

LEO SHUMACHER, Individually and on Behalf of All Others Similarly Situated,	:	SUPERIOR COURT OF NEW JERSEY LAW DIVISION: SOMERSET COUNTY
Plaintiff,	:	
vs.	:	DOCKET NO. SOM-L-000540-19
OSMOTICA PHARMACEUTICALS PLC, et al., Defendants.	:	(CONSOLIDATED)
	:	CIVIL ACTION
JEFFREY TELLO and JASON GELLATI, Individually and on Behalf of All Others Similarly Situated,	:	SUPERIOR COURT OF NEW JERSEY LAW DIVISION: SOMERSET COUNTY
Plaintiffs,	:	
vs.	:	DOCKET NO. SOM-L-617-19
OSMOTICA PHARMACEUTICALS PLC, BRIAN MARKISON, ANDREW EINHORN, DAVID BURGSTAHLER, SRIRAM VENKATARAMAN, CARLOS SIELECKI, JUAN VERGEZ, JEFFERIES LLC, BARCLAYS CAPITAL INC., RBC CAPITAL MARKETS, LLC, and WELLS FARGO SECURITIES, LLC,	:	
Defendants.	:	
	x	

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

TO: ALL PERSONS WHO ACQUIRED OSMOTICA PHARMACEUTICALS PLC (“OSMOTICA” OR THE “COMPANY”) COMMON STOCK PURSUANT AND/OR TRACEABLE TO OSMOTICA’S OCTOBER 2018 INITIAL PUBLIC OFFERING (“IPO”) OR THE REGISTRATION STATEMENT ISSUED IN CONNECTION WITH OSMOTICA’S IPO

IN ORDER TO QUALIFY FOR A SETTLEMENT PAYMENT, YOU MUST TIMELY SUBMIT A PROOF OF CLAIM AND RELEASE FORM (“PROOF OF CLAIM”) BY SEPTEMBER 30, 2021.

THIS NOTICE WAS AUTHORIZED BY THE COURT. IT IS NOT A LAWYER SOLICITATION. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.

WHY SHOULD I READ THIS NOTICE?

This Notice is given pursuant to an order issued by the Superior Court of the State of New Jersey, Law Division: Somerset County (the “Court”). This Notice serves to inform you of the pendency and proposed \$5.25 million settlement of the above-captioned class action lawsuit (the “Settlement”) and the hearing (the “Settlement Fairness Hearing”) to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, as set forth in the Stipulation of Settlement dated May 14, 2021 (the “Stipulation”), by and between Plaintiffs Leo Shumacher, Jeffrey Tello, and Jason Gellati, on behalf of themselves and the Settlement Class, and Defendants Osmotica, certain of Osmotica’s officers and directors, Jefferies LLC, Barclays Capital Inc., RBC Capital Markets, LLC, and Wells Fargo Securities, LLC, by their respective counsel.¹

This Notice is intended to inform you how this lawsuit and proposed Settlement may affect your rights and what steps you may take in relation to it. This Notice is NOT an expression of any opinion by the Court as to the merits of the claims or defenses asserted in the lawsuit or whether the Defendants engaged in any wrongdoing.

WHAT IS THIS LAWSUIT ABOUT?

I. THE ALLEGATIONS

Plaintiffs claim that Defendants violated §§11 and 15 of the Securities Act of 1933 by allegedly making materially untrue statements or materially misleading omissions in the Registration Statement or Osmotica’s October 2018 IPO. Specifically, Plaintiffs allege that the Registration Statement included allegedly false or misleading material statements about, and/or allegedly failed to disclose, allegedly material information regarding: (1) the alleged declining price of one of Osmotica’s drugs; and (2) the alleged overstatement of the value of the Company’s goodwill, which was written down after the IPO.

¹ The Stipulation can be viewed and/or downloaded at www.OsmoticaSecuritiesSettlement.com. All capitalized terms used herein have the same meaning as the terms defined in the Stipulation.

Defendants deny all of Plaintiffs' allegations. Without limiting the generality of the foregoing in any way, Defendants have denied and continue to deny, among other things, that any alleged misstatements or omissions were made or that Plaintiffs or the Settlement Class have suffered any damages. Defendants do not admit any liability or wrongdoing whatsoever in connection with the allegations set forth in the Action, or any facts related thereto.

THE COURT HAS NOT RULED AS TO WHETHER DEFENDANTS ARE LIABLE TO PLAINTIFFS OR TO THE SETTLEMENT CLASS. THIS NOTICE IS NOT INTENDED TO BE AN EXPRESSION OF ANY OPINION BY THE COURT WITH RESPECT TO THE TRUTH OF THE ALLEGATIONS IN THIS ACTION OR THE MERITS OF THE CLAIMS OR DEFENSES ASSERTED. THIS NOTICE IS SOLELY TO ADVISE YOU OF THE PROPOSED SETTLEMENT OF THIS ACTION AND YOUR RIGHTS IN CONNECTION WITH THAT SETTLEMENT.

II. PROCEDURAL HISTORY

The initial complaint was filed in this Court on April 26, 2019. It is currently pending before Judge Michael F. O'Neill. Plaintiffs filed their consolidated amended complaint on July 22, 2019. On September 3, 2019, Defendants filed a Motion to Dismiss the Action. Plaintiffs opposed the motion on November 5, 2019, and Defendants filed a reply in support of their motion to dismiss on December 20, 2019. Oral argument on the motion to dismiss was heard on January 30, 2020, and on June 1, 2020, the Court denied the motion.

Defendants moved for reconsideration of the Court's decision, which Plaintiffs opposed. On August 7, 2020, the Court denied Defendants' motion for reconsideration.

On September 11, 2019, Defendants filed a Motion to Stay Discovery during the pendency of the motion to dismiss. Plaintiffs opposed the motion on October 2, 2019, and Defendants filed a reply in support of their motion on October 15, 2019. Oral argument on the stay motion was heard on October 31, 2019, and on November 8, 2019, the Court denied the motion. On December 16, 2019, Defendants filed a motion seeking leave to appeal this denial to the Appellate Division. Plaintiffs opposed the motion on January 6, 2020, and on January 13, 2020, Defendants sought leave to file a reply to Plaintiffs' opposition. On January 28, 2020, the Appellate Division denied Defendants' motion for leave to appeal.

Plaintiffs and the Osmotica Defendants agreed to explore a resolution of the Action and engaged the services of Jed Melnick, Esq., a nationally-recognized mediator experienced in complex shareholder litigation. In connection with the mediation, each side provided to Mr. Melnick and exchanged with each other submissions setting forth their respective positions on the issues of liability and damages. On December 15, 2020, both sides attended an all-day mediation with Mr. Melnick via video conference. At the end of that mediation session, both sides reached an agreement in principle to settle the Action, subject to the negotiation of a Stipulation and approval by the Court. The Stipulation (together with its exhibits) reflects the final and binding agreement between the Parties.

HOW DO I KNOW IF I AM A SETTLEMENT CLASS MEMBER?

If you acquired Osmotica common stock pursuant and/or traceable to Osmotica's Registration Statement or IPO, you are a Settlement Class Member. As set forth in the Stipulation, excluded from the Settlement Class are: Defendants, the officers and directors of Osmotica and the Underwriter Defendants (at all relevant times), members of Defendants' immediate families, Defendants' legal representatives, heirs, successors or assigns, and any entity in which any Defendant has a majority ownership interest. Also excluded from the Settlement Class are those Persons who would otherwise be Settlement Class Members but who timely and validly exclude themselves therefrom in accordance with the instruction herein.

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 from the Settlement. If you are a Settlement Class Member and you wish to be eligible to participate in the distribution of proceeds from the Settlement, you are required to submit the Proof of Claim that is being distributed with this Notice and the required supporting documentation as set forth therein postmarked or submitted online on or before September 30, 2021.

WHAT IS THE MONETARY VALUE OF THE PROPOSED SETTLEMENT?

The Settlement, if approved, will result in the creation of a cash settlement fund of \$5,250,000 (the "Settlement Fund"). The Settlement Fund, plus accrued interest and minus the costs of this Notice and all costs associated with the administration of the Settlement Fund, including any required Taxes, as well as attorneys' fees and expenses, and any award to Plaintiffs for representing the Settlement Class, as approved by the Court (the "Net Settlement Fund"), will be distributed to eligible Settlement Class Members pursuant to the Plan of Allocation that is described in the next section of this Notice.

WHAT IS THE PROPOSED PLAN OF ALLOCATION?

The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund among Settlement Class Members based on their respective alleged economic losses resulting from the securities law violations alleged in the Action.

The Claims Administrator shall determine each Settlement Class Member's share of the Net Settlement Fund based upon the recognized loss formula (the "Recognized Claim") described below. A Recognized Claim will be calculated for each share of Osmotica common stock acquired pursuant and/or traceable to Osmotica's Registration Statement or IPO. The calculation of a Recognized Claim will depend upon several factors, including when the shares were acquired and in what amounts, whether the shares were ever sold, and, if so, when they were sold and for what amounts. The Recognized Claim is not intended to estimate the amount a Settlement Class Member might have been able to recover after a trial, nor to estimate the amount that will be paid to Settlement Class Members pursuant to the Settlement. The Recognized Claim is the basis upon which the Net Settlement Fund will be proportionately allocated to Settlement Class Members.

Your share of the Net Settlement Fund will depend on the number of valid Proofs of Claim that Settlement Class Members send in and how many shares of Osmotica common stock you acquired pursuant and/or traceable to Osmotica's Registration Statement or IPO, and whether you sold any of those shares and when you sold them.

The calculation of claims below is not an estimate of the amount you will receive. It is a formula for allocating the Net Settlement Fund among all Authorized Claimants. Furthermore, if any of the formulas set forth below yield an amount less than \$0.00, the claim per share is \$0.00.

Initial Public Offering Price:	\$7.00 per share
Closing Price on the date the lawsuit was filed: ²	\$4.25 per share

For shares of Osmotica common stock acquired in connection with Osmotica's Registration Statement or IPO through the end of trading on April 25, 2019, and

- 1) sold prior to April 26, 2019, the claim per share is the lesser of: (i) the Purchase Price less the Sales Price, or (ii) \$7.00 less the Sales Price;
- 2) retained, or sold, on or after April 26, 2019, the claim per share is the lesser of: (i) \$2.75 (\$7.00 less \$4.25), or (ii) the Purchase Price less \$4.25.

In the event a Settlement Class Member has more than one acquisition or sale of Osmotica common stock, pursuant and/or traceable to Osmotica's Registration Statement or IPO, all such acquisitions and sales shall be matched on a First-In, First-Out ("FIFO") basis. Sales will be matched against acquisitions in chronological order, beginning with the earliest acquisition made during the relevant period.

An acquisition or sale of Osmotica common stock shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. All acquisition and sale prices shall exclude any fees and commissions. The receipt or grant by gift, devise, or operation of law of Osmotica common stock shall not be deemed an acquisition or sale of Osmotica common stock for the calculation of a claimant's Recognized Claim nor shall it be deemed an assignment of any claim relating to the acquisition of such share unless specifically provided in the instrument of gift or assignment. The receipt of Osmotica common stock in exchange for securities of any other corporation or entity shall not be deemed an acquisition or sale of Osmotica common stock.

With respect to Osmotica common stock acquired or sold through the exercise of an option, the acquisition/sale date of the share is the exercise date of the option and the acquisition/sale price of the share is the exercise price of the option. Any Recognized Claim arising from acquisitions of Osmotica common stock through the exercise of an option on Osmotica common stock shall be computed as provided for other acquisitions of Osmotica common stock in the Plan of Allocation.

The total of all profits shall be subtracted from the total of all losses from transactions during the relevant periods to determine if a Settlement Class Member has a Recognized Claim. Only if a Settlement Class Member had a net market loss, after all profits from transactions in Osmotica common stock during the relevant periods are subtracted from all losses, will such Settlement Class Member be eligible to receive a distribution from the Net Settlement Fund.

If an Authorized Claimant has an overall market gain, the Recognized Claim for that Authorized Claimant will be \$0.00. If an Authorized Claimant has an overall market loss, that Authorized Claimant's Recognized Claim will be limited to the amount of overall market loss. The Claims Administrator shall allocate to each Authorized Claimant a *pro rata* share of the Net Settlement Fund based on his, her, or its Recognized Claim as compared to the total Recognized Claims of all Authorized Claimants. No distribution shall be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00.

Distributions will be made to Authorized Claimants after all claims have been processed, after the Court has finally approved the Settlement, and after any appeals are resolved. If there is any balance remaining in the Net Settlement Fund after at least six (6) months from the initial date of distribution of the Net Settlement Fund (whether by reason of tax refunds,

² Class Action Complaint filed on April 26, 2019.

uncashed checks, or otherwise), the Claims Administrator shall, if feasible, reallocate such balance among Authorized Claimants in an equitable and economic fashion. These redistributions shall be repeated until the balance remaining in the Net Settlement Fund is no longer economically feasible to distribute to Settlement Class Members. Thereafter, any balance that still remains in the Net Settlement Fund shall be donated to appropriate non-profit organizations.

Please contact the Claims Administrator or Lead Counsel if you disagree with any determinations made by the Claims Administrator regarding your Proof of Claim. If you are dissatisfied with the determinations, you may ask Lead Counsel to request that the Court, which retains jurisdiction over all Settlement Class Members and the claims administration process, decide the issue.

The Court has reserved jurisdiction to allow, disallow, or adjust the claim of any Settlement Class Member on equitable grounds.

Payment pursuant to the Plan of Allocation set forth above shall be conclusive against all Authorized Claimants. No Person shall have any claim against Plaintiffs, Plaintiffs' Counsel, any Claims Administrator, any other Person designated by Plaintiffs' Counsel, or any of the Released Parties based on the distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further orders of the Court. All Settlement Class Members who fail to complete and submit a valid and timely Proof of Claim shall be barred from participating in distributions from the Net Settlement Fund (unless otherwise ordered by the Court), but otherwise shall be bound by all of the terms of the Stipulation, including the terms of any judgment entered and the releases given.

DO I NEED TO CONTACT PLAINTIFFS' COUNSEL IN ORDER TO PARTICIPATE IN DISTRIBUTION OF THE SETTLEMENT FUND?

No. If you have received this Notice and timely submit your Proof of Claim to the designated address, you need not contact Plaintiffs' Counsel. If your address changes, please contact the Claims Administrator at:

Osmotica Securities Settlement
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 43345
Providence, RI 02940-3345
Telephone: 1-866-779-6545
www.OsmoticaSecuritiesSettlement.com

THERE WILL BE NO PAYMENTS IF THE STIPULATION IS TERMINATED

The Stipulation may be terminated under several circumstances outlined in it. If the Stipulation is terminated, the Action will proceed as if the Stipulation had not been entered into.

WHAT ARE THE REASONS FOR SETTLEMENT?

The Settlement was reached after a thorough investigation by Plaintiffs' Counsel and briefing on the Defendants' motion to dismiss. The Court has not reached any final decisions in connection with Plaintiffs' claims against Defendants. Instead, Plaintiffs and Defendants have agreed to this Settlement, which was reached with the substantial assistance of a nationally-recognized mediator experienced in complex shareholder litigation. In reaching the Settlement, the Parties have avoided the cost, delay, and uncertainty of further litigation.

As in any litigation, Plaintiffs and the proposed Settlement Class would face an uncertain outcome if they did not agree to the Settlement. The Parties expected that the case could continue for a lengthy period of time and that if Plaintiffs succeeded, Defendants would file appeals that would postpone final resolution of the case. Continuation of the Action against Defendants could result in a judgment greater than this Settlement. Conversely, continuing the case could result in no recovery at all or a recovery that is less than the amount of the Settlement.

Plaintiffs and Plaintiffs' Counsel believe that this Settlement is fair and reasonable to the members of the Settlement Class. They have reached this conclusion for several reasons. Specifically, if the Settlement is approved, the Settlement Class will receive a certain and immediate monetary recovery. Additionally, Plaintiffs' Counsel believe that the significant and immediate benefits of the Settlement, when weighed against the significant risk, delay and uncertainty of continued litigation, are a very favorable result for the Settlement Class.

WHO REPRESENTS THE SETTLEMENT CLASS?

The following attorneys are counsel for the Settlement Class:

Ellen Gusikoff Stewart, Esq.
ROBBINS GELLER RUDMAN & DOWD LLP
655 West Broadway, Suite 1900
San Diego, CA 92101
Telephone: 1-800-449-4900

If you have any questions about the Action, or the Settlement, you are entitled to consult with Lead Counsel by contacting counsel at the phone number listed above.

You may obtain a copy of the Stipulation by contacting the Claims Administrator at:

Osmotica Securities Settlement
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 43345
Providence, RI 02940-3345
Telephone: 1-866-779-6545
www.OsmoticaSecuritiesSettlement.com

HOW WILL THE PLAINTIFFS' LAWYERS BE PAID?

Plaintiffs' Counsel will file a motion for an award of attorneys' fees and expenses that will be considered at the Settlement Fairness Hearing. Plaintiffs' Counsel will apply for an attorneys' fee award in the amount of up to 33-1/3% of the Settlement Fund, plus payment of Plaintiffs' Counsel's expenses incurred in connection with this Action in an amount not to exceed \$75,000. In addition, Plaintiffs may each seek an award of up to \$2,500 for their efforts in representing the Settlement Class. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

The attorneys' fees and expenses requested will be the only payment to Plaintiffs' Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. The fees requested will compensate Plaintiffs' Counsel for their work in achieving the Settlement. The Court will decide what constitutes a reasonable fee award and may award less than the amount requested by Plaintiffs' Counsel.

CAN I EXCLUDE MYSELF FROM THE SETTLEMENT?

Yes. If you want to keep the right to sue or continue to sue Defendants on your own about the legal issues in this case, then you must take steps to get out of the Settlement Class. This is called excluding yourself from, or "opting out" of, the Settlement Class. If you are requesting exclusion because you want to bring your own lawsuit based on the matters alleged in this Action, you may want to consult an attorney and discuss whether any individual claim that you may wish to pursue would be time-barred by the applicable statutes of limitation or repose.

To exclude yourself from the Settlement Class, you must send a signed letter by mail saying that you want to be excluded from the Settlement Class in the following Action: *Shumacher, et al. v. Osmotica Pharmaceuticals plc, et al.*, Docket No. SOM-L-000540-19. Be sure to include your name, address, telephone number, and the date(s), price(s), and number of shares of Osmotica common stock that you acquired pursuant and/or traceable to the Registration Statement or IPO. Your exclusion request must be **postmarked no later than August 31, 2021**, and sent to the Claims Administrator at:

Osmotica Securities Settlement
Claims Administrator
c/o Gilardi & Co. LLC
EXCLUSIONS
150 Royall Street, Suite 101
Canton, MA 02021

You cannot exclude yourself by phone or by email. If you make a proper request for exclusion, you will not receive a settlement payment, and you cannot object to the Settlement. If you make a proper request for exclusion, you will not be legally bound by anything that happens in this lawsuit.

CAN I OBJECT TO THE SETTLEMENT, THE REQUESTED ATTORNEYS' FEES, THE REQUESTED PAYMENT OF COSTS AND EXPENSES AND/OR THE PLAN OF ALLOCATION?

Yes. If you are a Settlement Class Member, you may object to the terms of the Settlement. Whether or not you object to the terms of the Settlement, you may also object to the requested attorneys' fees, costs and expenses, Plaintiffs' request for payment for representing the Settlement Class and/or the Plan of Allocation. In order for any objection to be considered, you must file a written statement, accompanied by proof of Settlement Class membership, with the Court and send a copy to Plaintiffs' Counsel and Osmotica's counsel, at the addresses listed below **by August 31, 2021**. The Court's address is Superior Court of the State of New Jersey, Law Division: Somerset County, 20 North Bridge Street, Somerville, NJ 08876; Lead Counsel's address is Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, c/o Ellen Gusikoff Stewart and Osmotica's counsel's address is Ropes & Gray LLP, 1211 Avenue of the Americas, New York, NY 10036, c/o Gregg L. Weiner. Attendance at the Settlement Fairness Hearing is not necessary; however, persons wishing to be heard orally at the Settlement Fairness Hearing are required to indicate in their written objection their intention to appear at the hearing and identify any witnesses they may call to testify and exhibits, if any, they intend to introduce into evidence.

WHAT IS THE DIFFERENCE BETWEEN OBJECTING AND EXCLUDING MYSELF FROM THE SETTLEMENT?

Objecting is telling the Court that you do not like something about the proposed Settlement, the Plan of Allocation, Plaintiffs' Counsel's request for an award of attorneys' fees and expenses, or Plaintiffs' request for payment for representing the Settlement Class. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the Settlement no longer applies to you.

WHAT ARE MY RIGHTS AND OBLIGATIONS UNDER THE SETTLEMENT?

If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you may receive the benefit of, and you will be bound by, the terms of the Settlement described in this Notice, upon approval by the Court.

HOW CAN I GET A PAYMENT?

In order to qualify for a payment, you must timely complete and return the Proof of Claim that accompanies this Notice. A Proof of Claim is enclosed with this Notice and also may be downloaded at www.OsmoticaSecuritiesSettlement.com. Read the instructions carefully; fill out the Proof of Claim; sign it; and mail it or submit it online so that it is **postmarked (if mailed) or received (if submitted online) no later than September 30, 2021**. The Proof of Claim may be submitted online at www.OsmoticaSecuritiesSettlement.com. If you do not submit a timely Proof of Claim with all of the required information, you will not receive a payment from the Settlement Fund; however, unless you expressly exclude yourself from the Settlement Class as described above, you will still be bound in all other respects by the Settlement, the Judgment, and the release contained in them.

WHAT CLAIMS WILL BE RELEASED BY THE SETTLEMENT?

If the Settlement is approved by the Court, the Court will enter a Judgment. If the Judgment becomes final pursuant to the terms of the Stipulation, all Settlement Class Members, on behalf of themselves, their successors and assigns, and any other Person claiming (now or in the future) through or on behalf of them (regardless of whether he, she, or it ever seeks or obtains by any means, including, without limitation, by submitting a Proof of Claim, any disbursement from the Settlement Fund), shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever waived, released, and discharged all Released Parties from all Released Claims, regardless of whether such Settlement Class Member executes and delivers a Proof of Claim.

- "Related Parties" means any and all of a Defendant's past, present or future direct or indirect parents, subsidiaries, divisions, branches, controlling persons, associates, entities, affiliates or joint ventures, as well as any and all of their and the Defendants' respective past, present, or future directors, officers, employees, managers, servants, partners, limited partners, members, principals, trustees, advisors, auditors, accountants, agents, underwriters (including, for the avoidance of doubt, and without limitation, all underwriters of the IPO), insurers, co-insurers, reinsurers, shareholders, attorneys, fiduciaries, financial or investment advisors or consultants, banks or investment bankers, personal or legal representatives, agents, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, spouses, heirs, related or affiliated entities or Persons, anyone acting or purporting to act for or on behalf of any of them or their successors, heirs or assigns, any other Persons, firms, trusts, corporations, and other entity in which any of the foregoing has a financial interest or was a sponsor, founder or creator of the entity and, in their capacity as such, any and all officers, directors, employees, trustees, beneficiaries, settlers, creators, attorneys, consultants, agents, or representatives of any such Person, firm, trust, corporation or other entity, any member of an Individual Defendant's immediate family, any trust of which any Defendant is the settlor or which is for the benefit of any Defendant and/or member(s) of his or her family, and the legal representatives, heirs, executors, administrators, predecessors, predecessors-in-interest, successors, successors-in-interest or assigns of each of the foregoing.
- "Released Parties" means Defendants and each and all of their Related Parties.
- "Released Claims" means any and all claims, demands, losses, costs, interest, penalties, fees, attorneys' fees, expenses, rights, causes of action, actions, duties, obligations, judgments, debts, sums of money, suits, contracts, agreements, promises, damages, and liabilities of every nature and description, including Unknown Claims, whether direct or indirect, representative, class, individual, asserted or unasserted, matured or unmatured, accrued or unaccrued, foreseen or unforeseen, disclosed or undisclosed, contingent or fixed or vested, at law or equity, whether arising under federal, state, local, foreign, statutory, common, administrative, or any other law, statute, rule, or regulation, that both (a) arise out of, are based upon, or relate in any way to any of the allegations, acts, transactions, facts, events, matters, occurrences, statements, representations, misrepresentations or omissions involved, set forth, alleged or referred to, in this Action or the Amended Complaint, or which could have been or could in the future be alleged in, referred to or made part of this Action, the Amended Complaint, or asserted in any other forum and (b) arise out of, are based upon, or relate in any way to the acquisition of Osmotica common stock pursuant and/or traceable to the Registration Statement or IPO. "Released Claims" also include

any and all claims arising out of, relating to, or in connection with the Settlement or resolution of the Action (including Unknown Claims), except claims to enforce any of the terms of the Stipulation.

- “Unknown Claims” means (i) any and all claims and potential claims against Released Parties which Plaintiffs or any Settlement Class Members do not know or suspect to exist in their, his, her, or its favor as of the Effective Date, and (ii) any claims against Plaintiffs which Defendants do not know or suspect to exist in their favor, which if known by any of them, might have affected their, his, her, or its decision(s) with respect to the Settlement. With respect to any and all Released Claims and Released Defendants’ Claims, the Parties stipulate and agree that by operation of the Final Judgment, upon the Effective Date, Plaintiffs and Defendants shall have expressly waived, and each Settlement Class Member shall be deemed to have waived, and by operation of the Final Judgment shall have expressly waived, the provisions, rights and benefits of Cal. Civ. 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;

and any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, any law of the United States, any foreign law, any principle of common law, or any other law which is similar, comparable, or equivalent to Cal. Civ. Code §1542. Plaintiffs and Settlement Class Members may hereafter discover facts, legal theories, or authorities in addition to or different from those which they, he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims, but Plaintiffs shall expressly fully, finally, and forever settle and release, and each Settlement Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever settled and released, any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, or could in the future exist upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, related to conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. Plaintiffs and Defendants acknowledge, and Settlement Class Members shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Released Claims and Released Defendants’ Claims was separately bargained for and is an essential element of the Stipulation and the Settlement.

The above description of the proposed Settlement is only a summary. The complete terms are set forth in the Stipulation (including its exhibits), which may be obtained at www.OsmoticaSecuritiesSettlement.com, or by contacting Lead Counsel listed on Page 4 above.

THE SETTLEMENT FAIRNESS HEARING

The Court will hold a Settlement Fairness Hearing on November 9, 2021, at 9:00 a.m., before the Honorable Michael F. O’Neill at the Superior Court of the State of New Jersey, Law Division: Somerset County, 20 North Bridge Street, Somerville, NJ 08876, for the purpose of determining whether: (1) the Settlement as set forth in the Stipulation for \$5,250,000 in cash should be approved by the Court as fair, reasonable and adequate; (2) the Judgment as provided under the Stipulation should be entered; (3) to award Plaintiffs’ Counsel attorneys’ fees and expenses out of the Settlement Fund and, if so, in what amount; (4) to award Plaintiffs for their efforts in representing the Settlement Class out of the Settlement Fund and, if so, in what amount; and (5) the Plan of Allocation should be approved by the Court. The Court may adjourn or continue the Settlement Fairness Hearing without further notice to members of the Settlement Class.

Any Settlement Class Member may appear at the Settlement Fairness Hearing and be heard on any of the foregoing matters; provided, however, that no such person shall be heard unless his, her, or its objection is made in writing and is filed, together with proof of membership in the Settlement Class and with copies of all other papers and briefs to be submitted by him, her, or it to the Court at the Settlement Fairness Hearing, with the Court no later than August 31, 2021, and showing proof of service on the following counsel:

Ellen Gusikoff Stewart
ROBBINS GELLER RUDMAN
& DOWD LLP
655 West Broadway, Suite 1900
San Diego, CA 92101
Attorneys for Plaintiffs

Gregg L. Weiner
ROPES & GRAY LLP
1211 Avenue of the Americas
New York, NY 10036
Attorneys for Osmotica

Unless otherwise directed by the Court, any Settlement Class Member who does not make his, her or its objection in the manner provided shall be deemed to have waived all objections to this Settlement and shall be foreclosed from raising (in this or any other proceeding or on any appeal) any objection and any untimely objection shall be barred.

The Coronavirus (COVID-19) pandemic is a fluid situation that creates the possibility that the Court may decide to conduct the Settlement Fairness Hearing by video, telephone conference, or otherwise allow Settlement Class Members to appear at the hearing by telephone without further notice to the Settlement Class. In order to determine whether the date and time of the Settlement Fairness Hearing have changed, or whether Settlement Class Members must or may participate by phone or video, it is important that you monitor the Settlement website, www.OsmoticaSecuritiesSettlement.com, or the Court's docket, before making any plans to attend the Settlement Fairness Hearing. Any updates regarding the Settlement Fairness Hearing will be posted to the Settlement website. Also, if the Court requires or allows Settlement Class Members to participate in the Settlement Fairness Hearing by telephone, the phone number for accessing the telephonic conference will be posted to the Settlement website. You will not receive another notice such as this one regarding such changes; they will only be posted to the Settlement website.

If you hire an attorney (at your own expense) to represent you for purposes of objecting, your attorney must serve a notice of appearance on counsel listed above and file it with the Court (at the address set out above) by no later than August 31, 2021.

INJUNCTION

The Court has issued an order enjoining all Settlement Class Members from instituting, commencing, maintaining or prosecuting any action in any forum that asserts any of the Released Claims against any of the Released Parties, pending final determination by the Court of whether the Settlement should be approved.

HOW DO I OBTAIN ADDITIONAL INFORMATION?

This Notice contains only a summary of the terms of the proposed Settlement. The records in this Action may be examined and copied at any time during regular office hours, and subject to customary copying fees, at the Clerk of the Superior Court of New Jersey, Law Division: Somerset County. In addition, all of the Settlement documents, including the Stipulation, this Notice, the Proof of Claim and proposed Judgment may be obtained by contacting the Claims Administrator at:

Osmotica Securities Settlement
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 43345
Providence, RI 02940-3345
Email: info@OsmoticaSecuritiesSettlement.com
Telephone: 1-866-779-6545
www.OsmoticaSecuritiesSettlement.com

In addition, you may contact Rick Nelson, Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, 1-800-449-4900, if you have any questions about the Action or the Settlement.

DO NOT WRITE TO OR TELEPHONE THE COURT FOR INFORMATION.

SPECIAL NOTICE TO BANKS, BROKERS, AND OTHER NOMINEES

If you hold any Osmotica common stock acquired pursuant and/or traceable to Osmotica's Registration Statement or IPO, as a nominee for a beneficial owner, then, within fourteen (14) business days after you receive this Notice, you must either: (1) send a copy of this Notice by First-Class Mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator at notifications@gilardi.com or:

Osmotica Securities Settlement
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 43345
Providence, RI 02940-3345

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

DATED: June 11, 2021

BY ORDER OF THE SUPERIOR COURT OF
NEW JERSEY
LAW DIVISION: SOMERSET COUNTY