UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE HUT 8 CORP. SECURITIES LITIGATION	Case No. 1:24-cv-00904-VM CLASS ACTION
THIS DOCUMENT RELATES TO: ALL ACTIONS	

DECLARATION OF JEREMY A. LIEBERMAN IN SUPPORT OF PLAINTIFF'S MOTIONS FOR (1) FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND (2) AWARD OF ATTORNEYS' FEES, REIMBURSEMENT OF LITIGATION EXPENSES, AND AWARD TO PLAINTIFF

I, Jeremy A. Lieberman, declare the following, to the best of my knowledge, pursuant to 28 U.S.C. § 1746.[1]

1. I am an attorney duly licensed to practice law in the State of New York and before this Court. I am the managing partner of the law firm of Pomerantz LLP ("Pomerantz" or "Lead Counsel"), which is court-appointed Lead Counsel for Lead Plaintiff Abhishek Maheshwari ("Plaintiff"). I have personal knowledge of the matters set forth herein and, if called upon, I could and would completely testify thereto. I intend nothing in this Declaration to constitute a specific or general waiver of attorney-client privilege or any other applicable privilege or doctrine.

2. I respectfully submit this declaration in support of Plaintiff's Motions, filed concurrently herewith, for: (1) Final Approval of Class Action Settlement (the "Final Approval Motion") and (2) Award of Attorneys' Fees, Reimbursement of Litigation Expenses, and Award to Plaintiff (the "Fee Motion"). I set forth herein relevant facts concerning the Action against Hut 8 Corp. ("Hut 8" or the "Company"), Asher Genoot, Michael Ho, Jaime Leverton, and Shenif Visram (collectively, the "Individual Defendants" and, together with Hut 8, "Defendants"). I also set forth herein relevant facts showing that: (1) the Settlement is fair, reasonable, and adequate; (2) the notice program satisfied Fed. R. Civ. P. 23(c)(2) and 23(e)(1), the Private Securities Reform Act of 1995, 15 U.S.C. § 78u-4(a)(7) ("PSLRA"), and due process; (3) the Plan of Allocation is fair and reasonable; and (4) and that Plaintiff's requests for attorneys' fees, reimbursement of expenses, and award to Plaintiff are reasonable.

[1] Unless otherwise indicated, all capitalized terms herein shall have the same meanings set forth in the Stipulation and Agreement of Settlement dated June 18, 2026 (ECF No. 75-1) (the "Stipulation").

3. The Settlement completely resolves the Action as to all claims against all Defendants, providing for a cash payment by and on behalf of Defendants in the amount of $2,350,000, in exchange for full mutual releases.

4. After Plaintiff moved for preliminary approval of the Settlement on June 22, 2026, on July 8, 2026, the Court entered an Order preliminarily approving the Settlement and approving the form and manner of providing notice to potential Settlement Class Members (ECF No. 80) (the "Preliminary Approval Order").

5. Plaintiff now seeks final approval of the Settlement, as well as an award of attorneys' fees to counsel of 33.3% of the Settlement Fund, i.e., $782,550 plus interest,[2] reimbursement of counsel's out-of-pocket Litigation Expenses incurred in prosecuting this Action in the amount of $67,134.64, plus interest, and award to Plaintiff in the amount of $10,000.

6. Attached hereto as **Exhibit 1** is a true and correct copy of the Declaration of Sarah Evans Concerning: (A) Mailing/Emailing of Notice; (B) Publication of the Summary Notice; and (C) Report on Requests for Exclusion and Objections ("Evans Decl."), dated October 2, 2026.

7. Attached hereto as **Exhibit 2** is a true and correct copy of the Declaration of Irina Vasilchenko in Support of Plaintiff's Motion for Award of Attorney's Fees, Reimbursement of Litigation Expenses, and Award to Plaintiff ("Vasilchenko Fee Decl.").

8. Attached hereto as **Exhibit 3** is a true and correct copy of the Declaration of Abhishek Maheshwari in Support of Plaintiff's Motions for (1) Final Approval of Class Action Settlement and (2) Award of Attorney's Fees, Reimbursement of Litigation Expenses, and Award to Plaintiff ("Maheshwari Decl.").

[2] The "Settlement Amount" is $2,350,000. Stipulation ¶1(rr). The "Settlement Fund" is "the Settlement Amount and any interest or income earned thereon." Stipulation ¶1(uu). Lead Counsel's fee and expense motion requests 33.3% of the Settlement Fund, i.e., $782,550 plus interest earned at the same rate as the Settlement Fund.

9. Attached hereto as **Exhibit 4** is a is a true and correct copy of a report by Cornerstone Research, authored by Laarni Bulan and Eric Tam, titled *2025 Review & Analysis, Securities Class Action Settlements* (2026) (the "Cornerstone Report").

I. SUMMARY OF PLAINTIFF'S CLAIMS AND PROCEDURAL HISTORY OF THE LITIGATION

10. On February 7, 2024, Ryan Mayiras filed the initial complaint in this Action, a punitive securities class action complaint in the United States District Court for the Southern District of New York, which was then styled as *Mayiras v. Hut 8 Corp.*, No. 1:24-cv-00904-VM, on behalf of all persons and entities that purchased or otherwise acquired Hut 8 securities between November 9, 2023 and January 18, 2024, inclusive, and who were allegedly damaged thereby. ECF No. 1. The complaint asserted claims under Section 10(b) of the Securities Exchange Act against Hut 8, Leverton, and Visram, and claims under Section 20(a) of the Exchange Act against Leverton and Visram.

11. On March 4, 2024, Mark Latino filed a related action in the United States District Court for the Southern District of New York, styled *Latino v. Hut 8 Corp.*, No. 1:24-cv-01636-VM, on behalf of the same putative class.

12. On March 15, 2024, the two cases were consolidated under docket 1:24-cv-00904-VM. ECF No. 9.

13. On April 19, 2024, the Court entered an order appointing Abhishek Maheshwari as Lead Plaintiff in this Action and approving Pomerantz LLP as Lead Counsel. ECF No. 34.

14. Following its appointment as Lead Counsel, Pomerantz thoroughly investigated Defendants' alleged misconduct. Pomerantz's investigation, under Plaintiff's diligent oversight, included, among other things: (i) reviewing and analyzing Hut 8 regulatory filings, press releases, news reports and articles, earnings and analyst call transcripts, analyst reports, and other publicly

available information regarding Hut 8 and the Merger; (ii) interviewing former employees of Hut 8 and its predecessors with the aid of a private investigator; and (iii) consulting with experts regarding loss causation and damages, as well as accounting and financial reporting issues.

15. On June 14, 2024, Plaintiff filed a Consolidated Amended Complaint (the "Complaint"), which asserted claims on behalf of persons and entities that purchased or otherwise acquired Hut 8 securities between February 13, 2023 and January 18, 2024, inclusive (the "Settlement Class Period"), and were damaged thereby, under: (i) Section 11 of the Securities Act against Hut 8, Ho, Genoot, and Leverton; (ii) Section 15 of the Securities Act against the Individual Defendants; (iii) Section 10(b) of the Securities Exchange Act against all Defendants; and (iv) Section 20(a) of the Securities Exchange Act against the Individual Defendants. ECF No. 39.

16. As alleged in the Complaint, Hut 8 is a Bitcoin mining company that formed following a merger (the "Merger") between privately held U.S. Data Mining Group d/b/a US Bitcoin Corp. ("USBTC") and publicly traded Hut 8 Mining Corp. ("Legacy Hut"). *See id.* ¶¶2-3, 36-39. Under the Merger, approximately 34.23 million registered shares were issued to USBTC shareholders, excluding the approximately 10 million shares issued to USBTC insiders. *See* ECF No. 75-3 at 2 n.2. Meanwhile, Legacy Hut shareholders were issued unregistered Hut 8 shares in exchange for their Legacy Hut shares pursuant to an exemption from registration. *Id.* The Merger closed on November 30, 2023, and Hut 8 shares began trading on December 4, 2023.ECF No. 39, ¶59; ECF No. 75-3 at 8 n.4. Plaintiff's securities claims in the Complaint were based on two categories of alleged misstatements, primarily those made in a registration statement, as amended, and prospectus (the "Registration Statement"), issued in connection with the Merger: (1) misrepresentations and omissions concerning energy and internet issues at one of USBTC's digital asset mining sites, the King Mountain joint venture (the "King Mountain JV"); and (2)

misrepresentations and omissions about USBTC's dire financial condition before the Merger. ECF No. 39, ¶¶61-67, 86-90, 92. The Complaint alleged that Hut 8's stock price declined after a short seller report by J Capital Research revealed network and connectivity problems at the King Mountain JV and USBTC's financial issues before the Merger with Legacy Hut—issues that Defendants allegedly misrepresented or omitted in their public statements, including in the Registration Statement. *Id.* ¶¶9-10, 113-21.

17. On August 12, 2024, pursuant to the Court's Individual Practices, Defendants transmitted to Plaintiff and filed with the Court a letter regarding the Complaint's alleged deficiencies. ECF No. 46. Plaintiff filed a response on September 11, 2024. ECF No. 47.

18. On October 11, 2024, pursuant to the Court's Individual Practices, Defendants filed a letter requesting a pre-motion conference or that the Court permit the Parties to submit full briefing on the motion to dismiss. ECF No. 48. On October 17, 2024, the Court directed the Parties to submit full briefing on the motion to dismiss. ECF No. 49.

19. Defendants filed their motion to dismiss on December 2, 2024. ECF Nos. 52-54. Plaintiff opposed the motion on January 16, 2025. ECF No. 55. Defendants filed a reply in support of their motion to dismiss on February 18, 2025. ECF No. 56.

20. On September 12, 2025, the Court entered a decision and order that denied in part and granted in part Defendants' motion to dismiss. ECF No. 57 (the "MTD Order"). Specifically, the MTD Order found that the Complaint adequately alleged Section 11 and Section 15 claims with respect to the following two alleged misstatements related to energy and internet issues at the King Mountain JV that were made in the Registration Statement:

- "The operation of the grids USBTC relies on, including the . . . [Electrical Reliability Counsel of Texas (ERCOT) grid] . . . subjects USBTC to a variety of risks, including

the breakdown and failure of equipment . . . [and] outages affecting information technology systems."

- "USBTC may face risks of Internet disruptions, which could have an adverse effect on the price of Bitcoin."

Id. at 11-12, 77. The Court dismissed the remaining claims and misstatements—i.e., Plaintiff's Exchange Act claims in their entirety and the Securities Act claims based on the alleged misrepresentations about USBTC's dire financial condition before the Merger. *Id.* at 77.

21. On October 24, 2025, Defendants answered the Complaint. ECF No. 60. Defendants' original answer erroneously asserted that the Court had dismissed all claims against Defendant Visram with prejudice. *Id.* at 1. Plaintiff alerted Defendants of his position that the Section 15 claim against Visram remained viable, as Defendants failed to challenge his control person status, and the MTD Order found that the Complaint sufficiently alleged that "all Individual Defendants had the power to direct Hut 8 and caused the Company to violate Section 11," particularly as "Defendants do not meaningfully address the Section 15 claim." ECF No. 57 at 74. On November 14, 2025, Defendants filed an amended answer, which maintained their position that all claims against Visram had been dismissed, but "out of an abundance of caution" clarified that Visram "join[ed] the other Defendants in answering the Complaint." ECF No. 62 at 1.

22. At approximately this time, Defendants also raised, for the first time, traceability concerns with Plaintiff's remaining Section 11 claim, which their motion to dismiss had failed to challenge. Specifically, Defendants informed Plaintiff that they intended to move for judgment on the pleadings because Plaintiff's Hut 8 shares, which he purchased in the aftermarket after the Merger closed, could not be traced to the challenged Registration Statement because the registered

shares issued to USBTC shareholders were commingled with the unregistered shares issued to Legacy Hut shareholders when the Merger closed. *See* ECF No. 63.

23. On December 1, 2025, the Parties filed a joint status letter, which, *inter alia*, enclosed a proposed Case Management Plan that they had negotiated and informed the Court of the Parties' intent to file a joint motion for a sixty-day stay to pursue mediation. ECF No. 63. The joint letter further stated that, if the mediation failed to resolve all claims, Defendants intended to file a motion for judgment on the pleadings based on the traceability issue and, if necessary, a motion seeking clarification regarding Defendant Visram's continued status as a Section 15 defendant in this Action in light of the MTD Order.

24. On December 5, 2025, the Court entered the Amended Civil Case Management Plan and Scheduling Order. ECF No. 66. On February 4, 2026, the Court temporarily stayed all proceedings, upon the Parties' request, until April 15, 2026, so that the Parties could pursue mediation. ECF No. 68. On April 15, 2026, the Court extended the stay, upon the Parties' request, until May 22, 2026. ECF No. 70.

25. Meanwhile, an action on behalf of Canadian investors asserting related claims was commenced in the Ontario Superior Court of Justice on December 1, 2025, *Duckett v. Hut 8 Corp.*, Case No. CV-25-00757022-00CP (the "Canadian Action").

II. SETTLEMENT NEGOTIATION AND TERMS

26. The Settlement was the result of arms-length negotiations between the Parties, under the guidance of a respected mediator, Jed D. Melnick, Esq. of JAMS (the "Mediator"), who has substantial experience in complex securities class actions. On May 7, 2026, the Parties participated in a full-day, virtual mediation session with Mr. Melnick. In advance of the mediation, Lead Counsel consulted with a damages expert on the potential recoverable damages, and the

Parties exchanged detailed opening and reply mediation statements that addressed liability, traceability, and damages issues and were accompanied by appendices of exhibits. During the mediation, the Parties had candid discussions about the strengths and weaknesses of Plaintiff's claims and Defendants' defenses thereto. The session ended without the Parties reaching an agreement, but they subsequently continued discussions through the Mediator.

27. Following the mediation session, the Mediator issued a mediator's proposal to resolve the Action for $2,350,000, which the Parties accepted on May 13, 2026. Thereafter, the Parties memorialized their agreement in principle to settle the Action in a term sheet executed on May 27, 2026 (the "Term Sheet"). On May 28, 2026, the Parties notified the Court that the Parties had reached an agreement in principle to settle the Action and were in the process of memorializing their agreement in a comprehensive written settlement agreement. ECF No. 71.

28. Thereafter, the Parties negotiated the terms of the Stipulation and the exhibits thereto, which was executed on June 18, 2026. *See* ECF No. 75-1.

29. On June 22, 2026, Plaintiff filed his Unopposed Motion for Preliminary Approval of Class Action Settlement together with all its exhibits. ECF Nos. 73-75.

30. The Settlement provides for a payment of $2,350,000 in cash to pay the Settlement Class's claims. In exchange, if the Court grants final approval of the Settlement, Plaintiff, on behalf of the Settlement Class Members, will forever release their claims against the Defendants that were alleged or could have been alleged in this Action. Stipulation ¶¶8-9. The Release expressly excludes claims brought in the related derivative actions. *Id.* ¶1(oo). Further, given the filing of the Canadian Action, the Settlement Class is limited to persons and entities who purchased or otherwise acquired Hut 8 securities in the United States or on an exchange based in the United

States between February 13, 2024 and January 18, 2024, inclusive. *Id.* ¶1(ss). The Settlement is not "claims-made"—i.e., there is no reversion of unclaimed funds to Defendants. *Id.* ¶13.

31. The Term Sheet, Stipulation, and Supplemental Agreement are the only agreements concerning the Settlement entered into by the Parties. The Supplemental Agreement, which is confidential, provides Defendants with the option to terminate the Settlement if the number of Settlement Class Members requesting exclusion from the Settlement Class exceeds a certain threshold. Stipulation ¶37. To protect the Settlement Class, the precise terms of the Supplemental Agreement are kept confidential to avoid creating incentives for a small group of Settlement Class Members to opt out solely to leverage larger individual settlements for themselves to the detriment of the rest of the Settlement Class. Such agreements are standard in securities class action settlements, as discussed in the accompanying memorandum of law in support of the Final Approval Motion.

32. The Settlement Amount of $2,350,000 is approximately 19.6% of the total estimated damages in this Action, under Plaintiff's best-case scenario. Specifically, Plaintiff's damages expert estimates that if Plaintiff *fully prevailed* on all issues and at all remaining stages of the litigation, the total maximum damages available—following the Court's ruling on the motion to dismiss, which sustained only Plaintiff's claims under the Securities Act for only two alleged misstatements—would be approximately $12.08 million. Thus, the $2,350,000 Settlement represents a recovery of approximately 19.6% of the maximum recoverable damages. This is a significant recovery in light of the risks of continued litigation described herein, including Plaintiff surviving a motion for judgment on the pleadings based on the traceability issue, the class being certified (and such class certification not reversed on a Rule 23(f) interlocutory appeal), Plaintiff prevailing at summary judgment and trial, the Court and jury accepting Plaintiff's damages theory,

and the jury verdict and damages award being upheld on appeal. This percentage of recovery is also well above the 12.9% median recovery and 14.6% average recovery for cases with only Securities Act claims in 2025. *See* Cornerstone Report (Ex. 4), at 20.

33. This damages estimate by Plaintiff's damages expert reflects statutory damages under the Securities Act for the approximately 34.23 million registered shares issued pursuant to the Merger (excluding approximately 10 million registered shares issued to insiders). Under the proposed Plan of Allocation, former USBTC shareholders who received registered shares pursuant to the Merger are eligible to recover. While, as discussed herein, the commingling of unregistered and registered shares issued pursuant to the Merger posed risks for proving traceability for shareholders who purchased on the open market after the Merger closed on November 30, 2023, the proposed Plan of Allocation also deems those shareholders who purchased shares of Hut 8 common stock in the open market in the United States or on a U.S. exchange after the Merger closed during the Settlement Class Period to be eligible for recovery.

III. PRELIMINARY APPROVAL AND RESPONSE FROM THE SETTLEMENT CLASS

34. On July 8, 2026, the Court issued the Preliminary Approval Order that preliminarily certified, for purposes of settlement only, the Settlement Class of "all persons and entities that purchased or otherwise acquired Hut 8 securities in the United States or on an exchange based in the United States between February 13, 2023 and January 18, 2024, inclusive, and who were allegedly damaged thereby. Excluded from the Settlement Class are Defendants, the officers and directors of Hut 8 at all relevant times, members of their Immediate Family and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest. Also excluded from the Settlement Class are any persons or entities who or which timely and validly exclude themselves from the Settlement Class." ECF No. 80 ¶2. The

Preliminary Approval Order scheduled the final settlement hearing for November 6, 2026. *Id.* ¶6(a).

35. The Preliminary Approval Order also appointed Strategic Claims Services ("SCS") as the Claims Administrator to supervise and administer the notice procedure as well as the processing of claims. *Id.* ¶9. SCS is a nationally recognized notice and claims administration firm that has successfully and efficiently administered numerous complex securities class action settlements. *See* Ex. 1 (Evans Decl.) ¶1. Lead Counsel selected SCS as the Claims Administrator for this case based on Pomerantz's experience working with SCS, including a recent settlement of a similar size where SCS was appointed as claims administrator following a request for proposal process, and then negotiated favorable rates for the Settlement Class. Specifically, Lead Counsel identified SCS as a potential Claims Administrator and contacted SCS to solicit an estimate for administering the Settlement. Lead Counsel then negotiated with SCS to obtain even more favorable rates on behalf of the Settlement Class. The Preliminary Approval Order authorized Lead Counsel to pay SCS up to $250,000 in reasonable and necessary Notice and Administration Costs prior to the Effective Date, without further approval from the Court or Defendants. ECF No. 80, ¶11.

36. As directed in the Preliminary Approval Order, Lead Counsel has worked with SCS to disseminate notice of the Settlement to Settlement Class Members. Pursuant to the Preliminary Approval Order (*id.* ¶¶10-12), SCS, *inter alia*: mailed, by the Notice Date (August 7, 2026), the Postcard Notice to all potential Settlement Class Members who could be identified with reasonable effort; used reasonable efforts to give notice to nominees such as custodians and brokerage firms and mailed or emailed nominees such as custodians and brokerage firms that hold stock on behalf of beneficial owners; emailed the link to the electronic Notice and Claim Form to potential

Settlement Class Members at email addresses provided by individuals or nominees; posted the notices and Claim Form, along with other relevant documents, on the website it has developed for the Settlement, https://www.strategicclaims.net/case/hut8/; has caused the Summary Notice to be published in *PR Newswire*; and established and maintains a toll-free telephone number that potential Settlement Class Members may call to obtain information about the Settlement and/or request copies of the Notice and Claim Form be mailed to them. *See* Evans Decl. ¶¶3-12; Evans Decl., Ex. D (proof of publication of Summary Notice). In total, SCS has mailed copies of the Postcard Notice or provided an email link to the Notice and Claim Form on the Settlement Website to 169,114 potential Settlement Class Members and their nominees. Evans Decl. ¶9.

37. Pursuant to the Preliminary Approval Order, requests for exclusions and objections to the Settlement must be received by October 16, 2026 (21 days before the Settlement Hearing). ECF No. 80, ¶¶22, 25. As of October 2, 2026, there have been only two requests for exclusion, and both exclusion requests are currently invalid, as the requestors did not include documentary proof of the transactions in Hut 8 common stock during the Settlement Class Period to establish membership in the Settlement Class, as required by the Preliminary Approval Order and the Notice. Evans Decl. ¶13. Lead Counsel has received no other requests for exclusion. As of this writing, Lead Counsel also has not received any objections to any aspect of the Settlement. Likewise, SCS has not received any misdirected objections to date. Evans Decl. ¶14.[3]

38. The Notice sent to potential Settlement Class Members, which the Court approved in the Preliminary Approval Order, describes the Plan of Allocation in full detail. Evans Decl. Ex. A. Lead Counsel formulated the Plan of Allocation with the help of the Settlement Administrator and Plaintiff's damages expert to fairly and reasonably distribute the Net Settlement Fund to

[3] Plaintiff and Lead Counsel will address any objections or additional exclusion requests that may be received in their reply submission, which will be filed with the Court on or before October 30, 2026.

Settlement Class Members consistent with the federal securities laws and the principles of loss causation. To that end, the Plan of Allocation does not compensate losses resulting from "in and out" transactions, i.e., losses from sales made prior to revelation of the truth. The Plan of Allocation establishes a formula that determines Authorized Claimants' recognized losses based on the foregoing application of the securities laws and calculates Settlement Class Members' pro rata share of the Net Settlement Fund (i.e., the Gross Settlement Fund, less: (i) attorneys' fees and expenses; (ii) taxes and tax expenses; (iii) Notice and Administration Expenses; and (iv) a reimbursement award to Plaintiff, if any). Evans Decl. Ex. A.

IV. COMPLEXITY, EXPENSE, AND LIKELY DURATION OF THE LITIGATION

39. Since its appointment as Lead Counsel, Pomerantz has vigorously prosecuted this case under the oversight and for the benefit of Plaintiff and the Settlement Class. Pomerantz's efforts have included, among other things: (i) conducting a comprehensive investigation into Defendants' alleged misconduct, which included, *inter alia*, reviewing and analyzing regulatory filings, press releases, news reports and articles, call transcripts, analyst reports, and other publicly available information, as well as interviewing former employees of Hut 8 and its predecessors with the aid of a private investigator, and consulting with an accounting expert; (ii) filing a detailed amended complaint; (iii) successfully defeating, in part, Defendants' motion to dismiss; (iv) meeting and conferring with Defendants about their original answer, which erroneously stated that Defendant Visram had been dismissed; (v) meeting and conferring with Defendants regarding traceability—specifically, the commingling of registered and unregistered shares, as further detailed herein—and their anticipated motion for judgment on the pleadings; (vi) conferring with a damages expert on estimated damages; (vii) updating Plaintiff about case developments, including settlement; (viii) exchanging opening and reply mediation briefs addressing the strengths

and weaknesses of Plaintiff's claims; (ix) participating in a full-day, virtual mediation session; and (x) negotiating the proposed Settlement. Thus, before entering into the Settlement, Plaintiff and Lead Counsel understood the strengths and weaknesses of their case.

40. After entering the Settlement, Lead Counsel has continued to devote time and resources by, among other things: negotiating the substantive terms of the Settlement and related forms of notice; working with the Claims Administrator and damages expert to craft the Plan of Allocation; moving for and obtaining Preliminary Approval of the Settlement; overseeing provision of notice to the Settlement Class; and drafting the Final Approval Motion and related papers.

41. Engaging in discovery, hiring additional experts, and moving for class certification would have imposed substantial costs, and summary judgment and trial would have been expensive and risky. Not only would the Settlement Class risk recovering nothing at all or less than the Settlement, but because the loser at trial would almost certainly appeal, the Settlement Class could not collect any judgement until the appeals were resolved.

V. RISK OF CONTINUED LITIGATION

42. Plaintiff and the Settlement Class face various risks that continued litigation would result in lesser or no recovery. The Court might grant judgment on the pleadings or summary judgment to Defendants or deny class certification, or the jury might find against Plaintiff at trial. Even a favorable jury verdict might be reversed on appeal. Further, Plaintiff would have to engage in a claims process to cause as many Settlement Class Members as possible to file claims. Given the passage of time, claims rates might fall materially if the Settlement Class waits longer to receive payment.

43. Here, Plaintiff faced multiple substantial risks with respect to proving Defendants' liability and damages. In particular, as discussed above, after the MTD Order, Defendants raised significant issues in this case related to traceability, which they indicated they intended to move for judgement on the pleadings, and which would also pose a substantial obstacle at class certification and beyond. Specifically, the commingling of unregistered and registered shares issued pursuant to the Merger posed risks for proving traceability for shareholders who purchased on the open market after the Merger closed on November 30, 2023. Here, however, the proposed Plan of Allocation deems those shareholders who purchased shares of Hut 8 common stock in the open market in the United States or on a U.S. exchange after the Merger closed during the Settlement Class Period to be eligible for recovery, thus avoiding this risk on an issue that would have been hotly contested in further litigation. While Plaintiff is confident in the viability of his claims, Plaintiff recognizes the complexity of this issue and the significant risk posed with continuing litigation.

44. In addition, Defendants would also fiercely litigate the merits, including materiality and falsity. For example, Defendants would likely argue at summary judgment and trial, as they did at the motion to dismiss stage, that their alleged misstatements and omissions were inactionable because they were not material to a reasonable investor, were not false or misleading because they were supported by Defendants' internal documents, and that, in any case, Defendants' public disclosures adequately warned of the risks and problems at issue. While Plaintiff strongly disagrees with these arguments, had the litigation continued there is simply no guarantee that the finder of fact would ultimately adopt Plaintiff's view of the case on any of these liability issues.

45. Further, though loss causation is not an element of a Section 11 claim, and thus need not be affirmatively pleaded, the Securities Act would permit Defendants to assert as an

affirmative defense, i.e., "negative causation," that declines in the price of Hut 8 Stock were unrelated, in whole or in part, to the alleged misstatements, but instead were attributable to other factors, and to that extent are not recoverable. 15 U.S.C. § 77k(e). Plaintiff thus faced the material risk that the Court or jury would accept Defendants' negative causation defense that Hut 8's stock price declined for reasons unrelated to the remaining alleged misstatements—for example, because no new, corrective information was disclosed in the J Capital Research short seller report as Hut 8's connectivity problems were already publicly available and thus known to the market. Were that to occur, Plaintiff and Settlement Class Members would recover nothing.

46. Moreover, issues related to loss causation and damages in a securities case are always difficult and invariably require intricate expert testimony. Defendants would likely oppose any expert Plaintiff retained with an expert expressing the opposite view. Accordingly, rebutting Defendants' negative causation arguments and proving damages likely would have resulted in a "battle of the experts," which stood to add great uncertainty and expense for the Settlement Class. Defendants' arguments, if successful, would significantly impact Plaintiff's current estimate of class-wide damages, a material data point in the determination to settle at this time. As discussed above, here, the Settlement Amount of $2,350,000 is approximately 19.6% of the maximum recoverable damages in this Action, which represents an excellent recovery for the Settlement Class, particularly given it is well above the median and average percentages of recovery for cases with only Securities Act claims. *See* Cornerstone Report (Ex. 4), at 20.

47. Finally, additional defense costs incurred through trial and appeal of this Action, if incurred, would likely erode the limited amount of insurance available to Defendants, and reduce Plaintiff's source of recovery.

48. Thus, the Settlement eliminates the expense and delay of continued litigation and the risk that the Settlement Class could receive a lower or no recovery.

VI. THE SETTLEMENT RESULTED FROM ARM'S-LENGTH NEGOTIATION BETWEEN EXPERIENCED COUNSEL

49. Lead Counsel are experienced in prosecuting class actions and have successfully prosecuted securities class actions in courts throughout the country, including in the Southern District of New York. Lead Counsel have extensive experience in the specialized field of shareholder securities litigation. *See* ECF No. 75-8 (Pomerantz résumé).

50. Pomerantz is an exceptionally experienced securities class action firm that has recovered billions of dollars for its clients in some of the largest and most complex securities class actions. In this District and others, Pomerantz has recovered hundreds of millions of dollars for investors, including the fifth-largest securities class action settlement achieved in the United States—a $3 billion settlement in a securities class action against Petroleo Brasileiro S.A. and other defendants (*In re Petrobras Sec. Litig.*, No. 14-cv-9662 (S.D.N.Y)); a $172.5 million settlement in a securities class action against Danaher Corporation (*Hawkins v. Danaher Corp.*, No. 23-cv-02055 (AHA) (D.D.C.); a $74 million settlement in a securities class action against Arconic (*Howard v. Arconic, Inc.*, No. 17-cv-01057 (W.D. Pa.); a $135 million recovery in a securities class action in an insider trading case against S.A.C. Capital Advisors LP (*Kaplan v. S.A.C. Cap. Advisors, LP*, No. 12-cv-09350 (S.D.N.Y.); a $225 million settlement in a securities class action against Comverse Technology, Inc. (*In re Comverse Tech., Inc. Sec. Litig.*, No. 06-cv-01825 (E.D.N.Y.)); *see also Karimi v. Deutsche Bank AG*, No. 22-cv-02854 (S.D.N.Y.) (a $26.25 million settlement in a securities class action); *In re Yahoo! Inc. Sec. Litig.*, No. 17-cv-00373 (N.D. Cal.) (an $80 million settlement in a securities class action).

51. As detailed above, since the inception of this litigation, Pomerantz has vigorously prosecuted this action under the oversight and for the benefit of Plaintiff and the Settlement Class, and Lead Counsel leveraged their experience and resources to assess the merits and value of the case and negotiate the Settlement.

52. Defendants are represented by highly capable, prominent counsel, Gibson, Dunn & Crutcher LLP. Notwithstanding this opposition, Lead Counsel were able to develop a case that was sufficiently strong to persuade Defendants to settle it on terms that are favorable to the Settlement Class.

VII. LEAD COUNSEL'S FEE AND EXPENSE REIMBURSEMENT REQUEST, AND PLAINTIFF'S REIMBURSEMENT REWARD ARE JUSTIFIED

53. As compensation for their efforts, Lead Counsel are applying for an award of attorneys' fees to them and Additional Plaintiffs' Counsel, Bronstein, Gewirtz & Grossman LLC (together with Lead Counsel, "Plaintiffs' Counsel"), in the amount of 33.3% of the Settlement Fund, i.e., $782,550 plus interest, and reimbursement of $67,134.64 in Lead Counsel's Litigation Expenses reasonably incurred in the prosecution and settlement of the Action. *See* Plaintiff's Memorandum of Law in Support of Motion for Attorneys' Fees, Reimbursement of Litigation Expenses, and Award to Plaintiff (the "Fee Brief") filed herewith. Lead Counsel intends to allocate 18% of any fees awarded to Additional Plaintiffs' Counsel. Plaintiff and Plaintiffs' Counsel have prosecuted this case for two years without any compensation whatsoever, and Lead Counsel incurred tens of thousands of dollars in expenses without any guarantee of success.

54. Such 33.3% fee requests are routinely awarded by courts in the Second Circuit, as further detailed in the Fee Brief.

55. Plaintiff, through the vigorous efforts of Lead Counsel, engaged in extensive factual investigation and litigation of the claims alleged in the Complaint. By the time the Settlement was

reached, Lead Counsel had, among other things: (i) thoroughly investigated Defendants' alleged misstatements and filed a detailed amended complaint; (ii) consulted with experts regarding damages and accounting and financial reporting issues; (iii) partially defeated Defendants' motion to dismiss; (iv) met and conferred extensively with Defendants regarding their original answer to the Complaint and regarding traceability, including Defendants' anticipated motion for judgment on the pleadings; and (v) participated in mediation, which included exchanging detailed opening and reply briefs that evaluated the strengths and weakness of Plaintiff's claims. Plaintiff diligently oversaw the litigation and communicated with Plaintiffs' Counsel to discuss case developments, including Settlement.

56. The expertise and experience of Lead Counsel is also an important factor to be weighed in assessing a fair fee. Lead Counsel are comprised of experienced and skilled practitioners in the securities litigation field. Lead Counsel have achieved significant settlements in securities class actions, as well as being counsel of record in cases establishing important precedents that enable litigation such as this to be successfully prosecuted.

57. Lead Counsel prosecuted the Action vigorously, expending substantial time and resources without any assurance of obtaining any compensation for their efforts. Lead Counsel have already devoted a significant amount of time to this case, as further detailed below and in the Vasilchenko Fee Decl., and fully expect to devote more time in connection with the future administration and distribution of the Settlement.

VIII. LITIGATION RISKS SUPPORT THE FEE AWARD

58. Lead Counsel undertook representation of Plaintiff and the Settlement Class on a wholly contingent basis. From the outset, Lead Counsel understood they were embarking on a complex, expensive, and likely lengthy litigation with no guarantee of ever being compensated for

the substantial investment of time and money the case would require if the Action proved unsuccessful. In undertaking that responsibility, Lead Counsel ensured that sufficient resources were dedicated to the Action and that funds were available to compensate staff and to cover the expenses the case would require. With an average lag time of several years for a case like this to conclude, the financial burden on Lead Counsel was greater than those for a firm paid on an ongoing basis.

59. As described above, this Action involved serious legal and practical hurdles that could have resulted in no recovery at all. Continued litigation would have entailed significant risks to the Settlement Class, as the Action could be derailed in any number of ways before a final judgment was entered (and withstood possible appeal) in favor of a yet-to-be-certified class of Hut 8 investors.

IX. THE REACTION OF THE SETTLEMENT CLASS SUPPORTS THE REQUESTED FEE, EXPENSES, AND REIMBURSEMENT AWARD TO PLAINTIFF

60. Pursuant to the Preliminary Approval Order, 169,114 copies of the Notice have been mailed or emailed to potential Settlement Class Members. Evans Decl. ¶9. The Notice advised Settlement Class Members that Lead Counsel would apply for an award of attorneys' fees to Plaintiffs' Counsel not to exceed 33.3% of the Settlement Fund, i.e., $782,550 plus interest, and reimbursement of Litigation Expenses incurred not to exceed $150,000.00, plus interest. ECF No. 75-3 at 15.

61. As of the time of this filing, there have been no objections to the proposed fee application (or any other aspect of the Settlement). Additionally, as of the time of this filing, only two (currently invalid) requests for exclusion have been received, by the Settlement Administrator (or Lead Counsel). Evans Decl. ¶13.

X. THE FEE REQUEST IS ALSO JUSTIFIED UNDER THE LODESTAR/MULTIPLIER APPROACH

62. Altogether, Lead Counsel dedicated 1091.1 hours to prosecuting this Action. These hours were compiled from contemporaneous time records maintained by each attorney and paralegal. Applying Lead Counsel's normal, hourly rates, which are consistent with those charged by similarly skilled firms in their respective geographic areas, to the hours expended in this Action yields a lodestar amount of $868,912.75. *See* Vasilchenko Fee Decl. ¶7.[4]

63. The fee requested represents a *negative*, of fractional, lodestar multiplier of approximately 0.90. In other words, Lead Counsel's request for attorneys' fees reflects a discount on the time Lead Counsel actually spent litigating the Action, which further supports the reasonableness of the fee request, as detailed in the Fee Brief. As reflected in the Notice, Lead Counsel have agreed to apply for fees cumulatively not to exceed 33.3% of the Settlement Fund, i.e., $782,500 plus interest. ECF No. 75-3 at 15.

64. Lead Counsel's work will not end with the Court's approval of the Settlement. Lead Counsel will necessarily spend more time and resources assisting Settlement Class Members with their Claim Forms, overseeing the claims process, and responding to Settlement Class Members' inquiries.

XI. REQUEST FOR REIMBURSEMENT OF LITIGATION EXPENSES

65. Lead Counsel also request reimbursement of $67,134.64 in Litigation Expenses, *see* Vasilchenko Fee Decl. ¶9. The expenses requested are reflected in the records of Lead Counsel, prepared in the normal course of business, and are an accurate record of the expenses incurred. The expenses noted are reasonable and were incurred for items necessary to the prosecution of the

[4] Time spent on the Fee Motion has been excluded from the lodestar calculation.

Action. The expenses were incurred largely in conjunction with experts, mediation, necessary travel, private investigation, and computer-based legal research. Most of the Litigation Expenses—$47,577.88, or over 70% of the total—for which Lead Counsel seeks reimbursement are expert fees and mediation fees. In addition, the Plan of Allocation for distribution of the Net Settlement Fund was developed with expert assistance. These efforts, as well as expert consultation regarding damages and loss causation and accounting issues at the pleading stage, as well as regarding damages in connection with mediation and settlement negotiations, required Lead Counsel to incur substantial expert fees. Another significant expense was for professional services rendered by Plaintiff's investigators in connection with interviews of former employees as part of Plaintiff's investigation for the Complaint, without which the case would not have survived the motion to dismiss. These expenses were all incurred for the benefit of the Settlement Class, and, as explained in the Fee Brief submitted herewith, are of the type generally billed to, and reimbursed by, individual clients in standard billing arrangements.

66. Lead Counsel's actual requested expenses of $67,134.64 are also significantly lower than the maximum recoverable Litigation Expenses set forth in the Notice—$150,000.00. ECF No. 75-3 at 2.

XII. THE REQUESTED REIMBURSEMENT AWARD TO PLAINTIFF IS JUSTIFIED

67. Plaintiff seeks reimbursement, pursuant to the PSLRA, 15 U.S.C. § 78u-4(a)(4), of his reasonable expenses and time incurred in connection with the Action in the amount of $10,000. The Notice advised Settlement Class Members that Lead Counsel would apply for a compensatory award to Plaintiff of up to $10,000. ECF No. 75-3 at 2. The amount of time and effort devoted to this Action by Plaintiff, who, *inter alia*, reviewed the operative Complaint and numerous other significant filings in this Action, compiled his trading data in connection with his motion for

appointment as Lead Plaintiff; regularly communicated with Plaintiffs' Counsel to stay apprised of developments in the case, and participated in settlement discussions with Plaintiffs' Counsel and approved the Settlement, is detailed in the accompanying Plaintiff declaration. *See* Ex. 3.

XIII. CONCLUSION

68. In view of the significant recovery to the Settlement Class, the substantial risks of this litigation, the substantial efforts of Lead Counsel, the quality of the work performed, the contingent nature of the fee, and the standing and experience of Lead Counsel, Lead Counsel respectfully submits that: the Settlement should be approved as fair, reasonable, and adequate; the Plan of Allocation should be approved as fair and reasonable; a fee in the amount of 33.3% of the Settlement Fund, i.e., $782,550 plus interest, should be awarded to Plaintiffs' Counsel; Litigation Expenses of $67,134.64, plus interest, should be reimbursed in full; and Plaintiff should be awarded $10,000.

I declare, under penalty of perjury, that the foregoing is true and correct to the best of our knowledge.

Executed this 2nd day of October, 2026.

/s/ Jeremy A. Lieberman
Jeremy A. Lieberman