims against each  
4 and all of the Defendants and other Released Defendants' Parties, as more fully described in the  
5 Amended Stipulation and Notice. Notwithstanding the foregoing, late Claim Forms may be  
6 accepted for processing as set forth in paragraph 10 above.

7       14.     **Exclusion From the Settlement Class** – Any member of the Settlement Class who  
8 wishes to exclude himself, herself or itself from the Settlement Class must request exclusion in  
9 writing within the time and in the manner set forth in the Notice, which shall provide that: (a) any  
10 such request for exclusion from the Settlement Class must be mailed or delivered such that it is  
11 received no later than twenty-one (21) calendar days prior to the Settlement Hearing, to: *Athira*  
12 *Pharma Securities Litigation*, EXCLUSIONS, c/o Strategic Claims Services, P.O. Box 230, 600 N.  
13 Jackson Street, Suite 205, Media, PA 19063, and (b) each request for exclusion must (i) state the  
14 name, address, and telephone number of the person or entity requesting exclusion, and in the case  
15 of entities, the name and telephone number of the appropriate contact person; (ii) state that such  
16 person or entity “requests exclusion from the Settlement Class in the *Athira Pharma Securities*  
17 *Litigation*, Case No. 2:21-cv-00861-TSZ”; (iii) state the number of shares of Athira common stock  
18 that the person or entity requesting exclusion purchased/acquired and sold during the Class Period,  
19 as well as the dates and prices of each such purchase/acquisition and sale; and (iv) be signed by the  
20 person or entity requesting exclusion or an authorized representative. A request for exclusion shall  
21 not be effective unless it provides all the required information and is received within the time stated  
22 above, or is otherwise accepted by the Court.

23       15.     Any person or entity who or which timely and validly requests exclusion in  
24 compliance with the terms stated in this Order and is excluded from the Settlement Class shall not  
25 be a Settlement Class Member, shall not be bound by the terms of the Settlement or any orders or  
26 judgments in the Action and shall not receive any payment out of the Net Settlement Fund.

27       16.     Any Settlement Class Member who or which does not timely and validly request  
28 exclusion from the Settlement Class in the manner stated in this Order: (a) shall be deemed to have

1 waived his, her or its right to be excluded from the Settlement Class; (b) shall be forever barred from  
2 requesting exclusion from the Settlement Class in this or any other proceeding; (c) shall be bound  
3 by the provisions of the Amended Stipulation and Settlement and all proceedings, determinations,  
4 orders and judgments in the Action, including, but not limited to, the Judgment or Alternate  
5 Judgment, if applicable, and the Releases provided for therein, whether favorable or unfavorable to  
6 the Settlement Class; and (d) will be barred from commencing, maintaining or prosecuting any of  
7 the Released Plaintiffs' Claims against any of the Defendants or other Released Defendants' Parties,  
8 as more fully described in the Amended Stipulation and Notice.

9       17.     **Appearance and Objections at Settlement Hearing** – Any Settlement Class  
10 Member who does not request exclusion from the Settlement Class may enter an appearance in the  
11 Action, at his, her or its own expense, individually or through counsel of his, her or its own choice,  
12 by filing with the Clerk of Court and delivering a notice of appearance to both Co-Lead Counsel  
13 and Defendants' Counsel, at the addresses set forth in paragraph 18 below. Any Settlement Class  
14 Member who does not enter an appearance will be represented by Co-Lead Counsel.

15       18.     Any Settlement Class Member who does not request exclusion from the Settlement  
16 Class may submit a written objection to the proposed Settlement, the proposed Plan of Allocation,  
17 and/or Co-Lead Counsel's motion for an award of attorneys' fees and payment of Litigation  
18 Expenses and appear and show cause, if he, she or it has any cause, why the proposed Settlement,  
19 the proposed Plan of Allocation and/or Co-Lead Counsel's motion for attorneys' fees and payment  
20 of Litigation Expenses should not be approved; *provided, however*, that no Settlement Class  
21 Member shall be entitled to contest the approval of the terms and conditions of the proposed  
22 Settlement, the proposed Plan of Allocation and/or the motion for attorneys' fees and payment of  
23 Litigation Expenses unless that person or entity has served copies of such objection on Co-Lead  
24 Counsel and Defendants' Counsel at the addresses set forth below such that they are received no  
25 later than twenty-one (21) calendar days prior to the Settlement Hearing.

26                   **Co-Lead Counsel**

27                   Glancy Prongay & Murray LLP  
                      Casey E. Sadler, Esq.  
28                   1925 Century Park East, Suite 2100

**Defendants' Counsel**

                      Wilson Sonsini Goodrich & Rosati, P.C.  
                      Gregory L. Watts, Esq.  
                      701 Fifth Avenue, Suite 5100

1 Los Angeles, CA 90067

Seattle, WA 98104-7036

2 -and-

-and-

3 Labaton Sucharow LLP  
4 Michael P. Canty, Esq.  
5 140 Broadway  
6 New York, New York 10005

Perkins Coie LLP  
Sean C. Knowles, Esq.  
1201 Third Avenue, Suite 4900  
Seattle, WA 98101-3099

7 -and-

DLA Piper LLP (US)  
Anthony Todaro, Esq.  
701 Fifth Avenue, Suite 6900  
Seattle, WA 98104-7029

9 19. Any objections, filings and other submissions by the objecting Settlement Class  
10 Member: (a) must state the name, address, and telephone number of the person or entity objecting  
11 and must be signed by the objector; (b) must contain a statement of the Settlement Class Member's  
12 objection or objections, and the specific reasons for each objection, including whether it applies  
13 only to the objector, to a specific subset of the Settlement Class, or to the entire Settlement Class,  
14 and any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's  
15 attention; and (c) must include documents sufficient to prove membership in the Settlement Class,  
16 including the number of shares of Athira common stock that the objecting Settlement Class Member  
17 purchased/acquired and sold during the Class Period, as well as the dates and prices of each such  
18 purchase/acquisition and sale. Objectors who desire to present evidence at the Settlement Hearing  
19 in support of their objection must include in their written objection the identity of any witnesses  
20 they may call to testify and any exhibits they intend to introduce into evidence at the hearing.

21 20. Any Settlement Class Member who or which does not make his, her or its objection  
22 in the manner provided herein shall be deemed to have waived his, her or its right to object to any  
23 aspect of the proposed Settlement, the proposed Plan of Allocation, and Co-Lead Counsel's motion  
24 for an award of attorneys' fees and payment of Litigation Expenses and shall be forever barred and  
25 foreclosed from objecting to the fairness, reasonableness or adequacy of the Settlement, the Plan of  
26 Allocation or the requested attorneys' fees and Litigation Expenses, or from otherwise being heard  
27 concerning the Settlement, the Plan of Allocation or the requested attorneys' fees and Litigation  
28 Expenses in this or any other proceeding.

1           21.     **Stay and Temporary Injunction** – Until otherwise ordered by the Court, the Court  
2 stays all proceedings in the Action other than proceedings necessary to carry out or enforce the terms  
3 and conditions of the Amended Stipulation. Pending final determination of whether the Settlement  
4 should be approved, the Court bars and enjoins Plaintiffs, and all other members of the Settlement  
5 Class, from commencing or prosecuting any and all of the Released Plaintiffs’ Claims against each  
6 and all of the Defendants and other Released Defendants’ Parties.

7           22.     **Settlement Administration Fees and Expenses** – All reasonable costs incurred in  
8 identifying Settlement Class Members and notifying them of the Settlement, as well as in  
9 administering the Settlement, shall be paid as set forth in the Amended Stipulation without further  
10 order of the Court.

11           23.     **Settlement Fund** – The contents of the Settlement Fund held by Citibank N.A.  
12 (Private Bank), as Escrow Agent, shall be deemed and considered to be *in custodia legis* of the  
13 Court, and shall remain subject to the jurisdiction of the Court, until such time as they shall be  
14 distributed pursuant to the Amended Stipulation and/or further order(s) of the Court.

15           24.     **Taxes** – Co-Lead Counsel are authorized and directed to prepare any tax returns and  
16 any other tax reporting forms for or in respect to the Settlement Fund, to pay from the Settlement  
17 Fund any Taxes owed with respect to the Settlement Fund, and to otherwise perform all obligations  
18 with respect to Taxes and any reporting or filings in respect thereof without further order of the  
19 Court and in a manner consistent with the provisions of the Amended Stipulation.

20           25.     **Termination of Settlement** – If the Settlement is terminated as provided in the  
21 Amended Stipulation, the Settlement is not approved, or the Effective Date of the Settlement  
22 otherwise fails to occur, this Order shall be vacated, rendered null and void and be of no further  
23 force and effect, except as otherwise provided by the Amended Stipulation, and this Order shall be  
24 without prejudice to the rights of Plaintiffs, the other Settlement Class Members and Defendants,  
25 and the Parties shall revert to their respective positions in the Action as of February 28, 2023, as  
26 provided in the Amended Stipulation.

27           26.     **Use of this Order** – Neither this Order, the Term Sheet, the Amended Stipulation  
28 (whether or not consummated), including the exhibits thereto and the Plan of Allocation contained

1 therein (or any other plan of allocation that may be approved by the Court), the negotiations leading  
2 to the execution of the Term Sheet and the Amended Stipulation, nor any proceedings taken pursuant  
3 to or in connection with the Term Sheet, the Amended Stipulation and/or approval of the Settlement  
4 (including any arguments proffered in connection therewith): (a) shall be offered against  
5 Defendants or any of the other Released Defendants' Parties as evidence of, or construed as, or  
6 deemed to be evidence of any presumption, concession, or admission by any of the Defendants or  
7 other Released Defendants' Parties with respect to the truth of any fact alleged by Plaintiffs or the  
8 validity of any claim that was or could have been asserted or the deficiency of any defense that has  
9 been or could have been asserted in this Action or in any other litigation, or of any liability,  
10 negligence, fault, or other wrongdoing of any kind of any of the Defendants or other Released  
11 Defendants' Parties or in any way referred to for any other reason as against any of the Defendants  
12 or other Released Defendants' Parties, in any civil, criminal or administrative action or other  
13 proceeding; (b) shall be offered against Plaintiffs or any of the other Released Plaintiffs' Parties, as  
14 evidence of, or construed as, or deemed to be evidence of any presumption, concession or admission  
15 by any of the Plaintiffs or other Released Plaintiffs' Parties that any of their claims are without merit,  
16 that any of the Defendants or the other Released Defendants' Parties had meritorious defenses, or  
17 that damages recoverable under the Complaint would not have exceeded the Settlement Amount or  
18 with respect to any liability, negligence, fault or wrongdoing of any kind, or in any way referred to  
19 for any other reason as against Plaintiffs and any of the Released Plaintiffs' Parties, in any civil,  
20 criminal or administrative action or other proceeding; or (c) shall be construed against any of the  
21 Releasees as an admission, concession, or presumption that the consideration to be given under the  
22 Settlement represents the amount which could be or would have been recovered after trial; *provided,*  
23 *however,* that if the Amended Stipulation is approved by the Court, the Parties and the Releasees  
24 and their respective counsel may refer to it to effectuate the protections from liability granted  
25 thereunder or otherwise to enforce the terms of the Settlement.

26       27.     **Supporting Papers** – Co-Lead Counsel shall file and serve the opening papers in  
27 support of approval of the proposed Settlement, the Plan of Allocation, and Co-Lead Counsel's  
28 motion for an award of attorneys' fees and payment of Litigation Expenses no later than thirty-five

1 (35) calendar days prior to the Settlement Hearing; and reply papers, if any, shall be filed and served  
2 no later than seven (7) calendar days prior to the Settlement Hearing.

3 28. The Court retains jurisdiction to consider all further applications arising out of or  
4 connected with the proposed Settlement.

5 SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

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The Honorable Thomas S. Zilly  
United States District Judge

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# **Exhibit 1**

**Exhibit 1**

THE HONORABLE THOMAS S. ZILLY

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

ANTONIO BACHAALANI NACIF and  
WIES RAFI, Individually and on behalf of all  
others similarly situated,

Plaintiffs,

v.

ATHIRA PHARMA, INC., et al.,

Defendants.

CASE NO.: 2:21-cv-00861-TSZ  
(Consolidated with 21-cv-00862-TSZ and  
21-cv-00864-TSZ)

**[SECOND REVISED] NOTICE OF (I) PENDENCY OF CLASS ACTION AND  
PROPOSED SETTLEMENT; (II) SETTLEMENT HEARING; AND (III) MOTION FOR  
AN AWARD OF ATTORNEYS' FEES AND PAYMENT OF LITIGATION EXPENSES**

***This is not a solicitation from a lawyer.***

**NOTICE OF PENDENCY OF CLASS ACTION:** Please be advised that your rights may be affected by the above-captioned securities class action (the “Action”) pending in the United States District Court for the Western District of Washington (the “Court”), if you purchased or otherwise acquired Athira Pharma, Inc. (“Athira” or the “Company”) publicly traded common stock during the period from September 17, 2020 through June 17, 2021, inclusive (the “Class Period”), and were damaged thereby.<sup>1</sup>

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<sup>1</sup> All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Amended Stipulation and Agreement of Settlement dated



**NOTICE OF SETTLEMENT:** Please also be advised that the Court-appointed lead plaintiffs, Antonio Bachaalani Nacif and Wies Rafi (collectively, “Lead Plaintiffs”), and additional plaintiff Hang Gao (together with Lead Plaintiffs, “Plaintiffs”), on behalf of themselves and the Settlement Class (as defined in ¶ 24 below), have reached a proposed settlement of the Action for \$10,000,000 in cash that, if approved, will resolve all claims in the Action and related claims (the “Settlement”).

**PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from the Settlement. If you are a member of the Settlement Class, your legal rights will be affected whether or not you act.**

**If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please DO NOT contact the Court, Athira, any other Defendants in the Action, or their counsel. All questions should be directed to Co-Lead Counsel or the Claims Administrator (see ¶¶ 8 and 88 below).**

1. **Description of the Action and the Settlement Class:** This Notice relates to a proposed Settlement of claims in a pending securities class action brought by investors alleging, among other things, that Defendants<sup>2</sup> violated the federal securities laws by making false and misleading statements related to allegedly altered images in certain research papers co-authored by Dr. Kawas. A more detailed description of the Action is set forth in paragraphs 13-23 below. The proposed Settlement, if approved by the Court, will settle claims of the Settlement Class, as defined in paragraph 24 below.

2. **Statement of the Settlement Class’s Recovery:** Subject to Court approval, Plaintiffs, on behalf of themselves and the Settlement Class, have agreed to settle the Action in exchange for a settlement payment of \$10,000,000 in cash (the “Settlement Amount”) which Athira shall pay or cause to be paid into an escrow account. The Net Settlement Fund, *i.e.*, the Settlement Amount plus any and all interest earned thereon (estimated at approximately \$500,000 assuming U.S. T-Bill yields of 5% over the span of one year) (the “Settlement Fund”) less (a) any Taxes (estimated at approximately \$200,000), (b) any Notice and Administration Costs (estimated at approximately \$200,000), (c) any Litigation Expenses, including awards to Plaintiffs pursuant to the PSLRA, awarded by the Court (estimated at no more than \$235,000), and (d) any attorneys’ fees awarded by the Court (estimated at no more than 33⅓% of the Settlement Fund), which would total approximately \$6,526,467, will be distributed in accordance with a plan of allocation that is approved by the Court, which will determine how the Net Settlement Fund shall be allocated among members of the Settlement Class. The proposed plan of allocation (the “Plan of Allocation”) is set forth on pages \_\_\_ - \_\_\_ below.

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December 15, 2023 (the “Amended Stipulation”), which is available at [www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com).

<sup>2</sup> Dr. Kawas, Glenna Mileson, Dr. Tadataka Yamada, Joseph Edelman, James A. Johnson, and John M. Fluke, Jr. are collectively referred to herein as the “Individual Defendants.” Claims were also brought against Goldman Sachs & Co. LLC, Jefferies LLC, Stifel, Nicolaus & Company, Inc., and JMP Securities LLC (collectively, the “Underwriter Defendants,” and together with Athira and the Individual Defendants, the “Defendants”). With the exception of Dr. Kawas and Athira, the Court dismissed all claims against the Individual Defendants and Underwriter Defendants in a July 29, 2022 order that granted in part and denied in part the Defendants’ motions to dismiss.

3. As discussed below, pursuant to the proposed Plan of Allocation, the settlement proceeds available for payment of claims pursuant to the Securities Exchange Act of 1934 (the “Exchange Act Claims”) shall be limited to a total amount of up to 8.5% of the Net Settlement Fund (the “Exchange Act Allocation”) and no less than 91.5% of the Net Settlement Fund (the “Securities Act Allocation”) will be available for payment of claims pursuant to the Securities Act of 1933 (the “Securities Act Claims”).

4. **Estimate of Average Amount of Recovery Per Share:** Based on Lead Plaintiffs’ consulting damages expert’s estimates of the number of shares of Athira publicly traded common stock purchased during the Class Period that may have been affected by the conduct at issue in the Action (21,360,000 shares), the allocations of the Net Settlement Fund proposed in the Plan of Allocation, and assuming that all Settlement Class Members elect to participate in the Settlement, the estimated average gross recovery (before accrued interest or the deduction of any Court-approved fees, expenses and costs as described herein) per eligible share is \$0.72 for Securities Act Claims and \$0.10 for Exchange Act Claims.<sup>3</sup> The estimated average net recovery per eligible share may be \$0.47 for Securities Act Claims and \$0.06 for Exchange Act Claims, after factoring in estimated interest and the deduction of any Court-approved fees, expenses and costs as described herein. Accordingly, a Class Member with a Securities Act Claim who purchased 1,000 eligible shares may receive a payment of \$470.00 and a Class Member with an Exchange Act Claim who purchased 1000 eligible shares may receive a payment of \$60.00. According to the Plan of Allocation, the smallest payment will be \$10.00 and Lead Plaintiffs’ consulting damages expert has estimated that Athira’s largest publicly known investor could recover approximately \$408,000.

5. Settlement Class Members should note, however, that the foregoing average recoveries per share are only estimates. Some Settlement Class Members may recover more or less than these estimated amounts depending on, among other factors, the number of shares of Athira common stock they purchased, when and at what prices they purchased/acquired or sold their Athira common stock, and the total number and value of valid Claims submitted. Distributions from the Net Settlement Fund to Settlement Class Members will be made based on the Plan of Allocation set forth herein (*see* pages \_\_-\_\_ below) or such other plan of allocation as may be approved by the Court.

6. **Average Amount of Damages Per Share:** The Parties do not agree on the average amount of damages per share that would be recoverable if Plaintiffs were to prevail in the Action. Among other things, Defendants disagree with the assertion that they violated the federal securities laws or that any damages were suffered by any members of the Settlement Class as a result of their conduct.

7. **Attorneys’ Fees and Expenses Sought:** Plaintiffs’ Counsel, who have been prosecuting the Action on a wholly contingent basis since its inception in 2021, have not received any payment of attorneys’ fees for their work on behalf of the Settlement Class and have advanced the funds to pay expenses necessarily incurred to prosecute this Action. Court-appointed lead counsel, Glancy Prongay & Murray, LLP and Labaton Sucharow LLP (collectively, “Co-Lead Counsel”), will apply to the Court for an award of attorneys’ fees for all Plaintiffs’ Counsel in an amount not to exceed 33 $\frac{1}{3}$ % of the Settlement Fund. In addition, Co-Lead Counsel will apply for payment of

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<sup>3</sup> It is estimated that approximately 12,790,000 million shares were allegedly damaged under the Securities Act Claims and 8,570,000 shares were allegedly damaged under the Exchange Act Claims.

Litigation Expenses in an amount not to exceed \$235,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Plaintiffs related to their representation of the Settlement Class of no more than \$30,000 in the aggregate. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Estimates of the average cost per affected share of Athira common stock, if the Court approves Co-Lead Counsel’s fee and expense application, is \$0.16 per eligible share.

8. **Identification of Attorneys’ Representatives:** Lead Plaintiffs and the Settlement Class are represented by Casey E. Sadler, Esq. of Glancy Prongay & Murray, LLP, 1925 Century Park East, Suite 2100, Los Angeles, CA 90067, (888) 773-9224, settlements@glancylaw.com; and Michael P. Canty, Esq., of Labaton Sucharow LLP, 140 Broadway, New York, New York 10005, (888) 219-6877, settlementquestions@labaton.com.

9. **Reasons for the Settlement:** The Court did not finally decide in favor of Plaintiffs or Defendants. Instead, the Parties have agreed to settle. Plaintiffs’ principal reason for entering into the Settlement is the substantial certain cash benefit for the Settlement Class without the risk or the delays inherent in further litigation. The substantial cash benefit must be considered against the significant risk that a smaller recovery—or no recovery at all—might be achieved after contested motions, a trial and the likely appeals that would follow a trial. This process could last several years. The Defendants deny the allegations that they made any material misstatements or omissions; that any member of the Settlement Class has suffered any damages; or that the price of Athira stock was artificially inflated by reason of any alleged misstatements or omissions. Defendants, who deny all allegations of wrongdoing or liability whatsoever, are entering into the Settlement solely to eliminate the uncertainty, burden and expense of further protracted litigation.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:</b>	
<b>SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN _____, 2024.</b>	This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Settlement Class Member, you will be bound by the Settlement and you will give up any Released Plaintiffs’ Claims (defined in ¶ 29 below) that you have against Defendants and the other Released Defendants’ Parties (defined in ¶ 30 below), so it is in your interest to submit a Claim Form.
<b>EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST THAT IS RECEIVED NO LATER THAN _____, 2024.</b>	If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you to ever be part of any other lawsuit against the Defendants or the other Released Defendants’ Parties concerning the Released Plaintiffs’ Claims.

<p><b>SUBMIT A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN _____, 2024.</b></p>	<p>If you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for attorneys’ fees and Litigation Expenses, you may write to the Court and explain why you do not like them. You cannot object unless you are a Settlement Class Member and do not exclude yourself from the Settlement Class.</p>
<p><b>GO TO A HEARING ON _____, 2024 AT ____:____.M.</b></p>	<p>The Court will hold a final Settlement Hearing on _____, 2024 at __: __.m.</p>
<p><b>DO NOTHING.</b></p>	<p>If you are a member of the Settlement Class and you do nothing, you will not receive a payment. You will, however, remain in the Settlement Class and give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.</p>

**WHAT THIS NOTICE CONTAINS**

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**WHY DID I GET THIS NOTICE?**

10. This Notice has been mailed to you because you or someone in your family or an investment account for which you serve as a custodian may have purchased or otherwise acquired Athira common stock during the Class Period. As a potential Settlement Class Member, you have a right to know about your options before the Court rules on the proposed Settlement.

11. The purpose of this Notice is to inform you of the existence of this class action, how you might be affected, and how to exclude yourself from the Settlement Class if you wish to do so. It also informs you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation and the motion by Co-Lead Counsel for an award of attorneys' fees and Litigation Expenses (the "Settlement Hearing"). See paragraph 77 below for details about the Settlement Hearing, including the date and location of the hearing.

12. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim or defense in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time to complete.

### WHAT IS THIS CASE ABOUT?

13. The Action was commenced by the filing of a class action complaint on June 25, 2021 in the United States District Court for the Western District of Washington (the "Court"), styled *Fan Wang and Hang Gao v. Athira Pharma, Inc. et al.*, Case No. 2:21-cv-00861. Two other class action complaints—styled *Jawandha v. Athira Pharma, Inc. et al.*, Case No. 2:21-cv-00862, and *Slyne v. Athira Pharma, Inc., et al.*, Case No. 2:21-cv-00864—were also filed in the Court. The Court subsequently consolidated these three cases.

14. By Order dated October 5, 2021, Antonio Bachaalani Nacif and Wies Rafi were appointed Lead Plaintiffs, Labaton Sucharow LLP and Glancy Prongay & Murray, LLP were approved as Co-Lead Counsel, and Rossi Vucinovich, P.C. was approved as Liaison Counsel.

15. On January 7, 2022, Lead Plaintiffs filed and served the operative consolidated amended complaint in the Action. It asserted claims against Athira and the Individual Defendants under Section 10(b) and Section 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder, claims against all Defendants under Sections 11 and 12(a)(2) of the Securities Act of 1933 (the "Securities Act") with respect to the Company's Initial Public Offering ("IPO") and Secondary Public Offering ("SPO"), and claims against the Individual Defendants under Section 15 of the Securities Act with respect to the Company's IPO and SPO (the "Complaint"). Among other things, the Complaint alleged that Defendants made materially false and misleading statements and/or failed to disclose that the Company's president and chief executive officer, Dr. Kawas, had improperly enhanced images in certain research papers she co-authored that were published from 2011 to 2014, which were referenced in certain applications by Washington State University ("WSU") for patents that were then exclusively licensed to Athira. The Complaint further alleged that, when information regarding the allegedly enhanced images was publicly disclosed, the Company's stock price was negatively impacted.

16. Following briefing on Defendants' motions to dismiss the Complaint, the Court granted in part and denied in part those motions on July 29, 2022 (the "MTD Order"). The MTD Order denied Defendants' motions with respect to Lead Plaintiffs' claims under Sections 11 and 15 of the Securities Act against Dr. Kawas and Athira solely as to "Statement 3," which was contained



in Athira's IPO and SPO Registration Statements and discussed Athira's exclusive patent licensing agreement with WSU. The MTD Order granted Defendants' motions to dismiss with respect to Lead Plaintiffs' claims under Sections 11 and 15 of the Securities Act against Dr. Kawas and Athira with regard to all statements in the IPO and SPO Registration Statements other than "Statement 3." In addition, the MTD Order dismissed all claims under Section 12(a)(2) of the Securities Act, all claims under the Exchange Act, all claims against the other Individual Defendants, and all claims against the Underwriter Defendants.

17. Following the MTD Order and the denial of Dr. Kawas's subsequent motion for partial reconsideration of the order, Athira and Dr. Kawas separately filed answers to the Complaint.

18. Thereafter, the Private Securities Litigation Reform Act of 1995 ("PSLRA") discovery stay was lifted and the remaining parties began discovery. Lead Plaintiffs and the remaining Defendants propounded requests for production of documents and interrogatories. The remaining Defendants and Lead Plaintiffs responded to this discovery, including providing verified interrogatory responses and producing documents. At the time the settlement was reached, Lead Plaintiffs were preparing for class certification and fact depositions.

19. On February 16, 2023, Lead Plaintiffs and the remaining Defendants participated in a full-day mediation session with Jed Melnick, Esq. of JAMS. In advance of the session, Lead Plaintiffs and the remaining Defendants exchanged and provided to the mediator detailed mediation statements and exhibits, which addressed issues of both liability and damages. The session culminated in an agreement in principle to settle the Action.

20. Over the course of the next several weeks, the parties negotiated a term sheet (the "Term Sheet") containing the essential terms of the settlement, which was fully executed on February 28, 2023.

21. In connection with the agreement in principle to settle the Action set forth in the Term Sheet, Athira also provided Co-Lead Counsel with additional document discovery, which consisted of documents that the Special Committee of Athira's Board of Directors considered and relied on in its investigation into the conduct at issue. Review of the additional documents produced by Athira, together with the previous discovery and Co-Lead Counsel's investigation to date, has confirmed for Lead Plaintiffs and Co-Lead Counsel that the Settlement is fair, reasonable and adequate to Plaintiffs and the other members of the Settlement Class.

22. Defendants are entering into the Settlement solely to eliminate the uncertainty, burden and expense of further protracted litigation. Each of the Defendants denies any wrongdoing or liability, and the Amended Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any of the Defendants, or any other of the Released Defendants' Parties (defined in ¶ 30 below), with respect to any claim or allegation of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that the Defendants have, or could have, asserted. Similarly, the Amended Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any Plaintiff of any infirmity in any of the claims asserted in the Action, or an admission or concession that any of the Defendants' defenses to liability had any merit.

23. On \_\_\_\_\_, 202\_\_\_, the Court preliminarily approved the Settlement and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

**HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?  
WHO IS INCLUDED IN THE SETTLEMENT CLASS?**

24. If you are a member of the Settlement Class, you are subject to the Settlement, unless you timely request to be excluded. The Settlement Class consists of:

(a) all persons and entities who or which purchased or otherwise acquired Athira Pharma, Inc. publicly traded common stock during the period from September 17, 2020 through March 16, 2021, inclusive, and were damaged thereby (the “Securities Act Class”) and (b) all persons and entities who or which purchased or otherwise acquired Athira Pharma, Inc. publicly traded common stock during the period from March 17, 2021 through June 17, 2021, inclusive, and were damaged thereby (the “Exchange Act Class”).

Excluded from the Settlement Class are: (a) Defendants; (b) any person who served as a partner, control person, executive officer and/or director of Athira or the Underwriter Defendants during the Class Period, and members of their Immediate Family; (c) present and former parents, subsidiaries, assigns, successors, affiliates, and predecessors of Athira and the Underwriter Defendants; (d) any entity in which the Defendants have or had a controlling interest; (e) any trust of which an Individual Defendant is the settlor or which is for the benefit of an Individual Defendant and/or member(s) of their Immediate Family; (f) liability insurance carriers for Athira or the Individual Defendants; and (g) the legal representatives, heirs, successors, and assigns of any person or entity excluded under provisions (a) through (f) hereof. Notwithstanding any provision to the contrary, (a) any Investment Vehicle shall not be excluded from the Settlement Class; and (b) “affiliates” are persons or entities that directly, or indirectly through one or more intermediaries, control, are controlled by or are under common control with one of the Defendants, including Athira’s employee retirement and/or benefit plan(s). Also excluded from the Settlement Class are any persons or entities who or which exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in this Notice. *See* “What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself,” on page [ ] below.

**PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE A PAYMENT.**

**WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?**

25. If there were no Settlement, the expense and length of continued proceedings necessary to pursue Plaintiffs’ claims against the remaining Defendants through trial and appeals would be substantial. Additionally, the Court’s MTD Order left only one actionable allegedly false and misleading statement from Athira’s IPO materials and SPO materials, which was related to Athira’s exclusive patent licensing agreement with WSU. Defendants had numerous avenues of attack that could preclude a recovery as to this statement. For example, they would likely assert that the statement was not materially false and misleading. Even if the hurdles to establishing

liability were overcome, the amount of damages that could be attributed to the allegedly false statement would be hotly contested. Plaintiffs would also have to prevail at several stages before any money could be recovered—motions for class certification and summary judgment, trial, and if they prevailed on those, in the appeals that were likely to follow. If Defendants were successful in proving any of their defenses, either at summary judgment, at trial or on appeal, the Settlement Class could recover substantially less than the amount provided in the Settlement, or nothing at all. Thus, there were very significant risks to the continued prosecution of the Action.

**HOW ARE SETTLEMENT CLASS MEMBERS AFFECTED  
BY THE ACTION AND THE SETTLEMENT?**

26. As a Settlement Class Member, you are represented by Lead Plaintiffs and Co-Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?” below.

27. If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the “Judgment”). The Judgment will dismiss with prejudice the claims against Defendants and related claims and will provide that, upon the Effective Date of the Settlement, Plaintiffs and each of the other Settlement Class Members, on behalf of themselves, and their respective heirs, executors, administrators, trustees, predecessors, successors, and assigns, in their capacities as such only, shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally and unconditionally released as against the Released Defendants’ Parties (as defined in ¶ 30 below) each and every Released Plaintiffs’ Claim (as defined in ¶ 29 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiffs’ Claims against any of the Released Defendants’ Parties.

28. If you are a Settlement Class Member and do not wish to remain a Settlement Class Member, you may exclude yourself from the Settlement Class by following the instructions in the section entitled, “What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?” below.

29. “Released Plaintiffs’ Claims” means any and all claims, demands, rights, liabilities, and causes of action of every nature and description, whether known claims or Unknown Claims, contingent or absolute, mature or not mature, liquidated or unliquidated, accrued or not accrued, concealed or hidden, whether direct, representative, class, or individual in nature, regardless of legal or equitable theory and whether arising under federal, state, common, or foreign law, that Plaintiffs or any other member of the Settlement Class: (a) asserted in the Action; or (b) could have asserted in any court or forum, that arise out of or are based upon (i) the allegations, transactions, facts, matters or occurrences, representations or omissions set forth or referred to in the complaints filed in the Action, and (ii) the purchase, acquisition, sale, or holding of Athira publicly traded common stock during the Class Period or pursuant and/or traceable to the registration statements and prospectuses issued in connection with Athira’s IPO or SPO. Released Plaintiffs’ Claims do not include: (a) any claims relating to enforcement of the Settlement; (b) any claims of any person



or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court; and (c) any derivative claims asserted by shareholders on behalf of Athira in the related consolidated shareholder derivative lawsuits, captioned *Bushansky v. Kawas et al.*, Case No. 2:22-cv-497-TSZ (W.D. Wash.) and *Houlihan v. Kawas et al.*, Case No. 2:22-cv-620-TSZ (W.D. Wash.).

30. “Released Defendants’ Parties” means (a) each Defendant; (b) the Immediate Family members of the Individual Defendants; (c) direct or indirect parent entities, subsidiaries, related entities, and affiliates of Athira and the Underwriter Defendants; (d) any trust of which any Individual Defendant is the settlor or which is for the benefit of any Individual Defendant and/or his or her Immediate Family members; (e) for any of the entities listed in parts (a) through (d), their respective past and present general partners, limited partners, principals, shareholders, joint venturers, members, officers, directors, managers, managing directors, supervisors, employees, contractors, consultants, experts, auditors, accountants, financial advisors, professional advisors, investment bankers, representatives, insurers, trustees, trustors, agents, attorneys, professionals, predecessors, successors, assigns, legal representatives, heirs, executors, administrators, and any controlling person thereof; and (f) any entity in which a Defendant has a controlling interest; all in their capacities as such.

31. “Unknown Claims” means any Released Plaintiffs’ Claims which any Lead Plaintiff or any other Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of such claims, and any Released Defendants’ Claims which any Defendant or any other Released Defendant Party does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, which, if known by him, her or it, might have affected his, her or its decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, Plaintiffs and Defendants shall expressly waive, and each of the other Settlement Class Members and each of the other Released Defendants’ Parties shall be deemed to have waived, and by operation of the Judgment or the Alternate Judgment, if applicable, shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Plaintiffs and Defendants acknowledge, and each of the other Settlement Class Members and each of the other Released Defendants’ Parties shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

32. The Judgment will also provide that, upon the Effective Date of the Settlement, Defendants and the other Released Defendants’ Parties, on behalf of themselves and their respective heirs, executors, administrators, trustees, predecessors, successors, and assigns, in their capacities as such only, shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally and unconditionally released as against Plaintiffs and the other Released Plaintiffs’ Parties (as defined in ¶ 34 below) each and every Released Defendants’ Claim (as defined in ¶ 33 below),

and shall forever be barred and enjoined from prosecuting any or all of the Released Defendants' Claims against any of the Released Plaintiffs' Parties.

33. "Released Defendants' Claims" means all claims and causes of action of every nature and description, whether known claims or Unknown Claims, whether arising under federal, state, local, common, statutory, administrative, or foreign law, or any other law, rule, or regulation, at law or in equity, whether fixed or contingent, whether foreseen or unforeseen, whether accrued or unaccrued, whether liquidated or unliquidated, whether matured or unmatured, whether direct, representative, class, or individual in nature that arise out of or relate in any way to the institution, prosecution, or settlement of the claims against the Defendants. Released Defendants' Claims do not include any claims relating to the enforcement of the Settlement or any claims against any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court.

34. "Released Plaintiffs' Parties" means (a) Plaintiffs, all Settlement Class members, Plaintiffs' Counsel, and (b) each of their respective family members, and their respective general partners, limited partners, principals, shareholders, joint venturers, members, officers, directors, managers, managing directors, supervisors, employees, contractors, consultants, experts, auditors, accountants, financial advisors, professional advisors, investment bankers, representatives, insurers, trustees, trustors, agents, attorneys, legal representatives, professionals, predecessors, successors, assigns, heirs, executors, administrators, and any controlling person thereof, in their capacities as such.

#### HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

35. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Settlement Class and you must timely complete and return the Claim Form with adequate supporting documentation to the Claims Administrator **postmarked or submitted online using the Settlement website no later than \_\_\_\_\_, 2024**. A Claim Form is included with this Notice, or you may obtain one from the website for the Settlement, [www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com). You may also request that a Claim Form be mailed to you by calling the Claims Administrator toll free at (866) 274-4004. Please retain all records of your ownership of and transactions in Athira common stock, as they may be needed to document your Claim. If you request exclusion from the Settlement Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

#### HOW MUCH WILL MY PAYMENT BE?

36. At this time, it is not possible to make a precise determination as to how much any individual Settlement Class Member may receive from the Settlement. An estimate of the average per share recoveries is set forth in paragraph 4 above.

37. Pursuant to the Settlement, Athira has agreed to pay or cause the payment of ten million dollars (\$10,000,000) in cash. The Settlement Amount plus any interest or earnings thereon is referred to as the "Settlement Fund." If the Settlement is approved by the Court and the Effective Date occurs, the "Net Settlement Fund" (that is, the Settlement Fund less (a) all federal, state and/or local taxes on any income earned by the Settlement Fund and the reasonable costs incurred in

connection with determining the amount of and paying taxes owed by the Settlement Fund (including reasonable expenses of tax attorneys and accountants); (b) the costs and expenses incurred in connection with providing notice to Settlement Class Members and administering the Settlement on behalf of Settlement Class Members; and (c) any attorneys' fees and Litigation Expenses awarded by the Court) will be distributed to Settlement Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation set forth below or such other plan of allocation as the Court may approve.

38. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal or review, whether by certiorari or otherwise, has expired.

39. Neither Athira, the Individual Defendants, nor any other entity that paid any portion of the Settlement Amount on their behalf is entitled to get back any portion of the Settlement Fund once the Court's order or judgment approving the Settlement becomes Final. Defendants shall not have any liability, obligation or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund or the plan of allocation.

40. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

41. Unless the Court otherwise orders, any Settlement Class Member who fails to submit a Claim Form postmarked on or before \_\_\_\_\_, 2024 shall be fully and forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Amended Stipulation, including the terms of any judgment entered and the releases given. *See* ¶¶ 27–34 above.

42. Participants in and beneficiaries of a plan covered by ERISA ("ERISA Plan") should NOT include any information relating to their transactions in Athira common stock held through the ERISA Plan in any Claim Form that they submit. They should include ONLY those shares that they purchased or acquired outside of the ERISA Plan. Athira's employee retirement and/or benefit plan(s) are excluded from the Settlement Class.

43. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds any Claim. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its Claim.

44. Only Settlement Class Members will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities that are excluded from the Settlement Class by definition, or that exclude themselves from the Settlement Class pursuant to request, will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms. Athira common stock is the only security included in the Settlement.

#### **PROPOSED PLAN OF ALLOCATION**

45. The Plan of Allocation (the "Plan of Allocation" or "Plan") set forth below is the plan for the distribution of the Net Settlement Fund that is being proposed by Plaintiffs and Co-Lead Counsel to the Court for approval. The Court may approve this Plan of Allocation or modify it. Any order modifying the Plan of Allocation will be posted on the Settlement website at: [www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com).

46. The objective of the Plan of Allocation is to equitably distribute the Settlement proceeds to those Settlement Class Members who suffered economic losses as a proximate result of the alleged wrongdoing. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making pro rata allocations of the Net Settlement Fund.

47. Based on the provisions set forth in this Plan, a “Recognized Loss Amount” shall be calculated by the Claims Administrator for each purchase or acquisition of Athira common stock during the relevant time periods that is listed in the Claim Form and for which adequate documentation is provided.

48. **Securities Act Claims:** Shares of Athira common stock purchased or otherwise acquired (i) directly from an underwriter in the IPO or the SPO,<sup>4</sup> or (ii) in the open market during the period from September 17, 2020 through March 16, 2021, inclusive, shall be considered an acquisition of Athira common stock that is traceable to the IPO and/or SPO offering materials and is eligible for a recovery under the Securities Act (the “Securities Act Claims”).<sup>5</sup> Acquisitions of Athira common stock on or after March 17, 2021 are not eligible for a recovery under the Securities Act. The time period from September 17, 2020 through March 16, 2021, inclusive, is the “Securities Act Period.” The Recognized Loss Amounts for the Securities Act Claims shall be calculated as described below in “Calculation of Recognized Loss Amount Per Share Under the Securities Act.” The sum of a Claimant’s Recognized Loss Amounts Per Share Under the Securities Act will be the Claimant’s Securities Act Claim.

49. In the Calculation of Recognized Loss Amount Per Share Under the Securities Act, the “Offering Price” shall be \$17.00 (*i.e.*, the IPO offering price) for shares of Athira common stock acquired prior to January 21, 2021. The Offering Price shall be \$22.50 (*i.e.*, the SPO offering price) for shares of Athira common stock acquired directly from an underwriter pursuant to the SPO.<sup>6</sup> For all other shares of Athira common stock acquired during the period from January 21,

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<sup>4</sup> Sufficient documentation must be provided to the Claims Administrator.

<sup>5</sup> In September 2020, Athira commenced the initial public offering of its common stock, in which it sold and issued a total of 13,397,712 shares at a price to the public of \$17.00 per share (the “IPO”). The Company’s common stock began publicly trading on the Nasdaq Global Select Market under the symbol “ATHA” on September 18, 2020. On January 21, 2021, Athira commenced a follow-on public offering of its common stock, in which it sold and issued a total of 4,600,000 shares at a price to the public of \$22.50 per share (the “SPO”). On March 17, 2021, prior to market open, certain lock-up agreements entered into in connection with Athira’s IPO expired, and as a result, a significant portion of shares of the Company’s common stock not registered with the SEC in connection with its IPO or SPO became available for resale. (*See* Athira Pharma, Inc., SEC Form 10-K, filed March 25, 2021, p. 100.)

<sup>6</sup> Sufficient documentation must be provided to the Claims Administrator.

2021 through March 16, 2021, inclusive, the Offering Price shall be \$18.41, which is the weighted average of the IPO and SPO offering price.

50. **Exchange Act Claims:** The Recognized Loss Amount for shares of Athira common stock purchased or otherwise acquired during the period from March 17, 2021 through June 17, 2021, inclusive, (called the Exchange Act Period) shall be calculated as described below in “Calculation of Recognized Loss Amount Per Share Under the Exchange Act.” The sum of a Claimant’s Recognized Loss Amounts Per Share Under the Exchange Act will be the Claimant’s Exchange Act Claim.

51. As also discussed in paragraph 67 below, the settlement proceeds available for payment of the Exchange Act Claims shall be limited to a total amount of up to 8.5% of the Net Settlement Fund (the “Exchange Act Allocation”) and no less than 91.5% of the Net Settlement Fund will be available for payment of the Securities Act Claims (the “Securities Act Allocation”). Although the claims under the Exchange Act and the claims under the Securities Act in the Action generally relate to similar alleged misconduct, this approach to valuing Exchange Act Claims is the result of a supplemental arm’s-length mediation between representatives of the Exchange Act Class and representatives of the Securities Act Class before Mr. Melnick and is intended to reflect the Court’s rulings on Defendants’ motions to dismiss the Complaint, which dismissed claims under the Exchange Act.

52. In the Action, Lead Plaintiffs allege that Defendants made false statements and omitted material facts in the IPO and SPO materials, and thereafter, which had the effect of allegedly artificially inflating the price of Athira common stock. Lead Plaintiffs also allege that corrective disclosures removed the artificial inflation from the price of Athira common stock on June 18, 2021 (the “Corrective Disclosure Date”). Recognized Loss Amounts are based in part on the price decline in Athira common stock, as quantified by Lead Plaintiffs’ consulting damages expert, on the Corrective Disclosure Date. The estimated alleged artificial inflation in the price of Athira common stock during the Class Period is reflected in Table 1, below.

53. Section 11 of the Securities Act provides for an affirmative defense of negative causation, which prevents recovery for losses that defendants prove are not attributable to misrepresentations and/or omissions alleged by plaintiffs in a registration statement. Under Section 10(b) of the Exchange Act, in order to have recoverable damages, disclosures correcting an alleged misrepresentation must be the cause of the decline in the price of the stock. Accordingly, given the likely defenses in the Action, the Calculation of Recognized Loss Amount Per Share Under the Securities Act and the Exchange Act assume that the decline in the price of Athira common stock, net of market and industry effects, on the Corrective Disclosure Date is the only compensable loss. Accordingly, in order to have a Recognized Loss Amount, Athira common stock must have been purchased or otherwise acquired during the Class Period and held until the close of the U.S. financial markets on June 17, 2021. To the extent a Claimant does not satisfy the conditions set forth in the preceding sentence, his, her or its Recognized Loss Amount for those transactions will be zero.

<b>Table 1</b>		
<b>Alleged Artificial Inflation in Athira Common Stock</b>		
<b>From</b>	<b>To</b>	<b>Per-Share Price Inflation</b>
September 17, 2020	June 17, 2021	\$7.14
June 18, 2021	Thereafter	\$0.00

54. The “90-day look back” provision of the Private Securities Litigation Reform Act of 1995 (the “PSLRA”) is incorporated into the Calculation of Recognized Loss Amount Per Share Under the Exchange Act. This limitation provides that the Recognized Loss Amount on Athira common stock purchased during the Exchange Act Period and held as of the close of the 90-day period subsequent to the Exchange Act Period (the “90-Day Lookback Period”) cannot exceed the difference between the purchase price paid for such stock and its average price during the 90-Day Lookback Period. The Recognized Loss Amount on Athira common stock purchased during the Exchange Act Period and sold during the 90-Day Lookback Period cannot exceed the difference between the purchase price paid for such stock and its rolling average price during the portion of the 90-Day Lookback Period elapsed as of the date of sale.

55. In the calculations below, all purchase and sale prices shall exclude any fees, taxes and commissions. If a Recognized Loss Amount is calculated to be a negative number, that Recognized Loss Amount shall be set to zero. Any transactions in Athira common stock executed outside of regular trading hours for the U.S. financial markets shall be deemed to have occurred during the next regular trading session.

#### **CALCULATION OF RECOGNIZED LOSS AMOUNTS PER SHARE UNDER THE SECURITIES ACT**

56. Based on the formulas set forth below, a Recognized Loss Amount shall be calculated under the Securities Act for each share of Athira common stock that was purchased or otherwise acquired (i) directly from an underwriter in the IPO or the SPO,<sup>7</sup> or (ii) in the open market during the period from September 17, 2020 through March 16, 2021, inclusive, that is listed in the Claim Form and for which adequate documentation is provided.

- i. For shares sold prior to the close of the U.S. financial markets on June 17, 2021, the Recognized Loss Amount is \$0.00 per share.
- ii. For shares sold during the period from June 18, 2021 through June 25, 2021,<sup>8</sup> inclusive, the Recognized Loss Amount per share is *the lesser of*:
  - a. \$7.14; or
  - b. the purchase price (not to exceed the Offering Price) *minus* the sale price.

<sup>7</sup> Sufficient documentation must be provided to the Claims Administrator.

<sup>8</sup> June 25, 2021 is the filing date of the first complaint stating a claim under the Securities Act in this matter. The closing price of Athira common stock on June 25, 2021 was \$10.84.



- iii. For shares still held as of the close of trading on June 25, 2021, the Recognized Loss Amount per share is *the lesser of*:
- \$7.14; or
  - the purchase price (not to exceed the Offering Price) *minus* \$10.84.

**CALCULATION OF RECOGNIZED LOSS AMOUNTS PER SHARE UNDER THE EXCHANGE ACT**

57. Based on the formulas set forth below, a Recognized Loss Amount shall be calculated under the Exchange Act for each purchase or acquisition of Athira common stock during the period from March 17, 2021 through June 17, 2021, inclusive, that is listed in the Claim Form and for which adequate documentation is provided.

- For shares sold prior to the close of the U.S. financial markets on June 17, 2021, the Recognized Loss Amount is \$0.00 per share.
- For shares sold during the period from June 18, 2021 through September 15, 2021, inclusive (*i.e.*, sold during the 90-Day Lookback Period), the Recognized Loss Amount per share is *the least of*:
  - \$7.14; or
  - the purchase price *minus* the sale price; or
  - the purchase price *minus* the “90-Day Lookback Value” on the date of sale as appears in Table 2, below.
- For shares still held as of the close of trading on September 15, 2021, the Recognized Loss Amount per share is *the lesser of*:
  - \$7.14; or
  - the purchase price *minus* the average closing price for Athira common stock during the 90-Day Lookback Period, which is \$10.33.

<b>Sale/ Disposition Date</b>	<b>90-Day Lookback Value</b>	<b>Sale/ Disposition Date</b>	<b>90-Day Lookback Value</b>	<b>Sale/ Disposition Date</b>	<b>90-Day Lookback Value</b>
6/18/2021	\$11.15	7/20/2021	\$10.51	8/18/2021	\$10.25
6/21/2021	\$10.95	7/21/2021	\$10.52	8/19/2021	\$10.23
6/22/2021	\$10.75	7/22/2021	\$10.52	8/20/2021	\$10.22
6/23/2021	\$10.71	7/23/2021	\$10.51	8/23/2021	\$10.22

6/24/2021	\$10.77	7/26/2021	\$10.49	8/24/2021	\$10.22
6/25/2021	\$10.78	7/27/2021	\$10.47	8/25/2021	\$10.22
6/28/2021	\$10.76	7/28/2021	\$10.46	8/26/2021	\$10.22
6/29/2021	\$10.72	7/29/2021	\$10.44	8/27/2021	\$10.23
6/30/2021	\$10.66	7/30/2021	\$10.41	8/30/2021	\$10.24
7/1/2021	\$10.66	8/2/2021	\$10.39	8/31/2021	\$10.25
7/2/2021	\$10.65	8/3/2021	\$10.38	9/1/2021	\$10.26
7/6/2021	\$10.68	8/4/2021	\$10.37	9/2/2021	\$10.27
7/7/2021	\$10.67	8/5/2021	\$10.38	9/3/2021	\$10.28
7/8/2021	\$10.66	8/6/2021	\$10.36	9/7/2021	\$10.29
7/9/2021	\$10.68	8/9/2021	\$10.36	9/8/2021	\$10.30
7/12/2021	\$10.67	8/10/2021	\$10.35	9/9/2021	\$10.31
7/13/2021	\$10.67	8/11/2021	\$10.34	9/10/2021	\$10.33
7/14/2021	\$10.63	8/12/2021	\$10.33	9/13/2021	\$10.33
7/15/2021	\$10.60	8/13/2021	\$10.32	9/14/2021	\$10.33
7/16/2021	\$10.54	8/16/2021	\$10.29	9/15/2021	\$10.33
7/19/2021	\$10.51	8/17/2021	\$10.27	N/A	N/A

### **ADDITIONAL PROVISIONS**

58. The Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (defined in paragraph 66 below) is \$10.00 or greater.

59. **FIFO Matching:** If a Settlement Class Member has more than one purchase/acquisition or sale of Athira common stock, all purchases/acquisitions and sales shall be matched on a First In, First Out (“FIFO”) basis. Sales of Athira common stock will be matched against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

60. **Calculation of Claimant’s “Recognized Claim”:** A Claimant’s “Securities Act Claim” under the Plan of Allocation shall be the sum of his, her, or its Recognized Loss Amounts Per Share Under the Securities Act. A Claimant’s “Exchange Act Claim” under the Plan of Allocation shall be the sum of his, her, or its Recognized Loss Amounts Per Share Under the Exchange Act. A Claimant’s Securities Act Claim plus his, her, or its Exchange Act Claim will be their Recognized Claim.

61. **“Purchase/Sale” Dates:** Purchases or acquisitions and sales of Athira common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance, or operation of law of Athira common stock during the Class Period shall not be deemed a purchase, acquisition, or sale of Athira common stock for the calculation of an Authorized Claimant’s Recognized Loss Amount, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of any Athira common stock unless (i) the donor or decedent purchased or otherwise acquired such Athira common stock during the Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such Athira common stock; and (iii) it is specifically so provided in the instrument of gift or assignment.



62. **Short Sales:** The date of covering a “short sale” is deemed to be the date of purchase or acquisition of the Athira common stock. The date of a “short sale” is deemed to be the date of sale of Athira common stock. Under the Plan of Allocation, however, the Recognized Loss Amount on “short sales” is zero. In the event that a Claimant has a short position in Athira common stock during the Class Period, the earliest subsequent purchases or acquisitions shall be matched against such short position, and not be entitled to a recovery, until that short position is fully covered.

63. **Option Contracts:** Option contracts are not securities eligible to participate in the Settlement. With respect to Athira common stock purchased through the exercise of an option, the purchase date of the Athira common stock shall be the exercise date of the option and the purchase price of the Athira common stock shall be the closing price of Athira common stock on the date of exercise. Any Recognized Loss Amount arising from purchases of Athira common stock acquired during the Class Period through the exercise of an option on Athira common stock shall be computed as provided for other purchases of Athira common stock in the Plan of Allocation.

64. **Market Gains and Losses:** To the extent a Claimant had a market gain with respect to his, her, or its overall transactions in Athira common stock during the Class Period, the value of the Claimant’s Recognized Claim shall be zero. Such Claimants shall in any event be bound by the Settlement.

65. The Claims Administrator shall determine a Claimant’s market loss or gain with respect to their Securities Act Claims and their Exchange Act Claims, separately. For instance, with respect to Securities Act Claims, the Claims Administrator shall calculate the difference between (i) the Securities Act Purchase Amount<sup>9</sup> and (ii) the sum of the Securities Act Sales Proceeds<sup>10</sup> and the Securities Act Holding Value.<sup>11</sup> If the Claimant’s Securities Act Purchase Amount *minus* the sum of the Securities Act Sales Proceeds and the Securities Act Holding Value is a positive

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<sup>9</sup> The “Securities Act Purchase Amount” is the total amount the Claimant paid (excluding commissions and other charges) for all Athira common stock purchased or acquired during the Securities Act Period. The “Exchange Act Purchase Amount” is the total amount the Claimant paid (excluding commissions and other charges) for all Athira common stock purchased or acquired during the Exchange Act Period.

<sup>10</sup> The “Securities Act Sales Proceeds” is the total amount received (excluding commissions and other charges) from the sale of Athira common stock purchased during the Securities Act Period. The “Exchange Act Sales Proceeds” is the total amount received (excluding commissions and other charges) from the sale of Athira common stock purchased during the Exchange Act Period.

<sup>11</sup> The Claims Administrator shall ascribe a “Securities Act Holding Value” to shares of Athira common stock purchased or acquired during the Securities Act Period and still held as of the close of trading on June 17, 2021, which shall be \$11.15 per share (*i.e.*, the closing price of Athira common stock on the Corrective Disclosure Date). The total of such holding values shall be the Claimant’s “Securities Act Holding Value.” The Claims Administrator shall ascribe an “Exchange Act Holding Value” to shares of Athira common stock purchased or acquired during the Exchange Act Period and still held as of the close of trading on June 17, 2021, which shall be \$11.15 per share (*i.e.*, the closing price of Athira common stock on the Corrective Disclosure Date). The total of such holding values shall be the Claimant’s “Exchange Act Holding Value.”

number, that number will be the Claimant's market loss on such securities; if the number is a negative number or zero, that number will be the Claimant's market gain on such securities. To the extent a Claimant had a market gain on such securities, the value of the Claimant's Securities Act Claim shall be zero. To the extent a Claimant suffered a market loss on such securities, but that market loss was less than the Claimant's total Securities Act Claim, then the Claimant's Securities Act Claim shall be limited to the amount of the actual market loss. The same calculations will be made with respect to the Claimant's Exchange Act Claims.

66. **Determination of Distribution Amount:** The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Securities Act Claims and Exchange Act Claims. Specifically, a "Securities Act Distribution Amount" will be calculated for each Authorized Claimant, which shall be the Authorized Claimant's Securities Act Claim divided by the total Securities Act Claims of all Authorized Claimants, multiplied by the amount of the Securities Act Allocation. Similarly, an "Exchange Act Distribution Amount" will be calculated for each Authorized Claimant, which shall be the Authorized Claimant's Exchange Act Claim divided by the total Exchange Act Claims of all Authorized Claimants, multiplied by the amount of the Exchange Act Allocation. The sum of an Authorized Claimant's Securities Act Distribution Amount and Exchange Act Distribution Amount will be an Authorized Claimant's Distribution Amount. If any Authorized Claimant's Distribution Amount calculates to less than \$10.00, it will be removed from the final *pro rata* calculations and no distribution will be made to such Authorized Claimant. Any Distribution Amounts of less than \$10.00 will be included in the pools distributed to those Authorized Claimants whose Distribution Amounts are \$10.00 or greater.

67. **Maximum Recovery for Exchange Act Claims:** Cumulative payments of all Exchange Act Claims will be limited to no more than 8.5% of the Net Settlement Fund (Exchange Act Allocation). Thus, if the total cumulative payments for Exchange Act Claims of Authorized Claimants exceed 8.5% of the Net Settlement Fund, then the Exchange Act Claims will be reduced proportionately until they collectively equal 8.5% of the Net Settlement Fund. If the total cumulative payments of all Exchange Act Claims of Authorized Claimants is less than 8.5% of the Net Settlement Fund, then the Exchange Act Claims will be limited to their actual lesser proportion of the Net Settlement Fund. Any excess will be transferred to the Securities Act Allocation.

68. After the initial distribution of the Net Settlement Fund, the Claims Administrator shall make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the fund at least nine (9) months after the initial distribution, if Co-Lead Counsel, in consultation with the Claims Administrator, determine that it is cost-effective to do so, the Claims Administrator shall conduct a re-distribution of the funds remaining, after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, and Taxes to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 in such additional re-distributions may occur thereafter if Co-Lead Counsel, in consultation with the Claims Administrator, determine that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, and Taxes would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the

remaining balance shall be contributed to the Public Justice Foundation, or such other non-sectarian, not-for-profit organization(s) approved by the Court.

69. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Claimants. No person shall have any claim against Plaintiffs, Plaintiffs' Counsel, Lead Plaintiffs' consulting damages expert, Defendants, Defendants' Counsel, or any of the other Releasees, or the Claims Administrator or other agent designated by Co-Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders of the Court. Plaintiffs, Defendants and their respective counsel, and all other Defendants' Releasees, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund, the Net Settlement Fund, the plan of allocation, or the determination, administration, calculation, or payment of any Claim Form or nonperformance of the Claims Administrator, the payment or withholding of Taxes owed by the Settlement Fund, or any losses incurred in connection therewith.

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE SETTLEMENT CLASS SEEKING?  
HOW WILL THE LAWYERS BE PAID?**

70. Plaintiffs' Counsel have not received any payment for their services in pursuing claims in the Action on behalf of the Settlement Class, nor have Plaintiffs' Counsel been paid for their Litigation Expenses.<sup>12</sup> In connection with final approval of the Settlement, Co-Lead Counsel will apply to the Court for an award of attorneys' fees on behalf of all Plaintiffs' Counsel in an amount not to exceed 33⅓% of the Settlement Fund. At the same time, Co-Lead Counsel also intend to apply for payment of Litigation Expenses in an amount not to exceed \$235,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Plaintiffs related to their representation of the Settlement Class in an aggregate amount not to exceed \$30,000. The Court will determine the amount of any award of attorneys' fees or Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund.

**WHAT IF I DO NOT WANT TO BE A MEMBER OF THE SETTLEMENT CLASS?  
HOW DO I EXCLUDE MYSELF?**

71. Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written request for exclusion from the Settlement Class, addressed to *Athira Pharma Securities Litigation, EXCLUSIONS*, c/o Strategic Claims Services, P.O. Box 230, 600 N. Jackson Street, Suite 205, Media, PA 19063. The exclusion request must be **received no later than \_\_\_\_\_, 2024**. You will not be able to exclude yourself from the Settlement Class after that date.

72. Each request for exclusion must: (a) state the name, address and telephone number of the person or entity requesting exclusion, and in the case of entities the name and telephone number of the appropriate contact person; (b) state that such person or entity "requests exclusion from the

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<sup>12</sup> Plaintiffs' Counsel are Labaton Sucharow LLP, Glancy Prongay & Murray LLP, Rossi Vucinovich, P.C., the Schall Law Firm, and Block & Leviton LLP. Co-Lead Counsel may also allocate a portion of awarded attorneys' fees to Longman Law, PC, which appeared at the beginning of the case on behalf of proposed lead plaintiffs Timothy and Tai Slyne.

Settlement Class in *Athira Pharma Securities Litigation*, Case No. 2:21-cv-00861-TSZ”; (c) state the number of shares of Athira common stock that the person or entity requesting exclusion purchased/acquired and sold during the Class Period (*i.e.*, from September 17, 2020 through June 17, 2021, inclusive), as well as the dates and prices of each such purchase/acquisition and sale; and (d) be signed by the person or entity requesting exclusion or an authorized representative. A request for exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

73. If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have a pending lawsuit, arbitration, or other proceeding, or later file one, relating to any Released Plaintiffs’ Claim against any of the Released Defendants’ Parties.

74. If you ask to be excluded from the Settlement Class, you will not be eligible to receive any payment from the Net Settlement Fund so do not file a Claim Form.

75. Athira has the right to terminate the Settlement if valid requests for exclusion are received from members of the Settlement Class that exceed an amount agreed to by Plaintiffs and Defendants.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE  
SETTLEMENT? HOW DO I OBJECT?  
MAY I SPEAK AT THE HEARING IF I DON’T LIKE THE SETTLEMENT?**

**76. Settlement Class Members do not need to attend the Settlement Hearing. The Court will consider any objection made in accordance with the provisions below even if a Settlement Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Hearing.**

77. The Settlement Hearing will be held on \_\_\_\_\_, 2024 at \_\_: \_\_.m., before the Honorable Thomas S. Zilly at the United States District Court for the Western District of Washington, United States Courthouse, Courtroom 15206, 700 Stewart Street, Seattle, WA 98101. The Court reserves the right to approve the Settlement, the Plan of Allocation, Co-Lead Counsel’s motion for an award of attorneys’ fees and payment of Litigation Expenses and/or any other matter related to the Settlement at or after the Settlement Hearing.

78. Any Settlement Class Member who or which does not request exclusion may object to the Settlement, the proposed Plan of Allocation and/or Co-Lead Counsel’s motion for an award of attorneys’ fees and payment of Litigation Expenses. Objections must be in writing. You must mail any written objection, together with copies of all other papers supporting the objection, to Co-Lead Counsel and Defendants’ Counsel at the addresses set forth below so that the papers are **received on or before \_\_\_\_\_, 2024.**

**Co-Lead Counsel**

**Glancy Prongay & Murray LLP**

Casey E. Sadler, Esq.  
1925 Century Park East  
Suite 2100  
Los Angeles, CA 90067

-and-

**Labaton Sucharow LLP**

Michael P. Canty, Esq.  
140 Broadway  
New York, New York 10005

**Defendants' Counsel**

**Wilson Sonsini Goodrich & Rosati,  
P.C.**

Gregory L. Watts, Esq.  
701 Fifth Avenue  
Suite 5100  
Seattle, WA 98104-7036

-and-

**Perkins Coie LLP**

Sean C. Knowles, Esq.  
1201 Third Avenue  
Suite 4900  
Seattle, WA 98101-3099

-and-

**DLA Piper LLP (US)**

Anthony Todaro, Esq.  
701 Fifth Avenue, Suite 6900  
Seattle, WA 98104-7029

79. Any objection: (a) must state the name, address and telephone number of the person or entity objecting and must be signed by the objector; (b) must contain a statement of the Settlement Class Member's objection or objections, the specific reasons for each objection, including whether it applies only to the objector, to a specific subset of the Settlement Class, or to the entire Settlement Class, and any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention; and (c) must include documents sufficient to prove membership in the Settlement Class, including the number of shares of Athira common stock that the objecting Settlement Class Member purchased/acquired and sold during the Class Period (*i.e.*, from September 17, 2020 through June 17, 2021, inclusive), as well as the dates and prices of each such purchase/acquisition and sale. You may not object to the Settlement, the Plan of Allocation or Co-Lead Counsel's motion for attorneys' fees and payment of Litigation Expenses if you exclude yourself from the Settlement Class or if you are not a member of the Settlement Class.

80. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

81. You may submit a written objection without appearing at the Settlement Hearing.

82. You are not required to hire an attorney to represent you in connection with objecting or appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Co-

Lead Counsel and Defendants' Counsel at the addresses set forth in paragraph 78 above so that the notice is *received on or* \_\_\_\_\_, 2024.

83. The Settlement Hearing may be adjourned by the Court, or held remotely, without further individual notice to the Settlement Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Co-Lead Counsel.

**84. Unless the Court orders otherwise, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation or Co-Lead Counsel's motion for an award of attorneys' fees and payment of Litigation Expenses. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.**

#### WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?

85. If you purchased or otherwise acquired Athira publicly traded common stock from September 17, 2020 through June 17, 2021, inclusive, including in the IPO and the SPO, for the beneficial interest of persons or entities other than yourself as a nominee, you must within SEVEN (7) CALENDAR DAYS of receipt of this Notice either: (a) request from the Claims Administrator sufficient copies of the Notice and Claim Form (the "Notice Packet") to forward to all such beneficial owners and within SEVEN (7) CALENDAR DAYS of receipt of those Notice Packets forward them to all such beneficial owners; or (b) send a list of the names and addresses of all such beneficial owners to the Claims Administrator at *Athira Pharma Securities Litigation*, c/o Strategic Claims Services, P.O. Box 230, 600 N. Jackson Street, Suite 205, Media, PA 19063, in which event the Claims Administrator shall promptly mail the Notice Packet to such beneficial owners. Nominees shall also provide email addresses for all such beneficial owners to the Claims Administrator, to the extent they are available. If you choose to follow procedure (a), upon such mailing you must send a statement to the Claims Administrator confirming that the mailing was made as directed.

86. Upon full and timely compliance with these directions, nominees may seek reimbursement of their reasonable expenses actually incurred, not to exceed \$0.05 plus postage at the current pre-sort rate used by the Claims Administrator per Notice Packet mailed; or \$0.05 per name, address, and email address (to the extent available) provided to the Claims Administrator, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. **YOU ARE NOT AUTHORIZED TO PRINT THE NOTICE PACKET YOURSELF. NOTICE PACKETS MAY ONLY BE PRINTED BY THE COURT-APPOINTED CLAIMS ADMINISTRATOR.**

#### WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

87. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in this Action, you are referred to the Amended Stipulation and Complaint filed in the Action, and any related orders entered by the Court, which will be posted on the website maintained by the Claims Administrator, [www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com).



88. Questions about this Notice or the Settlement should be directed to Co-Lead Counsel using the contact information provided in paragraphs 8 and 78, above. All inquiries concerning the Claim Form should be directed to:

*Athira Pharma Securities Litigation*  
c/o Strategic Claims Services  
P.O. Box 230  
600 N. Jackson Street, Suite 205  
Media, PA 19063  
(866) 274-4004  
[www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com)

**DO NOT CALL OR WRITE THE COURT, THE CLERK OF THE COURT, DEFENDANTS OR THEIR COUNSEL REGARDING THIS NOTICE.**

Dated: \_\_\_\_\_, 2024

By Order of the Court  
United States District Court  
Western District of Washington

# **Exhibit 2**



**Exhibit 2**

THE HONORABLE THOMAS S. ZILLY

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

ANTONIO BACHAALANI NACIF and  
WIES RAFI, Individually and on behalf of all  
others similarly situated,

Plaintiffs,

v.

ATHIRA PHARMA, INC., et al.,

Defendants.

CASE NO.: 2:21-cv-00861-TSZ  
(Consolidated with 21-cv-00862-TSZ and  
21-cv-00864-TSZ)

**PROOF OF CLAIM FORM**

**I. GENERAL INSTRUCTIONS**

1. To recover as a member of the Settlement Class based on your claims in the action entitled *Nacif et al., v. Athira Pharma, Inc. et al.*, Case No.: 2:21-cv-00861-TSZ (the “Action”), you must complete and, on page \_\_\_ below, sign this Proof of Claim Form (“Claim Form”). If you fail to submit a timely and properly addressed (as set forth in paragraph 3 below) Claim Form, your Claim may be rejected and you may not receive any recovery from the Net Settlement Fund created in connection with the proposed Settlement.<sup>1</sup>

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<sup>1</sup> All capitalized terms used in this Claim Form that are not otherwise defined shall have the meanings ascribed to them in the Amended Stipulation and Agreement of Settlement dated

2. Submission of this Proof of Claim, however, does not assure that you will share in the proceeds of the Settlement of the Action.

3. **YOU MUST MAIL BY FIRST FIRST-CLASS MAIL OR SUBMIT ONLINE YOUR COMPLETED AND SIGNED CLAIM FORM, ACCOMPANIED BY COPIES OF THE DOCUMENTS REQUESTED BELOW, NO LATER THAN \_\_\_\_\_, 2024, ADDRESSED AS FOLLOWS:**

*Athira Pharma Securities Litigation*  
c/o Strategic Claims Services  
P.O. Box 230  
600 N. Jackson Street, Suite 205  
Media, PA 19063  
Online Submissions: [www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com)

If you are NOT a member of the Settlement Class, as defined in the accompanying Notice and below, DO NOT submit a Claim Form.

4. If you did not timely request exclusion and are a Class Member, you will be bound by the terms of any judgment entered in the Action, including the releases provided therein, **WHETHER OR NOT YOU SUBMIT A CLAIM FORM.**

## **II. CLAIMANT IDENTIFICATION**

5. You are a member of the Settlement Class if you: (a) purchased or otherwise acquired Athira Pharma, Inc. publicly traded common stock during the period from September 17, 2020 through March 16, 2021, inclusive, and were damaged thereby (the “Securities Act Class”) and/or (b) purchased or otherwise acquired Athira Pharma, Inc. publicly traded common stock during the period from March 17, 2021 through June 17, 2021, inclusive, and were damaged thereby (the “Exchange Act Class”). If you purchased or acquired Athira publicly traded common

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December 15, 2023 (the “Amended Stipulation”), which is available at [www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com).

stock and held the certificate(s) in your name, you are the beneficial purchaser or acquirer as well as the record purchaser or acquirer. If, however, you purchased or acquired Athira publicly traded common stock and the certificate(s) were registered in the name of a third party, such as a nominee or brokerage firm (“nominee”), you are the beneficial purchaser or acquirer and the third party is the record purchaser or acquirer.

6. Use Part I of this form entitled “Claimant Identification” to identify each beneficial purchaser/acquirer and purchaser/acquirer of record, if different from the beneficial purchaser/acquirer of the Athira shares that form the basis of this Claim. THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL PURCHASER(S) OR ACQUIRER(S) OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER(S) OR ACQUIRER(S) OF THE ATHIRA PUBLICLY TRADED COMMON STOCK UPON WHICH THIS CLAIM IS BASED.

7. All joint purchasers or acquirers must sign this Claim Form. Executors, administrators, guardians, conservators, and trustees or others acting in a representative capacity on behalf of a Class Member must complete and sign this Claim Form on behalf of persons represented by them, and submit evidence of their current authority to act on behalf of that Class Member, including titles or capacities. The Social Security (or taxpayer identification) number and telephone number of the beneficial owner may be used in verifying the Claim. Failure to provide the foregoing information could delay verification of your Claim or result in rejection of the Claim.

### **III. IDENTIFICATION OF TRANSACTIONS**

8. Use Part II of this form entitled “Schedule of Transactions in Athira Publicly Traded Common Stock” to supply all required details of your transaction(s) in Athira publicly traded common stock. If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your

name on each additional sheet. **THE PARTIES DO NOT HAVE INFORMATION ABOUT YOUR TRANSACTIONS IN ATHIRA COMMON STOCK.**

9. On the schedules, provide all of the requested information with respect to *all* of your purchases or acquisitions and *all* of your sales of Athira publicly traded common stock which took place during the time periods requested below, whether such transactions resulted in a profit or a loss. You must also provide all of the requested information with respect to *all* of the shares of Athira publicly traded common stock you held at the close of trading on June 25, 2021 and September 15, 2021. Failure to report all such transactions may result in the rejection of your Claim.

10. If you did not purchase or acquire shares on the open market, but you purchased/acquired shares pursuant to Athira's Initial Public Offering (the "IPO") on or about September 17, 2020 or its Secondary Public Offering (the "SPO") on or about January 21, 2021, you must produce affirmative documentation showing that you purchased directly from one of the Underwriter Defendants. Such documentation will be deemed to satisfy this requirement only for the purposes of this Settlement.

11. List each transaction separately and in chronological order, by trade date, beginning with the earliest. You must accurately provide the month, day, and year of each transaction you list.

12. The date of covering a "short sale" is deemed to be the date of purchase of Athira publicly traded common stock. The date of a "short sale" is deemed to be the date of sale of Athira publicly traded common stock.

13. For each transaction, copies of broker confirmations or other documentation of your transactions should be attached to your Claim Form. Failure to provide this documentation could delay verification of your Claim or result in rejection of your Claim.

14. NOTICE REGARDING INSTITUTIONAL FILERS: Representatives with authority to file on behalf of (a) accounts of multiple Settlement Class Members and/or (b) institutional accounts with large numbers of transactions (“Representative Filers”) must submit information regarding their transactions in an electronic spreadsheet format. If you are a Representative Filer, you must contact the Claims Administrator at [efile@strategicclaims.net](mailto:efile@strategicclaims.net) or visit their website at [www.strategicclaims.net/institutional-filers/](http://www.strategicclaims.net/institutional-filers/) to obtain the required file layout. Claims that are not submitted in electronic spreadsheet format and in accordance with the Claims Administrator’s instructions may be subject to rejection. All Representative Filers MUST also submit a manually signed Claim Form, as well as proof of authority to file, along with the electronic spreadsheet format. No Claims submitted in electronic spreadsheet format will be considered to have been properly submitted unless the Claims Administrator issues to the Claimant a written acknowledgment of receipt and acceptance of electronically submitted data.

15. NOTICE REGARDING ONLINE FILING: Claimants who are not Representative Filers may submit their Claims online using the electronic version of the Claim Form hosted at [www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com). If you are not acting as a Representative Filer, you do not need to contact the Claims Administrator prior to filing; you will receive an automated e-mail confirming receipt once your Claim Form has been submitted. If you are unsure if you should submit your Claim as a Representative Filer, please contact the Claims Administrator at [info@strategicclaims.net](mailto:info@strategicclaims.net) or (866) 274-4004. If you are not a Representative Filer, but your Claim contains a large number of transactions, the Claims Administrator may request that you also submit an electronic spreadsheet showing your transactions to accompany your Claim Form.

**PART I: CLAIMANT IDENTIFICATION**

The Claims Administrator will use this information for all communications regarding this Claim Form. If this information changes, you MUST notify the Claims Administrator in writing at the

address above. Complete names of all persons and entities must be provided.

Beneficial Owner's First Name

MI

Beneficial Owner's Last Name

Co-Beneficial Owner's First Name

MI

Co-Beneficial Owner's Last Name

Entity Name (if Claimant is not an individual)

Record Owner Name (if different from Beneficial Owner(s) listed above)

Representative Name (if different from Beneficial Owner(s) listed above)

Address1 (street name and number)

Address2 (apartment, unit, or box number)

City

State ZIP/Postal Code

Foreign Country (only if not USA)

Foreign County (only if not USA)

Social Security Number (last four digits only)

Taxpayer Identification Number (last four digits only)

Telephone Number (day)

Telephone Number (evening)



**C. Sales of Athira publicly traded common stock from September 17, 2020 through September 15, 2021, inclusive (must be documented):**

Sale Date MM/DD/YY (List Chronologically)	Number of Shares Sold	Sale Price Per Share	Total Sale Price (excluding taxes, commissions, and fees, if any)
1. _____	1. _____	1. _____	1. _____
2. _____	2. _____	2. _____	2. _____
3. _____	3. _____	3. _____	3. _____
4. _____	4. _____	4. _____	4. _____
5. _____	5. _____	5. _____	5. _____
6. _____	6. _____	6. _____	6. _____

**D. Number of shares of Athira publicly traded common stock held at the close of trading on June 25, 2021 (must be documented):**

\_\_\_\_\_

**E. Number of shares of Athira publicly traded common stock held at the close of trading on September 15, 2021 (must be documented):**

\_\_\_\_\_

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page.

**YOU MUST READ AND SIGN THIS FORM ON PAGE \_\_ BELOW. FAILURE TO SIGN THIS FORM MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.**

**IV. SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS**

By signing and submitting this Claim Form, the Claimant(s) or the person(s) acting on behalf of the Claimant(s) certify(ies) that: I (We) submit this Claim Form under the terms of the

\_\_\_\_\_

you have reported all relevant transactions. Purchases during this period, however, are not eligible for a recovery because these purchases are outside the Class Period.



Plan of Allocation described in the accompanying Notice. I (We) also submit to the jurisdiction of the United States District Court for the Western District of Washington (the “Court”) with respect to my (our) Claim as a member of the Settlement Class and for purposes of enforcing the releases set forth herein. I (We) further acknowledge that I (we) will be bound by and subject to the terms of any judgment entered in connection with the Settlement in the Action, including the releases set forth therein. I (We) agree to furnish additional information to the Claims Administrator to support this Claim, such as additional documentation for transactions in Athira common stock, if required to do so. I (We) have not submitted any other claim covering the same transactions in Athira common stock during the Class Period and know of no other person having done so on my (our) behalf.

**V. RELEASES, WARRANTIES, AND CERTIFICATION**

I (We) hereby warrant and represent that I am (we are) a member of the Settlement Class as defined in the Notice, and that I am (we are) not excluded from the Settlement Class as set forth in the Notice.

As a member of the Settlement Class, I (we) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally, and forever compromise, settle, release, resolve, relinquish, waive, and discharge with prejudice the Released Plaintiffs’ Claims as to each and all of the Defendants and the other Released Defendants’ Parties (as these terms are defined in the accompanying Notice). This release shall be of no force or effect unless and until the Court approves the Settlement and it becomes effective on the Effective Date.

I (We) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release or any other part or portion thereof.

I (We) hereby warrant and represent that I (we) have included information about all of my (our) purchases and sales of Athira publicly traded common stock that occurred during the time periods requested and the number of shares held by me (us), to the extent requested.

I (We) certify that I am (we are) NOT subject to backup tax withholding. (If you have been notified by the Internal Revenue Service that you are subject to backup withholding, please strike out the prior sentence.)

I (We) declare under penalty of perjury under the laws of the United States of America that all of the foregoing information supplied by the undersigned is true and correct.

I (We) declare under penalty of perjury under the laws of the United States of America that all of the foregoing information supplied on this Claim Form by the undersigned is true and correct.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2024 in \_\_\_\_\_,  
(Month/Year) (City)

\_\_\_\_\_  
(State)

\_\_\_\_\_  
(Sign your name here)

\_\_\_\_\_  
(Type or print your name here)

\_\_\_\_\_  
(Capacity of person(s) signing, *e.g.*, Beneficial Purchaser or Acquirer, Executor or Administrator)

**ACCURATE CLAIMS PROCESSING TAKES A SIGNIFICANT AMOUNT OF TIME.  
THANK YOU FOR YOUR PATIENCE.**

Reminder Checklist:

1. Please sign the above release and acknowledgment.
2. If this Claim is being made on behalf of Joint Claimants, then both must sign.
3. Remember to attach copies of supporting documentation, if available.
4. **Do not send** originals of certificates.
5. Keep a copy of your Claim Form and all supporting documentation for your records.
6. If you desire an acknowledgment of receipt of your Claim Form, please send it Certified Mail, Return Receipt Requested.
7. If you move, please send your new address to the address below.
8. **Do not use red pen or highlighter** on the Claim Form or supporting documentation.

**THIS CLAIM FORM MUST BE SUBMITTED ONLINE OR MAILED NO LATER  
THAN \_\_\_\_\_, 2024, ADDRESSED AS FOLLOWS:**

*Athira Pharma Securities Litigation*  
c/o Strategic Claims Services  
P.O. Box 230  
600 N. Jackson Street, Suite 205  
Media, PA 19063  
Tel: (866) 274-4004  
Fax: (610) 565-7985  
[www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com)

# **Exhibit 3**

**Exhibit 3**

THE HONORABLE THOMAS S. ZILLY

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

ANTONIO BACHAALANI NACIF and  
WIES RAFI, Individually and on behalf of all  
others similarly situated,

Plaintiffs,

v.

ATHIRA PHARMA, INC., et al.,

Defendants.

CASE NO.: 2:21-cv-00861-TSZ  
(Consolidated with 21-cv-00862-TSZ and 21-  
cv-00864-TSZ)

**[SECOND REVISED] SUMMARY NOTICE OF (I) PENDENCY OF CLASS ACTION  
AND PROPOSED SETTLEMENT; (II) SETTLEMENT HEARING;  
AND (III) MOTION FOR AN AWARD OF ATTORNEYS' FEES  
AND PAYMENT OF LITIGATION EXPENSES**

**TO: All persons and entities who or which purchased or otherwise acquired Athira  
Pharma, Inc. ("Athira") publicly traded common stock during the period from  
September 17, 2020 through June 17, 2021, inclusive, and were damaged thereby (the  
"Settlement Class"):**

**PLEASE READ THIS NOTICE CAREFULLY, YOUR RIGHTS WILL BE AFFECTED  
BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT.**

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil  
Procedure that the above-captioned litigation (the "Action") has been certified as a class action on  
behalf of the Settlement Class, except for certain persons and entities who are excluded from the

Settlement Class by definition as set forth in the full printed Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Hearing; and (III) Motion for an Award of Attorneys' Fees and Payment of Litigation Expenses (the "Notice").

YOU ARE ALSO NOTIFIED that Plaintiffs in the Action have reached a proposed settlement of the Action for \$10,000,000 in cash (the "Settlement"), which, if approved, will resolve all claims in the Action and related claims.

A hearing will be held on \_\_\_\_\_, 2024 at \_\_:\_\_.m., before the Honorable Thomas S. Zilly at the United States District Court for the Western District of Washington, United States Courthouse, Courtroom 15206, 700 Stewart Street, Seattle, WA 98101, to determine: (i) whether the proposed Settlement should be approved as fair, reasonable, and adequate; (ii) whether the Action should be dismissed with prejudice against Defendants, and the Releases specified and described in the Amended Stipulation and Agreement of Settlement dated December 15, 2023 (and in the Notice) should be granted; (iii) whether the proposed Plan of Allocation should be approved as fair and reasonable; and (iv) whether Co-Lead Counsel's application for an award of attorneys' fees and payment of expenses should be approved.

**If you are a member of the Settlement Class, your rights will be affected by the pending Action and the Settlement, and you may be entitled to share in the Settlement Fund.** If you have not yet received the Notice and Proof of Claim Form ("Claim Form"), you may obtain copies of these documents by contacting the Claims Administrator at *Athira Pharma Securities Litigation*, c/o Strategic Claims Services, P.O. Box 230, 600 N. Jackson Street, Suite 205, Media, PA 19063, (866) 274-4004. Copies of the Notice and Claim Form can also be downloaded from the website maintained by the Claims Administrator, [www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com).

If you are a member of the Settlement Class, in order to be eligible to receive a payment under the proposed Settlement, you must submit a Claim Form to the Claims Administrator *postmarked* no later than \_\_\_\_\_, 2024, if sent by mail, or *submitted online* using the Settlement website no later than \_\_\_\_\_, 2024. If you are a Settlement Class Member and do not submit a proper Claim Form, you will not be eligible to share in the distribution of the net proceeds of the Settlement but you will nevertheless be bound by any judgments or orders entered by the Court in the Action.

If you are a member of the Settlement Class and wish to exclude yourself from the Settlement Class, you must submit a request for exclusion to the Claims Administrator such that it is **received no later than \_\_\_\_\_, 2024**, in accordance with the instructions set forth in the Notice. If you properly exclude yourself from the Settlement Class, you will not be bound by any judgments or orders entered by the Court in the Action and you will not be eligible to share in the proceeds of the Settlement.

Any objections to the proposed Settlement, the proposed Plan of Allocation, or Co-Lead Counsel's motion for attorneys' fees and payment of expenses, must be delivered to Co-Lead Counsel and Defendants' Counsel such that they are **received no later than \_\_\_\_\_, 2024**, in accordance with the instructions set forth in the Notice.

**Please do not contact the Court, the Clerk's office, Athira, Defendants, or their counsel regarding this notice. All questions about this notice, the proposed Settlement, or your**

**eligibility to participate in the Settlement should be directed to Co-Lead Counsel or the Claims Administrator.**

Inquiries, other than requests for the Notice and Claim Form, should be made to Co-Lead Counsel:

<b>GLANCY PRONGAY &amp; MURRAY LLP</b> Casey E. Sadler, Esq. 1925 Century Park East, Suite 2100 Los Angeles, CA 90067 Telephone: (888) 773-9224 Email: settlements@glancylaw.com	<b>LABATON SUCHAROW LLP</b> Michael P. Canty, Esq. 140 Broadway New York, New York 10005 Telephone: (888) 219-6877 Email: settlementquestions@labaton.com
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Requests for the Notice and Claim Form should be made to:

*Athira Pharma Securities Litigation*  
c/o Strategic Claims Services  
P.O. Box 230  
600 N. Jackson Street, Suite 205  
Media, PA 19063  
(866) 274-4004  
[www.AthiraSecuritiesSettlement.com](http://www.AthiraSecuritiesSettlement.com)

By Order of the Court