

**APHRIA INC. (“APHRIA”) SECURITIES CLASS ACTION
NOTICE OF SETTLEMENT APPROVAL HEARING**

Read this notice carefully as it may affect your legal rights

This notice is directed to: All persons, wherever they may reside, who acquired common shares of Aphria Inc. during the period from and including, 07:00 a.m. (ET) on January 29, 2018 until 08:25 a.m. (ET) December 3, 2018 and held those shares through the close of trading on March 22, 2018 and/or the opening of trading on December 3, 2018 (“**Class Members**”), other than certain **Excluded Persons***.

***Excluded Persons** include Aphria and its past and present subsidiaries, affiliates, officers, directors, legal representatives, heirs, predecessors, successors and assigns, and any spouse or child of the Individual Defendants Cole Cacciavillani or Vic Neufeld.

Purpose of this Notice

This certified Class Action has settled, subject to Court approval. This Notice provides Class Members with information about the Settlement and their right to participate in the court hearing which will consider whether to approve it.

The Class Action

In 2019, a class action was commenced in the Ontario Superior Court of Justice (the “**Court**”) against Aphria and certain of its officers and directors (the “**Individual Defendants**”, the “**Class Action**”).

The Class Action alleged that, during the Class Period, Aphria made misrepresentations in its public disclosure, including in the Aphria Prospectus Offering in June 2018, in connection with two significant international business acquisitions made by Aphria during 2018 namely: (i) Aphria’s acquisition of a company called Nuuvera Inc. which was publicly announced on January 29, 2018; and, (ii) Aphria’s acquisition of a company called LATAM Holdings Inc. which was publicly announced on July 17, 2018. The Class Action alleged that the substantial drop in Aphria’s share price following certain public disclosures about Aphria’s business on March 23 and December 3 2018, amounted to a public correction of material misrepresentations about Aphria’s business.

Aphria and the Individual Defendants deny all allegations pleaded against them in the Class Action.

By orders dated August 6, 2021 and August 18, 2022, the Ontario Superior Court of Justice granted the Plaintiff leave to proceed with the Class Action under Part XXIII.1 of the Ontario *Securities Act* and certified the Class Action as a class proceeding on behalf of the Class Members.

The Class Action was vigorously prosecuted and defended since it was commenced in 2019, including multiple appearances before the Ontario Superior Court of Justice, contested motions, the production of tens of thousands of pages of documents, examinations for discovery lasting two weeks, and the retention of numerous expert witnesses who prepared reports for both the motion for leave to proceed pursuant to Part XXIII.1 of the Ontario *Securities Act*, and also for the trial of this Class Action which was scheduled over seven weeks commencing on January 13, 2025.

On February 5, 2025, the Plaintiff and Defendants executed a Settlement Agreement providing for the settlement of the Class Action, which is subject to approval by the Court.

The Settlement Agreement provides for the payment of CAD\$30,000,000.00 (the “**Settlement Amount**”) in full and final settlement of the claims of Class Members. The Settlement Amount includes all legal fees, disbursements, taxes, administration expenses, and the levy payable to the Class Proceedings Fund of the Ontario Law Foundation.

The Settlement is not an admission of liability, wrongdoing or fault on the part of the Defendants, all of whom have denied, and continue to deny, the allegations against them.

Settlement Approval Hearing

The Settlement is conditional on approval by the Court. The Settlement will be approved if the Court determines that it is fair and reasonable and in the best interests of Class Members.

The Court will hear a motion for approval of the Settlement on March 26, 2025 at 11:30 AM at the Ontario Superior Court of Justice Courthouse, Osgoode Hall, Courtroom #5, 130 Queen St West, Toronto, ON, M5H 2N6.

The Court will also publish a ZOOM link, which will be posted by Class Counsel on the day prior to the motion at <https://www.rochongenova.com/current-class-action-cases/aphria>, for those wishing to attend remotely.

Release of Claims and Effect on Other Proceedings

If the Settlement Agreement is approved by the Court, the claims of Class Members which were asserted or which could have been asserted in the Class Action will be released and the Class Action will be dismissed. Class Members will not be able to pursue individual or class actions in Canada in relation to the matters alleged in the Class Action regardless whether or not they file a claim for compensation from the Settlement.

If approved, the Settlement will therefore represent the only means of compensation

available to Class Members in respect of the claims asserted in the Class Action, except for investors who are members of the parallel US Class Action, described below.

Distribution Protocol

If the Settlement Agreement is approved by the Court, the Settlement Amount, after deduction of Class Counsel Fees and expenses, payments owed to the Ontario Class Proceedings Fund and Administration Expenses, and applicable HST (the “**Net Settlement Amount**”) will be distributed to Class Members in accordance with the Distribution Protocol, also to be approved by the Court.

The Settlement provides that to qualify for compensation, Class Members will be required to submit a properly completed Claim Form to the Administrator within the time prescribed by the Court. Each Class Member who submits a valid and timely Claim Form will be entitled to receive compensation calculated in accordance with the Distribution Protocol.

If the Settlement is approved by the Court, a further notice will be published which will include instructions on how Class Members can file their Claim Forms and the deadline for doing so. This information will be readily available at the following website: <https://www.rochongenova.com/current-class-action-cases/aphria>.

The proposed Distribution Protocol provides that in order to determine the individual entitlements of Class Members who make claims, the losses of each claimant will be calculated in accordance with a formula based on the statutory damages provisions contained in the Ontario *Securities Act*. Once the notional losses of all Class Members who have filed valid claims have been calculated, the Net Settlement Amount will be allocated to those Class Members in proportion to their percentage of the total notional losses calculated for all valid claims filed. It is not possible to estimate the individual recovery of any individual Class Member until all valid claims have been reviewed and those calculations are completed.

In the event any amounts remain 180 days after the distribution of the Net Settlement Amount (because of uncashed cheques or for other administrative reasons), those amounts will be distributed to eligible Class Members (if sufficient to warrant a further distribution) or allocated in a manner approved by the Court.

The approval of the Settlement is not contingent on the approval of the Distribution Protocol. The Court may still approve the Settlement even if it does not approve the Distribution Protocol.

Approval of Class Counsel Fees and Expenses:

In addition to seeking the Court’s approval of the Settlement Agreement, Class Counsel will seek the Court’s approval of legal fees not to exceed 30% of the Settlement Fund (“**Class Counsel Fees**”), plus disbursements not exceeding \$1,800,000.00 and applicable taxes. This fee request is in accordance with the retainer agreement entered into between Class Counsel and the Representative Plaintiff at the beginning of the litigation. Class Counsel conducted this Class Action on a contingent fee basis and so Class Counsel was not paid as the matter proceeded and will remain unpaid until Class Counsel Fees are approved by the Court.

The fees of the Administrator, together with any other costs relating to approval, notification, implementation and administration of the settlement (“**Administration Expenses**”), will also be paid from the Settlement Fund.

Funding of certain major expenses (including some, but not all, expert invoices, but excluding Class Counsel Fees) and any adverse costs awards was provided by the Class Proceedings Fund of the Law Foundation of Ontario. Pursuant to section 10 of Ontario Regulation 771/92 of the *Law Society Act*, the Class Proceedings Fund is entitled to payment of a levy from the Settlement Amount which is equal to the sum of the financial support that it provided to the Class Action plus 10% of the Settlement Amount (less Class Counsel Fees, Administration Expenses, applicable taxes, and the disbursement funding which is returned to the Class Proceedings Fund). If the Settlement Agreement is approved, the levy payable to the Class Proceedings Fund will be approximately \$1,400,000.00. This amount cannot be more precisely calculated at this time because of undetermined variables such as Administration Expenses and Class Counsel Fees.

The approval of the Settlement is not contingent on the approval of the Class Counsel Fees requested. The Settlement may still be approved even if the requested Class Counsel Fees are not approved.

The U.S. Class Action

Some Class Members may also be members of the certified class in a parallel American securities class action: *In re Aphria, Inc, Securities Litigation*, Case No. 18 Civ. 11376 (GBD) – the United States District Court (Southern District of New York) (the “**US Class Action**”) if they acquired Aphria shares in transactions in the United States prior to December 3, 2018. Such Class Members who submit a valid Claim Form in this Class Action may not receive compensation in both this Class Action and also in the U.S. Class Action, if available in the future, for damages to their Aphria shares acquired between July 17, 2018 and December 3, 2018.

Class Members’ Right to Participate in the Motions for Approval

Class Counsel has posted or will post the following material on its website <https://www.rochongenova.com/current-class-action-cases/aphria> on or before the dates set out below:

- 1) The Settlement Agreement (including the proposed Distribution Protocol) February 10, 2025;
- 2) A summary of the basis upon which Class Counsel recommends the Settlement and Distribution Protocol February 10, 2025;
- 3) Sample calculations of notional entitlement calculated using the Distribution Protocol February 10, 2025
- 4) The Plaintiffs’ evidence and written argument in support of the approval of the Settlement, and of the Distribution Protocol March 14, 2025; and

- 5) Class Counsel's evidence and written argument in support of the request for approval of their Class Counsel Fees and disbursements March 14, 2025.

Class Members who wish to comment on, or make an objection to, the approval of the Settlement Agreement, the Distribution Protocol, or the requested Class Counsel Fees may deliver a written submission to Class Counsel, at the address listed below, no later than (10 days before the Settlement approval hearing) **March 14, 2025**. All submissions delivered by that date will be filed with the Court.

Class Members may attend the hearings in-person or remotely *via* Zoom, <https://ca01web.zoom.us/j/62771600966?pwd=di1M2FRSbXkQVUQzaIBkCMYUybPVp5.1>; Meeting ID: 627 7160 0966 - Passcode: 551661, whether or not they deliver a submission. The Court may permit Class Members to participate in the Hearing whether or not they deliver a submission. Class Members who wish a lawyer to speak on their behalf at those hearings may retain one to do so at their own expense.

Class Counsel

For further information please visit <https://www.rochongenova.com/current-class-action-cases/aphria> or contact Class Counsel at:

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121 Richmond Street West
Suite #900
Toronto, ON M5H 2K1
Tel: 1-866-881-2292

Attention: Jon Sloan – e-mail: jsloan@rochongenova.com

Interpretation

If there is a conflict between the provisions of this Notice and the Settlement Agreement, the terms of the Settlement Agreement will prevail.

**PUBLICATION OF THIS NOTICE HAS BEEN AUTHORIZED
BY THE ONTARIO SUPERIOR COURT OF JUSTICE**