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

CERTIFIED STATEMENT OF NOAM MANDEL IN SUPPORT OF: (1) PLAINTIFFS' MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND APPROVAL OF PLAN OF ALLOCATION; AND (2) PLAINTIFFS' COUNSEL'S MOTION FOR AN AWARD OF ATTORNEYS' FEES AND EXPENSES AND AWARDS TO PLAINTIFFS

I, Noam Mandel, hereby certify as follows:

1. I am an attorney duly licensed to practice law in the State of New York and am a partner of the law firm Robbins Geller Rudman & Dowd LLP ("Robbins Geller"). I have been admitted to practice before this Court, *pro hac vice*, for purposes of this litigation. Robbins Geller serves as the Court-appointed lead counsel ("Lead Counsel")[1] on behalf of the Court-appointed Settlement Class Representatives, Leo Shumacher, Jeffrey Tello, and Jason Gellati ("Plaintiffs"), in the above-captioned action (the "Action").[2]

2. I submit this certification in support of: (i) Plaintiffs' Motion for Final Approval of Class Action Settlement and Approval of Plan of Allocation; and (ii) Plaintiffs' Counsel's Motion for an Award of Attorneys' Fees and Expenses and Awards to Plaintiffs. Unless otherwise indicated, I have personal knowledge of the matters set forth herein based on my extensive participation in the prosecution and settlement of the claims asserted in the Action and my supervision of those working at my direction. If called upon by the Court, I could and would competently testify that the following facts are true and correct.

I. INTRODUCTION

3. After vigorous ligation and extensive arm's-length settlement negotiations, which were supervised by an experienced mediator, Jed Melnick, Esq. (the "Mediator"), Plaintiffs' Counsel obtained a recovery for the Settlement Class in the amount of $5,250,000, in cash, which has been deposited in an interest-bearing escrow account for the benefit of the Settlement Class.

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[1] Cohn Lifland Pearlman Herrmann & Knopf LLP ("Cohn Lifland") was appointed and serves as liaison counsel ("Liaison Counsel"). "Plaintiffs' Counsel" means Robbins Geller, Cohn Lifland, Robbins LLP, and Holzer & Holzer, LLC.

[2] Capitalized terms not otherwise defined herein have the meanings given to them in the Stipulation of Settlement ("Stipulation") filed on May 18, 2021.

4. The strong recovery for the Settlement Class is highlighted by the significant risk that the Settlement Class might obtain a much smaller recovery after years of protracted litigation – or no recovery at all. For example, if Defendants' various arguments disputing liability, causation, or seeking to reduce or eliminate the recoverable damages were to ultimately prevail at trial, the Settlement Class would have received little or no recovery. The Settlement Amount represents an approximate recovery of 25% of maximum estimated recoverable damages of approximately $21 million.

5. As detailed herein, the Settlement is the product of a comprehensive investigation, detailed analysis, and extensive arm's-length negotiations by experienced counsel, which also involved the assistance of the Mediator. Plaintiffs' Counsel negotiated the Settlement with a thorough understanding of the strengths and weaknesses of the claims asserted against Defendants. This understanding was based on Plaintiffs' Counsel's vigorous prosecution of the Action, which included, *inter alia*: (i) reviewing and analyzing publicly available information concerning Osmotica, including Osmotica's SEC filings, press releases, other public statements issued by Defendants, media and news reports about the Company, and publicly-available stock trading data relating to Osmotica; (ii) reviewing internal documents produced by the Company in the course of the litigation; (iii) drafting an initial complaint; (iv) drafting the Amended Complaint; (v) drafting and serving discovery requests on Defendants; (vi) opposing Defendants' motion to stay discovery; (vii) opposing Defendants' motion to dismiss the Action; (viii) opposing Defendants' motion for reconsideration of the motion to dismiss order; and (ix) drafting the mediation submissions and preparing for and participating in the mediation.

6. As a result of these efforts, Plaintiffs' Counsel and Plaintiffs were fully informed regarding the strengths and weaknesses of the case against the Defendants and were positioned to vigorously negotiate the Settlement with the assistance of an experienced mediator.

7. As noted above and discussed in greater detail herein, Plaintiffs faced serious risks going forward with the Action. While Plaintiffs' Counsel believe that the claims in the Amended Complaint have merit, there was a significant chance that one or more of Defendants' arguments may have ultimately proved insurmountable – and the Settlement Class may have ended up with little or no recovery. The significance of these risks was heightened by the prospect of years of protracted litigation through costly fact and expert discovery, contested motions, a contested trial, and the likely ensuing appeals. The Settlement avoids these and other risks while providing a substantial monetary benefit now.

8. Plaintiffs' Counsel believe that the Settlement is in the best interests of the Settlement Class – especially considering the size of the Settlement Class, the number of beneficiaries of the Settlement, and the significant risks involved in the case. The other terms of the Settlement are the product of careful negotiations between the parties, and are set forth in the Stipulation. Plaintiffs' Counsel believe the Settlement to be fair, reasonable and adequate, in the best interests of the Settlement Class, and that it should be approved by this Court.

9. Plaintiffs' Counsel seek an award of attorneys' fees of one-third (33-1/3%) of the Settlement Amount (or $1,750,000.00), plus their litigation expenses of $28,538.13, with interest on both amounts earned at the same rate earned on the Settlement Fund, plus an award to Plaintiffs in the amount of $2,500.00 each. As discussed below, Plaintiffs' Counsel's requested fee amounts to a modest 1.08 multiple of Plaintiffs' Counsel's "lodestar" (*i.e.*, Plaintiffs' Counsel's hourly rates multiplied by the hours spent on prosecuting and settling this Action).

10. Pursuant to the Order Preliminarily Approving Settlement and Providing for Notice ("Preliminary Approval Order"), dated June 11, 2021, the Notice and Proof of Claim form (the "Notice Packet") were mailed to potential Settlement Class Members and nominees who could be identified with reasonable effort; the Notice Packet was posted on the Internet at

www.OsmoticaSecuritiesSettlement.com; and the Summary Notice was published once in *The Wall Street Journal* and once over *Business Wire*. *See* Certification of Ross D. Murray Regarding Notice Dissemination, Publication, and Requests for Exclusion Received to Date ("Murray Cert."), submitted herewith.

11. The Notice advised all recipients of, among other things: (i) the definition of the Settlement Class; (ii) their right to exclude themselves from the Settlement Class and the procedure and deadline for doing so; (iii) their right to object to any aspect of the Settlement, including the Plan of Allocation and Plaintiffs' Counsel's request for attorneys' fees and expenses and the procedure and deadline for doing so; and (iv) the procedure and deadline for submitting a Proof of Claim form in order to be eligible for a payment from the proceeds of the Settlement.

12. The Court-ordered deadline for filing objections to the Settlement or requesting to "opt-out" of the Settlement Class is August 31, 2021. To date, no objections to any aspect of the Settlement have been filed by Settlement Class Members.[3] Nor have any Settlement Class Members sought to exclude themselves from the Settlement Class. Murray Cert., ¶16.

II. BACKGROUND

A. Substantive Allegations

13. This is a securities action against Defendants for claims under §§11 and 15 of the Securities Act of 1933 (the "Securities Act"). It is a putative class action brought on behalf of all Persons who acquired Osmotica common stock pursuant and/or traceable to the Registration Statement and Prospectus ("Registration Statement") issued in connection with Osmotica's October 2018 IPO.

[3] Plaintiffs will address any objection(s) and/or request(s) for exclusion in a supplemental submission to the Court to be filed by November 2, 2021.

14. Osmotica is a pharmaceuticals company headquartered in Bridgewater, New Jersey, that develops, manufactures, and markets drugs with "osmotic pressure," a feature that facilitates the controlled delivery of a drug's active ingredients over an extended period of time. At all relevant times, Osmotica's single most successful product was M-ER. M-ER is used to treat attention-deficit/hyperactivity disorder ("ADHD") and is a generic form of Concerta (which is itself an extended release variant of Ritalin). In September 2017, Osmotica launched 18-mg, 27-mg, 36-mg, and 54-mg dosage strengths of M-ER, and in 2018 it launched a 72-mg version. In the first six months of 2018, M-ER generated $67 million in revenue, more than half of the Company's total $131 million in revenues for the same period. Osmotica's next highest revenue-generating product, Venlafaxine ER ("VERT"), provided only $34 million in revenue for the same period. Together, M-ER and VERT were responsible for nearly 80% of Osmotica's revenues in the first six months of 2018.

15. Data released by Medicaid indicates that the national average price of M-ER at the 18-mg, 27-mg, 36-mg, and 54-mg dosages had all declined between at least March 28, 2018 – over six months prior to Osmotica's October 2018 IPO – and December 31, 2018 (the interim period during which the IPO was conducted). In March 2019, Osmotica disclosed in its annual Form 10-K for 2018 and an interim financial press release that revenues for its generic drugs in the three months ended December 31, 2018 were down relative to the same period in 2017, and that during the fourth quarter of 2018 the Company took an intangible asset impairment charge of $98 million, which reflected a write down of Osmotica's goodwill. Defendants blamed both the revenue decline and the goodwill write-down in large part on the decline in M-ER prices during the fourth quarter of 2018, despite the fact that the M-ER price decline was well underway when the IPO was undertaken in mid-October 2018.

16. Plaintiffs claim that Defendants violated §§11 and 15 of the Securities Act by reason of materially untrue statements or materially misleading omissions in the Registration Statement. Specifically, Plaintiffs allege that the Registration Statement included untrue material statements about, and failed to disclose material information regarding: (i) the declining pricing of Osmotica's most profitable drug M-ER; and (ii) the overstatement of the value of the Company's goodwill and other intangible assets, which were written down and reduced by nearly $100 million shortly after the IPO.

B. Procedural History

17. The initial complaint was filed in this Court on April 26, 2019. On July 22, 2019, Plaintiffs filed the Consolidated Amended Class Action Complaint for Violations of the Securities Act of 1933 and Jury Demand ("Amended Complaint"). 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 in its entirety.

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

19. Defendants also moved the Court to stay discovery during the pendency of the motion to dismiss. On September 11, 2019, Defendants filed a Motion to Stay Discovery. 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 in its entirety. Defendants sought leave from the Appellate Division to appeal this denial. On December 16, 2019, Defendants filed their motion with 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.

20. Plaintiffs and 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, the Parties attended an all-day mediation with Mr. Melnick via video conference. At the end of that mediation session, the Parties reached an agreement in principle to settle the Action, subject to the negotiation of a Stipulation of Settlement and approval by the Court.

III. THE SETTLEMENT IS FAIR, REASONABLE, AND ADEQUATE

A. Settlement Approval Proceedings

21. On May 18, 2021, following the execution of the Stipulation, Plaintiffs submitted the Stipulation to the Court. On June 11, 2021, the Court entered the Preliminary Approval Order. In accordance with the Preliminary Approval Order, beginning on July 2, 2021, Lead Counsel, through the Claims Administrator, implemented a comprehensive Court-approved notice program whereby notice was given to the members of the Settlement Class by mail and by publication. According to the accompanying Murray Certification submitted by the Claims Administrator, over 7,000 copies of the Notice Packet were sent to potential Settlement Class Members and nominees, the Summary Notice was published on July 12, 2021, and the Notice has been, and continues to be, posted on www.OsmoticaSecuritiesSettlement.com, along with other Settlement related documents, fully informing potential Settlement Class Members and nominees of the details related to the Settlement. In addition, the Claims Administrator maintains a toll-free telephone number to accommodate inquiries from potential Settlement Class Members.

22. The Notice contains the following information necessary to evaluate the benefits of the Settlement to the Settlement Class, including: (i) the amount and makeup of the Settlement Fund; (ii) the Plan of Allocation; (iii) that Plaintiffs' Counsel would apply for an award of attorneys' fees up to an amount not to exceed 33-1/3% of the Settlement Fund, as well as expenses incurred prosecuting this Action up to $75,000; (iv) that Plaintiffs would each seek an award of up to $2,500 in connection with their representation of the Settlement Class; (v) that any Settlement Class Member could object to the Settlement and/or fee and expense application or seek exclusion from the Settlement Class; (vi) a detailed explanation of the reasons for the Settlement; (vii) that the deadline for requesting exclusion from the Settlement Class is August 31, 2021; (viii) that objections to the Settlement, the Plan of Allocation or the fee application must be filed no later than August 31, 2021; (ix) the date, time, and location of the November 9, 2021 Settlement Hearing and that Settlement Class Members have the right to attend and be heard; and (x) that the deadline for filing Proofs of Claim to recover in the Settlement is September 30, 2021.

23. While the August 31, 2021 deadline for objections has not yet passed, to date, there have been no objections to any aspect of the Settlement filed and no requests for exclusion from the Settlement Class have been received.

24. Plaintiffs' Counsel continue to advance and manage the settlement process for the Action, including preparing the papers filed today and to present the Settlement to the Court at the fairness hearing scheduled for November 9, 2021.

B. Plaintiffs' Likelihood of Success and the Complexity of the Action

25. If the Settlement had not been achieved, Plaintiffs faced numerous hurdles before a jury would hear the Action.

26. Plaintiffs and Plaintiffs' Counsel considered, among other things: (i) the substantial immediate cash benefit to Settlement Class Members under the terms of the Stipulation; (ii) the

expense and time that would be involved in completing discovery, depositions, preparing expert reports, and completing expert discovery; (iii) the risks involved in moving to certify the class; (iv) the probability that Defendants would move for summary judgment at the close of discovery, leading to a "battle of the experts" with respect to loss causation, materiality, and damages issues, and would appeal from any denial of their summary judgment motion; (v) the difficulties and risks involved in proving those same issues at trial, where proof would have turned heavily on the jury's inherently unpredictable reactions to the evidence, as well as to the parties' "battle of the experts"; (vi) the probability that, even if Plaintiffs won at trial, Defendants would file post-verdict motions and appeals resulting in additional risk to, and even more delay in obtaining, any recovery for the Settlement Class; and (vii) the risk that Defendants may ultimately be unable to satisfy a judgment after trial. While Plaintiffs' Counsel believe that all of the claims asserted against Defendants have merit, there were serious risks as to whether Plaintiffs would ultimately prevail and, even if completely successful, equally serious risks as to the amount of time it would take to collect on any judgment.

27. The foregoing are just a few of the risks, among others, that could jeopardize Plaintiffs' ability to obtain an adequate recovery for the damages suffered by the Settlement Class.

28. Meanwhile, Defendants' Counsel remained adamant that Defendants are not liable for any of the Amended Complaint's claims and were prepared to mount a stern defense, which could have potentially precluded the Settlement Class from any recovery.

29. Moreover, the Underwriter Defendants would have also presented evidence that they made a reasonable investigation into the truthfulness and completeness of the Registration Statement and had reasonable grounds to believe that the statements therein were accurate and complete. Although Plaintiffs' Counsel believe they could overcome these arguments, a jury's

reaction to the various arguments and evidence presented by the Underwriter Defendants is unknown.

30. To meet their burden of proof at trial, Plaintiffs' Counsel planned to present the testimony of expert witnesses, assuming none were excluded, on complex issues concerning the initial public offering process and damages, among other things, as well as relevant evidence which Defendants would have produced in discovery. Even with experts who are among the most respected in their fields, and the benefit of full discovery, however, there could be no guarantee that Plaintiffs would prevail as Defendants would undoubtedly retain competent experts to counter Plaintiffs' experts' theories. Indeed, the trial of this case could hinge as much on the testimony of experts as on fact witnesses, which always presents a substantial risk of a party prevailing not because of the merits but because of a jury's impression of one party's expert or experts.

31. During the mediation process, Defendants focused their arguments on numerous issues, including, *inter alia*, that material declines in M-ER pricing occurred after the October 2018 IPO, that statements concerning the Company's goodwill are opinion statements whose falsity requires a showing that such statements had no basis in fact or that the Defendants did not believe them, that disclosures unrelated to M-ER or the Company's goodwill write-down caused the relevant March 2019 stock-drop (*i.e.*, negative causation), and that damages amount to less than $1 million. Defendants made clear during the mediation process that their efforts in discovery and at summary judgment would prominently feature these arguments.

32. Specifically, Defendants would attempt to demonstrate that M-ER pricing fell after the IPO because new competition emerged in the market, which in turn caused Osmotica customers to adjust contract prices for M-ER and resulted in price adjustments to product already distributed to customers. Defendants would also attempt to show that the Registration Statement did not contain materially false or misleading statements or omissions because, as Defendants allege, the

challenged statements concerned historical fact, because adequate risk disclosures were made, and because Defendants had no duty to disclose the alleged national decline in M-ER pricing. Further, Defendants would attempt to show that the Company's goodwill was not impaired before or at the time of the October 2018 IPO, and that any impairment occurred in the fourth quarter of 2018, after the IPO. Defendants would also try to show that the March 2019 disclosures that caused the stock drop were by and large unrelated to M-ER pricing, and instead primarily concerned disappointing results from a Phase III clinical trial of another product, Ontinua ER, and other news unrelated to M-ER pricing.

33. Plaintiffs were prepared to engage experts to rebut Defendants' contentions. Plaintiffs' Counsel believe that such experts' reports, applying the same formulations that courts have upheld in approving damages calculations under the Securities Act, would be highly persuasive and accepted by the jury and sustained on appeal.

34. Plaintiffs also strongly dispute Defendants' factual characterizations of the March 2019 disclosures, and maintain that, as alleged in the Amended Complaint, the losses in Osmotica's stock were related to the revelations of the falsity of Defendants' misstatements and omissions.

35. While Plaintiffs' Counsel believe they and their experts could overcome Defendants' arguments, there is no assurance that the jury would agree with Plaintiffs' arguments, and if Defendants succeeded, in part or in whole, damages could be considerably reduced, or even eliminated. These risks equally apply to the likely appeals Defendants would take on these issues, both at summary judgment and after trial.

36. Another significant risk is that at the time of the Settlement, the Settlement Class had not yet been certified. While Plaintiffs' Counsel strongly believe certification of the Settlement Class would be granted, if Plaintiffs were unable to pursue or maintain the Action as a

class action, Settlement Class Members would likely be left with no recovery at all. This risk is exacerbated by any adverse factual developments that might frustrate the continued maintenance of a class action, or intervening changes in the law that could have the same consequence.

37. Given the complex and multifaceted nature of the issues in the case, trial of this Action would be extremely complex and pose numerous hurdles to the Settlement Class. It is also likely that the unsuccessful party would file post-trial motions and appeals to limit or overturn any verdict. The post-trial motion and appeals process would likely span several years, during which time the Settlement Class would receive no payment. In addition, an appeal of any verdict in Plaintiffs' favor would carry with it the risk of reversal, in which case the Settlement Class would receive no payment despite having prevailed on the claims at trial. In sum, the parties disagreed on the merits of this case, including whether damages were suffered and recoverable. Throughout this Action, Defendants strongly defended this lawsuit with experienced attorneys, and consistently denied that they were liable in any respect. Recovery of any amount at trial is far from certain, and thus, the Settlement is a very good result for the Settlement Class.

C. Plaintiffs' Counsel's Judgment Supports the Settlement

38. Given Plaintiffs' Counsel's extensive investigation into the events underlying the Action, Plaintiffs' Counsel are uniquely positioned to evaluate the fairness of the Settlement.

39. In their investigation, Plaintiffs' Counsel conducted an extensive factual and legal analysis of this Action by, *inter alia*: (i) reviewing and analyzing Osmotica's public filings, including offering materials, quarterly reports, press releases, quarterly earnings call and investment conference transcripts, and other public statements; (ii) collecting and reviewing a comprehensive compilation of analyst reports and major financial news service reports on Osmotica; (iii) reviewing and analyzing stock trading data relating to Osmotica; (iv) reviewing Plaintiffs' qualifications to serve as class representatives; (v) researching and analyzing publicly

available materials, both specifically related to Osmotica and more generally related to the generics pharmaceutical industry; (vi) drafting an initial complaint; (vii) drafting the Amended Complaint; (viii) preparing the motion papers and related documents in opposition to Defendants' motion to dismiss and motion for reconsideration; (ix) preparing for and engaging in oral argument concerning Defendants' motions to dismiss, to stay discovery, and for reconsideration; (x) reviewing and responding to Defendants' motion for leave to appeal; (xi) preparing for and participating in a formal mediation process with the Mediator, including drafting a detailed mediation submission; and (xii) negotiating and documenting this Settlement and obtaining preliminary approval of the Settlement.

40. Moreover, as detailed in their accompanying Certifications, Plaintiffs support the Settlement and the requested award of attorneys' fees and expenses and awards to Plaintiffs.

41. Similarly, Notice has been widely-communicated to potential Settlement Class Members, informing them of: (i) the terms of the Settlement; (ii) their right to exclude themselves from the Settlement Class and the deadline for doing so; (iii) the manner for submitting a Proof of Claim in order to be eligible for a payment from the Settlement Fund and the deadline for doing so; (iv) the request for an award of attorneys' fees and expenses; (v) Plaintiffs' requests for awards in connection with their efforts expended in representing the Settlement Class; and (vi) their right to object to any aspect of the Settlement, including the Plan of Allocation, award of attorneys' fees and expenses, and Plaintiffs' award request and the deadline for doing so. To date, there have been no objections to any aspect of the Settlement.

42. Given the foregoing, along with Plaintiffs' support and the lack of objectors, Plaintiffs' Counsel have concluded that the Settlement is fair, reasonable, and adequate for the Settlement Class, especially in light of the risks of continuing the Action.

D. The Settlement Was the Result of an Arm's-Length Negotiation by Experienced Counsel with a Nationally Respected Mediator

43. On December 15, 2020, the Parties attended a formal mediation conducted by the Mediator. Before this mediation session, Lead Counsel undertook efforts to ensure the mediation was as productive and successful as possible.

44. In connection with the mediation, Lead Counsel submitted a comprehensive mediation statement that included compelling arguments supporting the merits of the Action. In Plaintiffs' mediation statement, Lead Counsel articulated why Plaintiffs believed they could establish liability and damages.

45. Following receipt of Defendants' mediation statement, Lead Counsel prepared numerous responses to the arguments raised therein.

46. Lead Counsel participated in the mediation on December 15, 2020 over video conference. At the mediation, Lead Counsel again laid out Plaintiffs' claims to the Mediator and the reasons why these claims would succeed on the merits and provided comprehensive responses to Defendants' arguments. Then, following hours of negotiations amongst Lead Counsel and Defendants' Counsel facilitated by the Mediator, the Parties reached an agreement-in-principle to settle the Action for $5,250,000, subject to reaching an agreement on the non-monetary terms of the Settlement.

47. Even though the agreement-in-principle was reached, the Parties engaged in further negotiations after the mediation over the details of the Stipulation and the other facets of the Settlement and its documentation. Only after several weeks of additional negotiations and substantial effort in drafting all of the Settlement-related documentation and necessary filings did the Parties finally agree to all the terms of the Settlement reflected in the Stipulation.

48. This Action was hard-fought at every stage by experienced counsel and the Settlement was overseen by a reputable and experienced mediator, which strongly weighs in favor of a finding that the Settlement is fair, reasonable, and should be approved.

IV. THE PLAN OF ALLOCATION

49. The Net Settlement Fund will be distributed to Settlement Class Members on a *pro rata* basis pursuant to a Plan of Allocation formulated by Lead Counsel. The Plan of Allocation follows the statutory framework adopted by Congress in Section 11(e) of the Securities Act, with the goal of compensating Settlement Class Members in a fair and equitable manner.

50. Specifically, once notice and administration expenses, Taxes, Tax Expenses, and any Court-approved attorneys' fees and expenses and awards to Plaintiffs have been paid from the Settlement Fund, the remaining amount shall be distributed to those Settlement Class Members that submit valid claims ("Authorized Claimants"), and who are entitled to a distribution of at least $10.00. The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Claim." Any amount remaining following the distribution shall be redistributed amongst Authorized Claimants in an economically feasible manner, until such redistributions are no longer economically feasible. Thereafter, the *de minimis* residual will be donated to a non-profit organization that has no affiliation or financial relationship with Plaintiffs, Defendants, Plaintiffs' Counsel, or Defendants' Counsel.

51. The Plan of Allocation is set forth in the Notice, and to date, no objections to the Plan of Allocation have been filed. Plaintiffs' Counsel respectfully submit that the Plan of Allocation is fair and reasonable and should be approved by the Court.

V. PLAINTIFFS' COUNSEL'S REQUEST FOR AN AWARD OF ATTORNEYS' FEES AND EXPENSES AND AWARDS TO PLAINTIFFS

A. The Requested Fee Is Reasonable Under the Factors Considered by New Jersey Courts

52. Plaintiffs' Counsel respectfully request that the Court award attorneys' fees of 33-1/3% of the $5,250,000 Settlement Amount. Plaintiffs' Counsel believe such a fee is reasonable and appropriate in light of the result obtained and the resources counsel expended in prosecuting the Action, and the inherent risk of nonpayment from representing the Settlement Class on a contingent basis.[4] The legal authorities supporting the requested fees are set forth in Plaintiffs' Counsel's separate memorandum of law, submitted herewith.

1. The Risks of the Action

53. Plaintiffs' Counsel incorporate by reference the earlier discussion of the risks posed by Defendants' arguments concerning liability, causation, and damages. *See supra* ¶¶25-37.

54. Coupled with the aforementioned legal risks, this Action was undertaken on a contingent basis, which presented added risks. In that regard, Plaintiffs' Counsel understood from the outset that they were embarking on a complex and expensive litigation with no guarantee of being compensated for the substantial investment of time and money the Action would require. In undertaking that responsibility, Plaintiffs' Counsel were obligated to ensure that sufficient resources were dedicated to the prosecution of the Action, and that funds were available to compensate staff and to cover the considerable costs that a case such as this requires. Thus, the financial burden on contingent-fee counsel is far greater than on a firm that is paid on an ongoing basis. Indeed, Plaintiffs' Counsel have received no compensation during the course of the Action to date.

[4] Plaintiffs' Counsel litigated this matter on a fully contingent basis and Plaintiffs' Counsel have not been paid any fee by any client in connection therewith.

55. Additionally, Plaintiffs' Counsel also bore exposure from the risks that no recovery would be obtained, or that a judgment could not be collected. Success is never assured in complex securities class actions, and even with the most vigorous and skilled efforts, such lawsuits often leave contingency-based counsel bearing all their expenses. Plaintiffs' Counsel are aware of many hard-fought lawsuits where, for a variety of unfavorable factual and/or legal reasons, no recovery or judgment could be obtained.

56. Based on their experience in litigating actions such as the Action, Plaintiffs' Counsel know that commencing a securities class action does not ensure a recovery, but rather, it takes hard work and diligence by skilled counsel to develop the facts and theories that are needed to sustain a complaint or win at trial, or to convince sophisticated defendants to engage in serious settlement negotiations at meaningful levels.

57. Thus, when Plaintiffs' Counsel undertook the representation of the Settlement Class in the Action, they were aware that the only way they would be compensated was to achieve a successful result for the Settlement Class. In the face of the risks mentioned herein, Plaintiffs' Counsel obtained a successful result, *i.e.*, the $5,250,000.00 cash recovery, and this represents a substantial benefit conferred on the members of the Settlement Class by Plaintiffs' Counsel.

2. Plaintiffs' Counsel Did Not Have the Benefit of a Prior Judgment

58. The Action was the only litigation filed and prosecuted arising from the allegedly false and misleading Registration Statement. Furthermore, there was no government investigation or any regulatory action to assist Plaintiffs' Counsel's investigation. Consequently, this left the burden with Plaintiffs' Counsel to develop the facts and legal theories in an effort to obtain a recovery for the Settlement Class. In the face of this adversity, as a direct result Plaintiffs' Counsel's efforts in the Action, along with Plaintiffs' assistance, Plaintiffs' Counsel secured the Settlement.

3. Lead Counsel and Defense Counsel Are Preeminent Firms in the Securities Class Action Realm

59. Lead Counsel, Robbins Geller, is a leader in the securities class action realm and has a storied history of achieving successful results in securities class actions. Moreover, Robbins Geller, along with Liaison Counsel Cohn Lifland and the other Plaintiffs' counsel, vigorously prosecuted this Action and were able to use their substantial experiences gained in prior securities class actions to benefit the Settlement Class.

60. The Settlement is a direct result of Lead Counsel's relentless efforts in the prosecution of the Action as well as its known reputation for being aggressive and skillful practitioners, which enabled us to obtain a favorable result for the Settlement Class in less than two years.

61. Meanwhile, Defendants' Counsel – Ropes & Gray LLP, Goodwin Procter LLP, and Saiber LLC – are highly respected law firms. In holding true to their reputation, Defendants' Counsel presented a skilled defense and challenged Plaintiffs' Counsel at every turn in the Action.

4. The Magnitude and Complexity of the Action

62. Given their nature, courts have recognized that, in general, securities class actions are highly complex. The Action is no exception.

63. Lead Counsel incorporates by reference the earlier discussion of Defendants' arguments concerning liability, causation, and damages, which demonstrate the complexity of the Action. *See supra* ¶¶25-37.

64. Additionally, there were certain defenses available to some Defendants that were not available to others, *i.e.*, the due diligence defense for the Underwriter Defendants, that added to the complexity of the Action.

65. As with the complexity of the Action, the magnitude of the Action was significant as the potential damages ranged in the tens of millions of dollars. Thus, Plaintiffs' Counsel's ability to resolve the Action on such favorable terms further supports the requested fee.

5. The Amount Recovered

66. The Settlement Amount supports Plaintiffs' Counsel's requested fee. Defendants further argued at the mediation that damages would be limited to approximately $1 million assuming a jury accepted Defendants' negative causation argument, meaning the Settlement recovers approximately 525% of proper damages as alleged by Defendants. According to Plaintiffs' analysis, maximum total potential damages were approximately $21 million, meaning the Settlement recovers approximately 25% under this best-case scenario.

67. Nevertheless, using either Plaintiffs' or Defendants' metrics, the Settlement represents a substantial recovery on a percentage basis that supports Plaintiffs' Counsel's requested fee.

6. The History and Work Done by Plaintiffs' Counsel

68. Since July 2019, Plaintiffs' Counsel have expended a substantial amount of time and effort in prosecuting the Action, as discussed in detail above and incorporated by reference. *See supra* ¶¶17-20, 38-39.

69. During this time, Plaintiffs' Counsel have, *inter alia*, drafted pleadings, discovery motions, and mediation submissions. However, Plaintiffs' Counsel's efforts did not stop after a preliminary settlement was reached. Since that time, Plaintiffs' Counsel drafted all the relevant Settlement papers setting out the terms of the Settlement and seeking preliminary and final approval and will continue to do so until a final judgment is entered and any appeals have been exhausted. Lead Counsel also continues to oversee the work of the Claims Administrator, and will do so until the entirety of the Settlement Fund has been distributed. Thus, based on Plaintiffs'

Counsel's investigation and successful prosecution of the Action, as well as their efforts expensed in the Settlement process, this factor supports the requested fees.

7. The Fees Charged to a Victorious Plaintiff

70. As is typical in securities class actions, Plaintiffs' Counsel are requesting a fee of 33-1/3% of the Settlement Fund.

71. Fees in the range of one-third of common settlement funds are the typical fee arrangement struck by plaintiffs in non-class cases.

72. Therefore, Plaintiffs' Counsel's fee request of 33-1/3% of the Settlement Fund is both fair and reasonable.

B. The Requested Expenses Are Fair and Reasonable

73. Plaintiffs' Counsel seek an award of $28,538.13 in expenses in connection with the prosecution of the Action.

74. Plaintiffs' Counsel submit that the expenses are reasonable and were necessary for the successful prosecution of this Action. Plaintiffs' Counsel were aware that they may not recover any of these expenses unless and until this Action was successfully resolved against Defendants. Accordingly, Plaintiffs' Counsel took steps to minimize expenses whenever practicable without jeopardizing the vigorous and efficient prosecution of Plaintiffs' claims.

75. The requested expenses reflect routine and typical expenditures incurred in the course of litigation, such as the costs of travel, document duplication, mediation fees, and expedited mail delivery, for example. Plaintiffs' Counsel believe these expenses are reasonable and were necessary for the successful prosecution of the Action.

C. Plaintiffs' Requested Service Awards Are Reasonable

76. Plaintiffs, the only investors to challenge the alleged false and misleading Registration Statement issued in connection with the IPO, have requested a modest service award of $2,500 each (collectively, $7,500) for their time and efforts prosecuting the Action.

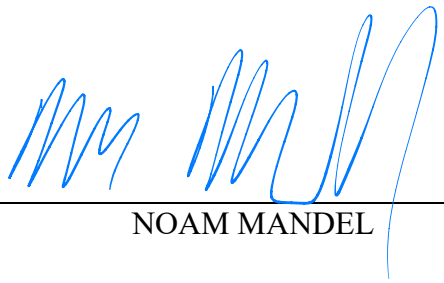
77. As discussed in Plaintiffs' supporting Certifications, they have been fully committed to pursuing the claims detailed in the Amended Complaint on behalf of the Settlement Class since they initiated the Action. These efforts required Plaintiffs to dedicate considerable time and resources to this Action that would have been devoted to other matters.

78. The Notice informed potential Settlement Class Members of Plaintiffs' requested service awards, and to date, there have been no objections to said awards. Therefore, the Court should grant service awards of $2,500 each to Plaintiffs.

VI. CONCLUSION

79. In light of the significant recovery to the Settlement Class and the substantial risks of the Action, as described above and in the accompanying memorandum of law, Plaintiffs' Counsel respectfully submit that the Settlement and Plan of Allocation should be approved as fair and reasonable. In addition, as a result of the recovery obtained in the face of substantial risks, including the contingent nature of the fees and the complexity of the case, Plaintiffs' Counsel respectfully submit that the Court should award attorneys' fees in the amount of 33-1/3% of the Settlement Amount, plus $28,538.13 in expenses, plus the interest earned thereon at the same rate and for the same period as that earned on the Settlement Fund until paid, plus an award of $2,500 each to the Plaintiffs in connection with their representation of the Settlement Class.

I certify that the foregoing statements made by me are true to the best of my knowledge and belief. I am aware that if the foregoing statements made by me are willfully false, I am subject to punishment.



NOAM MANDEL

Dated: August 17, 2021