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**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

IN RE KORNIT DIGITAL LTD.
SECURITIES LITIGATION

Master File No. 2:23-cv-00888-MCA-
AME

CLASS ACTION

**NOTICE OF LEAD PLAINTIFFS'
MOTION FOR FINAL APPROVAL
OF SETTLEMENT AND PLAN OF
ALLOCATION**

TO: ALL PARTIES AND THEIR COUNSEL OF RECORD:

PLEASE TAKE NOTICE that Court-appointed Lead Plaintiffs Genesee County Employees' Retirement System, Kranot Hishtalmut Le Morim Tichoniim Havera Menachelet LTD, Kranot Hishtalmut Le Morim Ve Gananot Havera Menachelet LTD, and Hachshara Insurance Company Ltd. ("Lead Plaintiffs"), by and through their undersigned counsel, respectfully move this Court, pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, for (i) a judgment granting final approval of the proposed settlement of the above-captioned securities class action ("Settlement") on the terms set forth in the Stipulation and Agreement of Settlement dated as of July 2, 2026 (Dkt. No. 99-2); and (ii) an order approving the proposed plan for allocating the net proceeds of the Settlement to the Settlement Class.

PLEASE TAKE FURTHER NOTICE that, in support of the Motion, the undersigned intend to rely on the accompanying Memorandum of Law and the Declaration of James A. Harrod in Support of (I) Lead Plaintiffs' Motion for Final Approval of Settlement and Plan of Allocation, and (II) Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses, and the exhibits attached thereto, all papers and pleadings filed in the Action, the arguments of counsel, and any other matters properly before the Court.

PLEASE TAKE FURTHER NOTICE that a proposed judgment and proposed order granting the relief requested herein will be submitted in connection with Lead Plaintiffs' reply submission to be filed on November 11, 2026.

Dated: October 14, 2026

Respectfully submitted,

By: /s/ James E. Cecchi

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**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

IN RE KORNIT DIGITAL LTD.
SECURITIES LITIGATION

Master File No. 2:23-cv-00888-MCA-
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CLASS ACTION

**MEMORANDUM OF LAW IN SUPPORT OF
LEAD PLAINTIFFS' MOTION FOR FINAL APPROVAL
OF SETTLEMENT AND PLAN OF ALLOCATION**

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Court-appointed Lead Plaintiffs Genesee County Employees' Retirement System, Kranot Hishtalmut Le Morim Tichoniim Havera Menachelet LTD, Kranot Hishtalmut Le Morim Ve Gananot Havera Menachelet LTD, and Hachshara Insurance Company Ltd. (collectively, "Lead Plaintiffs"), on behalf of themselves and the Settlement Class, respectfully submit this Memorandum of Law in support of their Motion, pursuant to Rule 23 of the Federal Rules of Civil Procedure ("Rules"), for (i) final approval of the proposed settlement of this securities class action ("Action") on the terms set forth in the Stipulation and Agreement of Settlement dated as of July 2, 2026 (Dkt. No. 99-2) ("Stipulation"), and (ii) approval of the proposed plan for allocating the net proceeds of the Settlement ("Plan of Allocation" or "Plan").¹

¹ All capitalized terms not defined herein have the meanings ascribed to them in the Stipulation and in the accompanying Declaration of James A. Harrod in Support of (I) Lead Plaintiffs' Motion for Final Approval of Settlement and Plan of Allocation, and (II) Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses ("Harrod Declaration" or "Harrod Decl."). The Harrod Declaration is an integral part of this submission and, for the sake of brevity, Lead Plaintiffs respectfully refer the Court to the Harrod Declaration for a full description of the history of the Action and Plaintiffs' Counsel's extensive litigation efforts (¶¶ 11-50); the settlement negotiations (¶¶ 51-59); and the risks of continued litigation (¶¶ 62-83). Unless otherwise noted, citations to "¶ __" are to paragraphs in the Harrod Declaration and citations to "Ex. __" are to exhibits to the Harrod Declaration. All internal citations are omitted and emphasis is added unless otherwise indicated.

I. INTRODUCTION

Subject to Court approval, Lead Plaintiffs have agreed to settle all claims asserted in this Action against Kornit Digital Ltd. (“Kornit” or the “Company”), Kornit’s Chief Executive Officer Ronen Samuel, and its former Chief Financial Officer, Alon Rozner (together with Samuel, the “Individual Defendants” and together with Kornit, “Defendants”), in exchange for a \$19.5 million cash payment (“Settlement Amount”).

As detailed in the Harrod Declaration and summarized below, the Settlement is the culmination of more than three years of vigorous litigation efforts and extended settlement negotiations facilitated by an experienced mediator. ¶¶ 11-61. At the time of Settlement, Plaintiffs’ Counsel had (1) conducted an extensive investigation into the claims asserted, which included a detailed review of public documents, interviews with dozens of former Kornit employees, and consultation with experts; (2) drafted a detailed Consolidated Complaint and Amended Complaint; (3) vigorously opposed Defendants’ two rounds of motions to dismiss through extensive briefing and oral argument; (4) fully briefed Lead Plaintiffs’ opposition to Defendants’ motion for judgment on the pleadings; and (5) begun discovery, including drafting a protective order, ESI protocol, Joint Discovery Plan, initial disclosures, requests for production of documents, and interrogatories, and responding to Defendants’ discovery requests. *Id.* As a result of these efforts, Lead

Plaintiffs and Plaintiffs' Counsel had a well-developed understanding of the strengths and weaknesses of the Settlement Class's claims when they agreed to resolve the Action.

In addition, the Settlement is the result of extended arm's-length settlement negotiations between experienced counsel, which included pre-mediation discovery, detailed mediation briefing, and a formal mediation session with Jed Melnick of JAMS. ¶¶ 51-57. Indeed, the \$19.5 million Settlement was ultimately reached as a result of a mediator's proposal from Mr. Melnick. ¶ 58.

While Lead Plaintiffs believe that the Settlement Class's claims are meritorious, they recognize that there were substantial risks to further litigation. Lead Plaintiffs faced significant risks that adverse determinations on their motion for class certification, at summary judgment, at trial, or in likely appeals that would follow any verdict for Lead Plaintiffs, that could have precluded any recovery for the Settlement Class. In contrast, the proposed Settlement represents a meaningful percentage of the Settlement Class's likely recoverable damages and provides Settlement Class Members with the certainty of a recovery in the face of these risks as to both liability and damages. Therefore, Lead Plaintiffs and Lead Counsel respectfully submit that the Settlement provides a favorable result for the Settlement Class and satisfies all the standards for final approval under Rule 23(e)(2).

On July 21, 2026, the Court preliminarily approved the Settlement. Dkt. No. 101, ¶ 4. The Settlement has the full support of Lead Plaintiffs, which are each sophisticated investors that took an active role in supervising the litigation. Exs. 1-3. In addition, the reaction of the Settlement Class to date has been uniformly positive. While the deadline for objecting to the Settlement and Plan of Allocation has not yet passed, following an extensive notice campaign, no objections or requests for exclusion from the Settlement Class have been received to date. ¶¶ 90, 101.

Lead Plaintiffs also request approval of the proposed Plan of Allocation of the Net Settlement Fund. The Plan establishes how the Settlement proceeds will be distributed among Authorized Claimants. The Plan is based on the analysis of Lead Plaintiffs' damages expert and applies the same formulas for calculating damages to all Settlement Class Members based on the losses they suffered as a result of the alleged fraud.

Given the foregoing considerations and the factors addressed below, Lead Plaintiffs respectfully submit that (i) the Settlement meets the standards for final approval under Rule 23, and is a fair, reasonable, and adequate result for the Settlement Class, and (ii) the proposed Plan of Allocation is a fair and reasonable method for equitably allocating the Net Settlement Fund to Settlement Class Members.

II. THE SETTLEMENT WARRANTS FINAL APPROVAL

Rule 23(e)(2) requires judicial approval of any class action settlement. Whether to grant such approval lies within the district court's discretion. *See In re Warfarin Sodium Antitrust Litig.*, 391 F.3d 516, 535 (3d Cir. 2004). This discretion should be guided by this Circuit's strong judicial policy favoring settlement, which "is especially strong in class actions and other complex cases where substantial judicial resources can be conserved by avoiding formal litigation." *Ehrheart v. Verizon Wireless*, 609 F.3d 590, 595 (3d Cir. 2010); *see also McDonough v. Horizon Blue Cross Blue Shield of N.J.*, 641 F. App'x 146, 150 (3d Cir. 2015) (noting "overriding public interest in settling class action litigation"); *Fernandez v. DouYu Int'l Hldgs. Ltd.*, 2025 WL 3564643, at *4 (D.N.J. Dec. 12, 2025) ("In this Circuit, settlements, particularly in the context of large class actions, are favored.").

Under Rule 23(e)(2), the Court should approve a proposed class action settlement if it finds it to be "fair, reasonable, and adequate." Fed. R. Civ. P. 23(e)(2); *see also In re NFL Players Concussion Injury Litig.*, 821 F.3d 410, 436 (3d Cir. 2016). In making this determination, Rule 23(e)(2) provides that a court should consider whether:

- (A) the class representatives and class counsel have adequately represented the class;
- (B) the proposal was negotiated at arm's length;
- (C) the relief provided for the class is adequate, taking into account:
 - (i) the costs, risks, and delay of trial and appeal;

- (ii) the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims;
 - (iii) the terms of any proposed award of attorney's fees, including timing of payment; and
 - (iv) any agreement required to be identified under Rule 23(e)(3); and
- (D) the proposal treats class members equitably relative to each other.

Fed. R. Civ. P. 23(e)(2).

Consistent with this guidance, courts in this Circuit have long considered the factors enumerated in *Girsh v. Jepsen* in deciding whether to approve a class action settlement:

(1) the complexity, expense and likely duration of the litigation . . . ; (2) the reaction of the class to the settlement . . . ; (3) the stage of the proceedings and the amount of discovery completed . . . ; (4) the risks of establishing liability . . . ; (5) the risks of establishing damages . . . ; (6) the risks of maintaining the class action through the trial . . . ; (7) the ability of the defendants to withstand a greater judgment; (8) the range of reasonableness of the settlement fund in light of the best possible recovery . . . ; [and] (9) the range of reasonableness of the settlement fund to a possible recovery in light of all the attendant risks of litigation. . . .

521 F.2d 153, 156-57 (3d Cir. 1975) (ellipses in original); *In re Wilmington Tr. Sec. Litig.*, 2018 WL 6046452, at *4 (D. Del. Nov. 19, 2018).² The Third Circuit also advises courts to consider, where applicable, the additional factors set forth in *In re*

² “These factors are a guide and the absence of one or more does not automatically render the settlement unfair.” *In re Valeant Pharms. Int’l, Inc. Sec. Litig.*, 2020 WL 3166456, at *7 (D.N.J. June 15, 2020), *report & recommendation adopted*, 2021 WL 358611 (Feb. 1, 2021).

Prudential Insurance Co. America Sales Practice Litigation Agent Actions, 148 F.3d 283 (3d Cir. 1998). *See infra* § II.C.7.³

At the preliminary approval stage, this Court considered the Rule 23(e)(2) factors in assessing the Settlement, and found that it will likely be able to finally approve the Settlement as fair, reasonable, and adequate, subject to further consideration at the Settlement Hearing. Dkt. No. 101, ¶ 4. Nothing has changed to alter the Court’s previous findings, and the factors supporting its determination to preliminarily approve the Settlement apply equally now. Lead Plaintiffs respectfully submit that the Settlement is fair, reasonable, and adequate, and warrants final approval under the Rule 23(e)(2) factors and Third Circuit law.

A. Lead Plaintiffs and Lead Counsel Have Adequately Represented the Settlement Class in this Action

The first Rule 23(e)(2) factor—whether Lead Plaintiffs and Lead Counsel “have adequately represented the class”—favors approval of the Settlement. The determination of adequacy “primarily examines two matters: the interests and

³ The Advisory Committee Notes to the 2018 amendments to Rule 23 explain that the four Rule 23(e)(2) factors are not intended to “displace” any factor previously adopted by the courts, but “rather to focus the court and the lawyers on the core concerns of procedure and substance that should guide the decision whether to approve the proposal.” Fed. R. Civ. P. 23(e)(2) advisory committee’s note. Accordingly, Lead Plaintiffs discuss below the fairness, reasonableness, and adequacy of the Settlement principally in relation to the four Rule 23(e)(2) factors, but also discuss the application of the non-duplicative factors articulated by the Third Circuit in *Girsh* and *Prudential*.

incentives of the class representatives, and the experience and performance of class counsel.” *In re Cmty. Bank of N. Va. Mortg. Lending Pracs. Litig.*, 795 F.3d 380, 392 (3d Cir. 2015).

Lead Plaintiffs, like all other Settlement Class Members, purchased Kornit ordinary shares during the Class Period and were injured by Defendants’ alleged misrepresentations. Lead Plaintiffs have no interests antagonistic to other members of the Settlement Class, and share claims in common with its members. *See Utah Ret. Sys. v. Healthcare Servs. Grp., Inc.*, 2022 WL 118104, at *4 (E.D. Pa. Jan. 12, 2022) (“Plaintiff’s interests are coextensive with, and not antagonistic to, the interests of the class since they all raise the same claims and seek the same relief: they share the same interest in holding Defendants accountable for their alleged misconduct.”).

In addition, Lead Plaintiffs diligently supervised and participated in the Action and, through their efforts, provided meaningful direction and assistance to Lead Counsel. Lead Plaintiffs’ efforts included, among other things, communicating regularly with Lead Counsel about case developments and strategy; reviewing and commenting on pleadings and briefs; and consulting with counsel during the Parties’ settlement negotiations and ultimately approving the Settlement. *See* Ex. 1, ¶¶ 4, 8; Ex. 2, ¶¶ 4, 8; Ex. 3, ¶¶ 4, 8.

Lead Plaintiffs also retained counsel who are highly experienced in securities litigation, and Plaintiffs' Counsel extensively litigated the Settlement Class's claims and negotiated the Settlement. *See Alves v. Main*, 2012 WL 6043272, at *22 (D.N.J. Dec. 4, 2012) ("[C]ourts in this Circuit traditionally attribute significant weight to the belief of experienced counsel that settlement is in the best interest of the class."), *aff'd*, 559 F. App'x 151 (3d Cir. 2014). As noted above, by the time of settlement, Plaintiffs' Counsel had: (i) exhaustively investigated the Settlement Class's claims and prepared two detailed consolidated complaints (¶¶ 14-17, 24); (ii) overcome two rounds of Defendants' motions to dismiss (¶¶ 18-23, 25-29); (iii) fully briefed Lead Plaintiffs' opposition to Defendants' motion for judgment on the pleadings (¶¶ 31-34); (iv) initiated discovery (¶¶ 35-49); (v) conducted pre-mediation discovery (¶ 53); and (vi) engaged in extended settlement negotiations, including mediation briefing, and a formal mediation session (¶¶ 51-59).

In short, Lead Plaintiffs and Plaintiffs' Counsel respectfully submit that their record of vigorous litigation of this Action—as fully set forth in the Harrod Declaration—demonstrates the adequacy of their representation of the Settlement Class.

B. The Parties Negotiated the Settlement at Arm's Length with the Assistance of an Experienced Mediator

The second factor under Rule 23(e)(2) considers whether the Settlement was negotiated at arm's length. *See* Rule 23(e)(2)(B). Here, the Parties' extended

settlement negotiations included a formal mediation session with Jed Melnick of JAMS, a highly experienced mediator of securities class actions and other complex litigation. ¶ 57. In advance of the mediation session, the Parties conducted pre-mediation discovery, with Defendants producing documents directed at key liability issues in the case, including documents relating to service contracts, product demand, and accounting for the first quarter of 2022 sales. ¶ 53. In addition, the Parties exchanged and submitted to the mediator detailed mediation statements addressing issues of liability and damages. ¶ 54. A full-day, in-person mediation session with Mr. Melnick was held on April 7, 2026. ¶ 55. At the session, the Parties engaged in vigorous settlement negotiations with the assistance of Mr. Melnick, but did not reach an agreement to settle. *Id.*

The Parties continued to engage in settlement negotiations with the assistance of Mr. Melnick over the following weeks and he ultimately issued a mediator's proposal to settle the Action for \$19.5 million, which both sides accepted on April 28, 2026. ¶ 58.

The involvement of an experienced, independent mediator like Mr. Melnick is strong evidence that the Settlement was reached through arm's-length negotiations and without collusion. *See McGowan v. CFG Health Network, LLC*, 2024 WL 1340329, at *7 (D.N.J. Mar. 28, 2024) ("Participation of an independent mediator in settlement negotiations 'virtually insures that the negotiations were conducted at

arm's length and without collusion between the parties.'"); *see also Vitiello v. Bed Bath & Beyond Inc.*, 2022 WL 21305086, at *3 (D.N.J. June 3, 2022) (approving settlement and citing "the involvement of a respected and experienced mediator (Jed Melnick, Esq.)"); *In re Valeant Pharms. Int'l, Inc. Third-Party Payor Litig.*, 2021 WL 7159892, at *2 (D.N.J. Dec. 6, 2021) (finding that settlement was "not the result of collusion" where it was reached "with the assistance of an experienced mediator, Jed D. Melnick, Esq. of JAMS"), *report & recommendation adopted*, 2022 WL 525807 (D.N.J. Feb. 22, 2022).

In addition, as a result of Lead Plaintiffs' detailed investigation, extensive briefing of several motions at the pleading stage, and pre-mediation discovery, the proceedings had reached a stage where Lead Plaintiffs and Lead Counsel could make a sound evaluation of the claims and the propriety of settlement. *See* William Rubenstein, Alba Conte & Herbert B. Newberg, 4 NEWBERG AND RUBENSTEIN ON CLASS ACTIONS § 13:49 n.25 (6th ed. 2023) (approval warranted "[w]here a court can conclude that the parties ha[d] sufficient information to make an informed decision about settlement"); *Schuler v. Meds. Co.*, 2016 WL 3457218, at *7 (D.N.J. June 24, 2016) (finding that "Lead Counsel had ample information to evaluate the prospects for the Class and to assess the fairness of the Settlement" where it had reviewed publicly available information, conducted an extensive investigation,

consulted with an expert, drafted initial and amended complaints, opposed defendants' motion to dismiss, and engaged in mediation).

C. The Settlement Provides the Settlement Class Adequate Relief, Considering the Costs, Risks, and Delay of Litigation and Other Relevant Factors

Rule 23(e)(2)(C) overlaps considerably with many of the factors articulated in *Girsh*. All of these factors, which entail “a substantive review of the terms of the proposed settlement” and the “relief that the settlement is expected to provide to” the Settlement Class, weigh in favor of the Settlement. *See* Fed. R. Civ. P. 23(e)(2)(A) & (B) advisory committee’s note to 2018 amendment.

1. The Complexity, Expense, and Likely Duration of the Litigation

Rule 23(e)(2)(C)(i) and the first *Girsh* factor look to “the complexity, expense and likely duration of the litigation.” *Girsh*, 521 F.2d at 157. “This factor is intended to capture the probable costs, in both time and money, of continued litigation.” *In re ViroPharma Inc. Sec. Litig.*, 2016 WL 312108, at *9 (E.D. Pa. Jan. 25, 2016). Indeed, settlement is favored where “continuing litigation through trial would have required additional discovery, extensive pretrial motions addressing complex factual and legal questions, and ultimately a complicated, lengthy trial.” *Talone v. Am. Osteopathic Ass’n*, 2018 WL 6318371, at *14 (D.N.J. Dec. 3, 2018).

Courts consistently acknowledge that securities class actions are “notably complex, lengthy, and expensive cases to litigate.” *In re Par Pharm. Sec. Litig.*, 2013

WL 3930091, at *4 (D.N.J. July 29, 2013). This case was no exception. To achieve a recovery through further litigation would require the resolution of Defendants' motion for judgment on the pleadings; a motion for class certification, substantial fact and expert discovery, including numerous depositions; expected motions for summary judgment; and ultimately a trial that would include a number of complex factual issues and expert testimony. Continued litigation would have presented numerous risks to Lead Plaintiffs' ability to establish liability and damages and would have required substantial additional time and expense.⁴ In contrast, the Settlement avoids the risk, expense, and delay of continued litigation while providing a substantial, near-term recovery for the Settlement Class.

2. The Risks of Continued Litigation

In assessing a settlement, a court should also consider “the risks of establishing liability,” “the risks of establishing damages,” and “the risks of maintaining the class action through the trial.” *Girsh*, 521 F.2d at 157. “These

⁴ Even if Lead Plaintiffs prevailed at trial, Defendants surely would have appealed the verdict. Post-trial motions and appellate proceedings would have added significantly to the expense of this Action and delayed—potentially for years—any recovery to the Settlement Class (with no assurance that Lead Plaintiffs would ultimately prevail or recover more than the Settlement Amount). *See, e.g., In re BankAtlantic Bancorp, Inc. Sec. Litig.*, 2011 WL 1585605, at *1 (S.D. Fla. Apr. 25, 2011) (granting defendants judgment as a matter of law on the basis of loss causation, overturning jury verdict and award in plaintiff's favor), *aff'd on other grounds sub nom., Hubbard v. BankAtlantic Bancorp, Inc.*, 688 F.3d 713 (11th Cir. 2012).

[*Girsh*] factors balance the likelihood of success and the potential damage award if the case were taken to trial against the benefits of immediate settlement.” *Wilmington Tr.*, 2018 WL 6046452, at *5.

To prevail in this case, Lead Plaintiffs had the burden to convince a unanimous jury by a preponderance of the evidence of each of the elements of their claims, including that (1) Defendants made misstatements; (2) the misstatements were material; (3) the misstatements were made with scienter (*i.e.*, knowingly or with deliberate recklessness); (4) investors relied upon the misstatements; and (5) Defendants’ fraud caused investors’ losses.

Here, at the motion to dismiss stage, the Court dismissed various parts of Lead Plaintiffs’ claims, dismissing approximately 90% of the alleged misstatements and all of the Securities Act claims, while sustaining five alleged misstatements. *See Nobles v. MBNA Corp.*, 2009 WL 1854965, at *2 (N.D. Cal. June 29, 2009) (noting that, although “[p]laintiff’s claim has survived a motion to dismiss, [] success is not guaranteed if this matter were to proceed to jury trial.”); *see also, e.g., In re Apollo Grp., Inc. Sec. Litig.*, 2010 WL 5927988, at *1 (9th Cir. June 23, 2010) (granting judgment to defendants and nullifying a unanimous jury verdict for plaintiff following trial). As set forth below, these risks favor approval of the Settlement.

i. Risks to Establishing Liability

As detailed in the Harrod Declaration and summarized below, Lead Plaintiffs faced a number of substantial risks to proving liability. Defendants would have continued to argue—as they did at the motion to dismiss—that the alleged misrepresentations at issue were not false or misleading at the time Defendants made them and that Defendants sincerely believed the truth of their statements.

First, Lead Plaintiffs faced challenges in proving that the statements at issue were materially false or misleading. *See Oran v. Stafford*, 226 F.3d 275, 282 (3d Cir. 2000) (“To state a valid securities fraud claim . . . , a plaintiff must first establish that defendant . . . made a materially false or misleading statement. . . .”).

Specifically, Defendants would argue that the statements at issue—(i) Defendant Samuel’s February 2021 statement about the length and mandatory nature of Kornit’s service contracts; (ii) Defendant Samuel’s February 2022 statement that Kornit had “never been in a better position as a company”; (iii) Defendant Rozner’s May 2022 statement regarding the “pull-forward” of sales; and (iv) the statements on the May 2022 earnings call regarding the demand for Kornit’s products—were not actionably false or misleading.

There was a risk that the Court or jury might ultimately find that certain of these misstatements were either immaterial to investors or were vague or aspirational statements that were not actionable under the securities laws, or were accurate

statements about Kornit's business and operations when made. ¶¶ 66-68. For example, as to the statement about the length of Kornit's service contracts, Defendants had argued, and would continue to argue, that the contracts contained automatic renewal provisions that rendered them "multiple year" agreements in practice, that Kornit maintained a high "attach rate," and that the Company's SEC filings disclosed the terms of those contracts such that no reasonable investor could have been misled by the challenged statement. ¶ 67. As to Defendant Samuel's statement about the health of Kornit's business, Defendants argued that the statement constituted inactionable corporate puffery and, in any event, that the decline in demand for Kornit's products did not emerge until after the statement was made. *Id.* As to the "pull-forward" statement, Defendants argued, and would continue to argue, that the revenue pull-forward did not violate accounting rules and that Defendant Rozner had answered the analyst's question accurately from an accounting perspective. *Id.*

While Lead Plaintiffs believed that they had responses to each of these challenges, they presented a significant risk at future stages of the litigation. Indeed, the Court noted during the hearing on the motion to dismiss the Amended Complaint that certain of the sustained statements were a close call. ¶ 66.

Second, Lead Plaintiffs faced challenges in proving Defendants' scienter, one of the most difficult elements for a securities fraud plaintiff to prove. *See*

ViroPharma, 2016 WL 312108, at *12 (“Since stockholders normally have little more than circumstantial and accretive evidence to establish the requisite scienter, proving scienter is an uncertain and difficult necessity for plaintiffs.”).

Defendants would continue to argue that they did not act with fraudulent intent and that the challenged statements reflected the honestly held beliefs and expectations of the Individual Defendants about Kornit’s business and operations at the time they made those statements. Lead Plaintiffs faced risks that the Court or jury might find that Defendants lacked scienter on a complete record at summary judgment or trial. For instance, as to the statement regarding the health of Kornit’s business in February 2022, Lead Plaintiffs anticipate that Defendants would argue that Defendant Samuel subjectively believed that Kornit was in a better position than ever, that he had a good faith basis for his opinion, and that he did not know about the Company’s declining performance until after making the statement. ¶¶ 70, 74. As to the pull-forward statement, Lead Plaintiffs anticipate that Defendants would continue to argue that the pull-forward of revenue did not involve a *per se* accounting violation, and Lead Plaintiffs would need to prove that Defendant Rozner knew or was reckless in not knowing that the timing of the revenue recognized in the first quarter was a departure from industry practice. ¶ 70. Lead Plaintiffs anticipate that Defendants would also contend that the Individual Defendants had no motive to

mislead the market. ¶ 71. In short, Lead Plaintiffs would face real challenges in proving Defendants' scienter for each of the alleged misstatements.

ii. Risks to Establishing Loss Causation and Damages

Lead Plaintiffs also faced challenges in establishing loss causation and damages. *See Dura Pharms., Inc. v. Broudo*, 544 U.S. 336, 345-46 (2005) (plaintiffs bear the burden of proving "that the defendant's misrepresentations caused the loss for which the plaintiff seeks to recover").

In their motion for judgment on the pleadings, which was pending at the time the Parties reached a settlement, Defendants argued that the Court should dismiss the February 2021 service contract statement on loss causation grounds because none of the alleged corrective disclosures mentioned Kornit's service contracts or revealed any inaccuracy in the statement. ¶ 73. If granted, the motion would have reduced the Class Period by nearly a year, such that it would begin in February 2022, thereby reducing recoverable damages by approximately 60%. *Id.* While Lead Plaintiffs believed that this issue was not appropriate for resolution on the pleadings, the motion posed real risk. Even if the motion were denied, the Court could have raised the same argument at class certification or summary judgment, with the same effect on damages if the service contract statement was ultimately dismissed. *Id.*

Further, there was a risk that the Court might eliminate from recovery one or more of the alleged corrective disclosures at class certification, summary judgment,

or trial. Defendants were expected to contend that these misstatements cannot be certified as part of a class action under the U.S. Supreme Court’s decision in *Goldman Sachs Group, Inc. v. Arkansas Teacher Retirement System*, 594 U.S. 113 (2021). *Goldman* held that a class should not be certified if the defendant convinces the court that the alleged misstatements are too “generic” and vague, and thus the alleged misrepresentation could not have impacted the price of the stock, or if there is a substantial “mismatch” between the alleged misrepresentation and the disclosure that caused the price decline. ¶ 75. The statements that remain in this Action—including, for example, Defendant Samuel’s statement that Kornit had “never been in a better position as a company”—were potentially vulnerable to a *Goldman* argument. ¶ 74.

There was also a meaningful risk that the Court or a jury would find that significant portions of the stock price declines on the alleged corrective disclosure dates were due to factors unrelated to the alleged fraud. In this case, both of the alleged corrective disclosures coincided with Kornit providing earnings information to investors. For example, on May 11, 2022, Kornit reported disappointing financial results for Q1 2022, reflecting a decline in revenue, a net loss of \$5.2 million (compared to a profit of \$5.1 million the prior year), and a GAAP operating loss. Kornit also issued weaker-than-expected revenue guidance for Q2 2022. ¶ 75. Lead Plaintiffs allege that these financial results partially revealed that Defendants’

statements trumpeting Kornit’s business and operations were false and misleading. *Id.* Lead Plaintiffs anticipate that Defendants would argue that some or all of the stock price decline associated with this disclosure was driven by non-fraud related information, such as the impact of deteriorating macroeconomic conditions or increased competition. Accordingly, the need to “disaggregate” fraud-related damages from the overall stock price declines on the corrective disclosure dates was likely to materially lower the amounts of potential recovery in this case. ¶ 75.

Resolution of these complicated loss causation and disaggregation issues—and ultimately, the Settlement Class’s damages—would have hinged upon extensive expert discovery and testimony. Thus, “establishing damages at trial would lead to a battle of experts . . . with no guarantee whom the jury would believe.” *In re Cendant Corp. Litig.*, 264 F.3d 201, 239 (3d Cir. 2001). Courts have long recognized that this uncertainty presents a substantial litigation risk in securities actions and supports approval of a settlement. *See Dartell v. Tibet Pharms., Inc.*, 2017 WL 2815073, at *6 (D.N.J. June 29, 2017) (this factor weighed in favor of approval when loss causation would be reduced to a “battle of the experts” and “[t]he reaction of a jury to such competing expert testimony is impossible to predict”); *Lazy Oil, Co. v. Witco Corp.*, 95 F. Supp. 2d 290, 337 (W.D. Pa. 1997) (“[C]ourts have recognized the need for compromise where divergent testimony would render the litigation an expensive and complicated battle of experts.”), *aff’d*, 166 F.3d 581 (3d Cir. 1999).

iii. Risks to Maintaining the Class Action Through Trial

If the Action had continued, Lead Plaintiffs would have moved for certification of the class. While Lead Plaintiffs and Lead Counsel believe that the Action is appropriate for class treatment, the outcome of a contested motion and future appeals of a certification order via Rule 23(f) are far from certain. Defendants would have cited the arguments discussed above concerning loss causation and *Goldman* to argue that the class should not be certified because the price impact of Defendants' alleged misstatements could not be established or should be shortened. Moreover, even if the class was certified, "[t]here will always be a 'risk' or possibility of decertification, and consequently . . . this factor weighs in favor of settlement." *Prudential*, 148 F.3d at 321; *see also Christine Asia Co. v. Yun Ma*, 2019 WL 5257534, at *13 (S.D.N.Y. Oct. 16, 2019) ("the risk of maintaining a class through trial supports the approval of a settlement").

3. The Reasonableness of the Settlement Amount in Light of the Best Possible Recovery and the Risks of Litigation

The eighth and ninth *Girsh* factors, typically considered in tandem, ask "whether the settlement is reasonable in light of the best possible recovery and the risks the parties would face if the case went to trial." *Prudential*, 148 F.3d at 322. "In making this assessment, the Court compares the present value of the damages plaintiffs would likely recover if successful, appropriately discounted for the risk of not prevailing, with the amount of the proposed settlement." *Par Pharm.*, 2013 WL

3930091, at *7; *see also In re AT&T Corp. Sec. Litig.*, 455 F.3d 160, 170 (3d Cir. 2006) (“[T]he percentage recovery[] must represent a material percentage recovery to plaintiff in light of all the risks[.]”).

The \$19.5 million Settlement easily clears this threshold. The Settlement provides a favorable recovery for the Settlement Class when viewed in light of the range of damages that could likely be established through litigation. Assuming Lead Plaintiffs prevailed on all class certification and liability issues—which was far from certain—the theoretical maximum damages that Lead Plaintiffs could establish at trial was approximately \$522 million, according to Lead Plaintiffs’ expert analysis.

¶ 78. However, more realistic assumptions of any potential trial recovery, after accounting for disaggregation for impacts on Kornit stock price that were unrelated to alleged fraud, range from approximately \$131 million, assuming the full Class Period is sustained, to approximately \$103 million if the class period were shortened to begin on February 15, 2022 (after the second sustained alleged false statement).

¶ 79.

Therefore, the Settlement represents between 15% and 19% of the likely recoverable damages for the Settlement Class. ¶ 80. This range of recovery is well within the range of approved securities class action recoveries. *See Wilmington Tr.*, 2018 WL 6046452, at *8 (noting “Third Circuit median recovery of 5% of damages in class action securities litigation”); *Schuler*, 2016 WL 3457218, at *8 (recovery of

4% of estimated recoverable damages “falls squarely within the range of previous settlement approvals”); *Par Pharm.*, 2013 WL 3930091, at *8 (approving recovery of 7% of potential damages as “within the proper range of reasonableness”); *In re Hemispherx Biopharma, Inc., Sec. Litig.*, 2011 WL 13380384, at *6 (E.D. Pa. Feb. 14, 2011) (approving settlement representing 5.2% of damages and finding it “falls squarely within the range of reasonableness approved in other securities class action settlements”); *In re Am. Bus. Fin. Servs. Inc. Noteholders Litig.*, 2008 WL 4974782, at *7 (E.D. Pa. Nov. 21, 2008) (approving settlement representing 2.5% of damages).

Finally, Lead Plaintiffs faced a possibility that any available recovery would be reduced, including because Defendants’ remaining available insurance was being consumed by the ongoing litigation, thus reducing the practical range of any recovery that could be obtained. ¶ 82. Considering the foregoing risks as well as the time and expense of continued litigation, Lead Plaintiffs believe that the \$19.5 million Settlement provides a favorable result for the Settlement Class. ¶ 83.

4. Stage of the Proceedings and Amount of Discovery Completed

The third *Girsh* factor requires a court to consider “the degree of case development that class counsel have accomplished prior to settlement” in order to “determine whether counsel had an adequate appreciation of the merits of the case before negotiating” the settlement. *Cendant*, 264 F.3d at 235.

From the commencement of this Action in early 2023, Lead Plaintiffs and Plaintiffs' Counsel spent substantial time and resources prosecuting the Settlement Class's claims. ¶¶ 11-49. As noted above, before reaching the Settlement, Plaintiffs' Counsel had conducted an extensive investigation; drafted two detailed consolidated complaints; opposed two rounds of motions to dismiss through extensive briefing and oral argument; fully briefed Defendants' motion for judgment on the pleadings; begun formal fact discovery; and obtained and reviewed targeted pre-mediation discovery. ¶¶ 11-53. In addition, Plaintiffs' Counsel prepared a detailed mediation statement and participated in contested settlement negotiations, including a formal mediation session. ¶¶ 51-59. This substantial record demonstrates that, when the Parties reached the Settlement, Lead Plaintiffs and Plaintiffs' Counsel had ample information to make an informed decision about settlement based on the strengths and weaknesses of their case. This factor supports the Settlement.

5. Ability of Defendants to Withstand a Greater Judgment

The seventh *Girsh* factor considers “whether the defendants could withstand a judgment for an amount significantly greater than the [s]ettlement.” *Cendant*, 264 F.3d at 240. Here, Lead Plaintiffs faced a possibility that by the time a litigated judgment was reached, recovery might be limited by Kornit's financial condition and the fact that Defendants' remaining available insurance was being consumed by the ongoing litigation. ¶ 82. However, even if Defendants “could afford to pay more

does not mean that [they are] obligated to pay any more than what the . . . class members are entitled to under the theories of liability that existed at the time the settlement was reached.” *Warfarin*, 391 F.3d at 538. Here, even if Defendants could afford to pay more, this factor does not render the significant amount recovered through the Settlement any less fair, reasonable, or adequate. See *In re Schering-Plough Corp. Sec. Litig.*, 2009 WL 5218066, at *5 (D.N.J. Dec. 31, 2009) (“pushing for more in the face of risks and delay would not be in the interests of the class”).

6. The Reaction of the Settlement Class to Date

In assessing a settlement, courts in this Circuit also consider “the reaction of the class to the settlement.” *Girsh*, 521 F.2d at 157. The deadline for Settlement Class Members to object to the Settlement or request exclusion from the Settlement Class is October 28, 2026. As of the date of this filing, the Settlement has received no objections and there have been no requests for exclusion from the Settlement Class. ¶ 90; Segura Decl. (Ex. 4), at ¶ 17. Lead Plaintiffs will address any objections to the Settlement, as well as any requests for exclusion that may be received, in their reply papers, which will be filed by November 11, 2026.

7. The Relevant *Prudential* Factors Also Support the Settlement

In addition to Rule 23(e)(2) and the traditional *Girsh* factors, the Third Circuit also advises courts to address, where applicable, the following factors set forth in *Prudential*:

[1] the maturity of the underlying substantive issues, as measured by experience in adjudicating individual actions, the development of scientific knowledge, the extent of discovery on the merits, and other factors that bear on the ability to assess the probable outcome of a trial on the merits of liability and individual damages; [2] the existence and probable outcome of claims by other classes and subclasses; [3] the comparison between the results achieved by the settlement for individual class or subclass members and the results achieved—or likely to be achieved—for other claimants; [4] whether class or subclass members are accorded the right to opt out of the settlement; [5] whether any provisions for attorneys' fees are reasonable; and [6] whether the procedure for processing individual claims under the settlement is fair and reasonable.

148 F.3d at 323.

Each of the *Prudential* factors weighs in favor of the Settlement. As to the first *Prudential* factor, Lead Plaintiffs and Plaintiffs' Counsel had a well-developed understanding of the strengths and weaknesses of the case based on their extensive investigation and prosecution of the claims of the Settlement Class, work with experts, and mediation efforts. *See supra* § II.C.4. As to the second and third *Prudential* factors, Lead Plaintiffs are not aware of other classes or claimants asserting related securities fraud claims. As to the fourth *Prudential* factor, members of the Settlement Class have been accorded the right to opt out of the Settlement and, to date, none have done so.

As to the fifth and sixth *Prudential* factors, Lead Counsel's request for attorneys' fees is reasonable as set forth below in § II.D and in the accompanying

Fee and Expense Memorandum. The Plan that will govern the allocation of the Net Settlement Fund is also fair and reasonable as set forth below in § III.

D. The Remaining Rule 23(e)(2) Factors Support Final Approval of the Settlement

In evaluating the Settlement, Rule 23(e)(2) instructs courts to also consider: (i) “the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims;” (ii) “the terms of any proposed award of attorney’s fees, including timing of payment;” (iii) any other agreement made in connection with the proposed settlement; and (iv) whether class members are treated “equitably relative to each other.” Fed. R. Civ. P. 23(e)(2)(C)(ii)-(iv) & (e)(2)(D). All of these factors also support final approval.

First, the proposed method of distribution and claims processing ensures equitable treatment of Settlement Class Members. *See* Fed. R. Civ. P. 23(e)(2)(C)(ii) & (e)(2)(D). Settlement Class Members’ Claims will be processed and the Net Settlement Fund distributed pursuant to a standard method routinely approved in securities class actions. The Court-authorized Claims Administrator, JND, will review and process all Claims received, provide each Claimant with an opportunity to cure any deficiency in their Claim or request judicial review of the denial of their Claim, if applicable, and will ultimately mail or wire Authorized Claimants their *pro rata* share of the Net Settlement Fund, as calculated under the Plan of Allocation. *See infra* § III. This type of claims processing is standard in securities class actions

and has long been used and found to be effective. This claim procedure is necessary because neither Lead Plaintiffs nor Defendants possess data regarding investors' transactions in Kornit ordinary shares that would allow the Parties to create a claims-free process to distribute Settlement funds. Importantly, none of the Settlement proceeds will revert to Defendants. *See* Stipulation ¶ 13.

Second, the relief provided by the Settlement remains adequate upon consideration of the terms of the proposed award of attorneys' fees and Litigation Expenses incurred in prosecuting this Action, including the timing of any such Court-approved payments. *See* Fed. R. Civ. P. 23(e)(2)(C)(iii). As discussed in the Fee and Expense Memorandum, the requested attorneys' fees of 22% of the Settlement Fund, and to be paid upon the Court's approval, are reasonable in light of Plaintiffs' Counsel's efforts over the past three years and the significant risks borne by Plaintiffs' Counsel. Additionally, the 22% fee request is fully supported by Third Circuit case law. *See Wilmington Tr.*, 2018 WL 6046452, at *9 (finding 28% to be a "typical fee percentage" in the Third Circuit); *see also Beltran v. SOS Ltd.*, 2023 WL 319895, at *8 (D.N.J. Jan. 3, 2023) ("In common fund cases, the fees typically awarded to class counsel generally range between 19% to 45% of the Settlement Fund."), *report & recommendation adopted*, 2023 WL 316294 (Jan. 19, 2023).

Finally, as previously disclosed in connection with Lead Plaintiffs’ motion for preliminary approval of the Settlement, the only agreement the Parties entered into in addition to the Stipulation itself was a confidential Supplemental Agreement regarding requests for exclusion. *See* Stipulation ¶ 37. The Supplemental Agreement gives Kornit the right to terminate the Settlement if the valid requests for exclusion received from persons and entities entitled to be members of the Settlement Class exceed an amount agreed to by the Parties. *Id.* “This type of agreement is a standard provision in securities class actions and has no negative impact on the fairness of the Settlement.” *In re Signet Jewelers Ltd. Sec. Litig.*, 2020 WL 4196468, at *13 (S.D.N.Y. July 21, 2020); *see also Hefler v. Wells Fargo & Co.*, 2018 WL 4207245, at *11 (N.D. Cal. Sept. 4, 2018) (“The existence of a termination option triggered by the number of class members who opt out of the Settlement does not by itself render the Settlement unfair.”).

For the reasons set forth above and in the Harrod Declaration, the Settlement is fair, reasonable, and adequate when evaluated under any standard, or set of factors and, therefore, warrants the Court’s final approval.

III. THE COURT SHOULD APPROVE THE PLAN OF ALLOCATION

“Approval of a plan of allocation of a settlement fund in a class action is governed by the same standards of review applicable to approval of the settlement as a whole: the distribution plan must be fair, reasonable and adequate.” *Beltran*,

2023 WL 319895, at *9. An allocation formula recommended by experienced and competent class counsel “need only have a reasonable and rational basis.” *Par Pharm.*, 2013 WL 3930091, at *8. Moreover, “[a] plan of allocation that reimburses class members based on the type and extent of their injuries [relative to strength and value of their claims] is generally reasonable.” *In re Lucent Techs., Inc., Sec. Litig.*, 307 F. Supp. 2d 633, 649 (D.N.J. 2004); *see also In re Gen. Instrument Sec. Litig.*, 209 F. Supp. 2d 423, 431 (E.D. Pa. 2001) (deeming plan of allocation “even handed” where “claimants are to be reimbursed on a *pro rata* basis for their recognized losses based largely on when they bought and sold their shares of [eligible] stock”).

Here, the Plan (set forth in Appendix A to the Notice) was developed by Lead Counsel in consultation with Lead Plaintiffs’ damages expert. ¶ 92. The Plan is designed to equitably distribute the Net Settlement Fund to Settlement Class Members who submit valid Claims demonstrating they suffered economic losses as a result of Defendants’ alleged violations of the federal securities laws, as opposed to economic losses caused by market or industry forces or other Company-specific information unrelated to Lead Plaintiffs’ allegations. ¶¶ 92, 94.

The Plan is based upon the estimated amount of artificial inflation in the price of Kornit ordinary shares during the Class Period. ¶ 94. To qualify for a loss under the Plan, a Settlement Class Member must have held Kornit shares purchased during the Class Period through at least one of the dates when the disclosure of alleged

corrective information partially removed the alleged artificial inflation from the price of the stock. ¶ 95. Further, a Claimant's loss will depend upon several factors, including the date(s) when the Claimant purchased and sold their Kornit shares during the Class Period and at what price(s), taking into account the PSLRA's statutory limitation on recoverable damages. ¶¶ 96-97.. Authorized Claimants will recover their proportional "*pro rata*" amount of the Net Settlement Fund based on their calculated loss. *Id. See Beneli v. BCA Fin. Servs., Inc.*, 324 F.R.D. 89, 105 (D.N.J. 2018) ("[P]ro rata distributions are consistently upheld. . . ."). Lead Plaintiffs' claims will be treated in the same manner as all other Settlement Class Members.

The Plan will result in a fair and equitable distribution of the Settlement proceeds among Settlement Class Members who suffered losses as a result of Defendants' alleged conduct. The Plan is fully set forth in the Notice and, to date, no objections to the Plan have been received. ¶ 101. For these reasons, the Plan should be approved.

IV. THE COURT SHOULD CERTIFY THE SETTLEMENT CLASS

As set forth in Lead Plaintiffs' motion for preliminary approval of the Settlement, the Settlement Class satisfies all the requirements of Rules 23(a) and (b)(3). *See* Dkt. No. 99-1, at 23-29. None of the facts supporting certification of the Settlement Class have changed since Lead Plaintiffs submitted their preliminary

approval motion. Accordingly, Lead Plaintiffs respectfully request that the Court certify the Settlement Class under Rules 23(a) and (b)(3) for purposes of effectuating the Settlement.

V. NOTICE SATISFIED RULE 23, DUE PROCESS, AND THE PSLRA

Lead Plaintiffs have provided the Settlement Class with adequate notice of the Settlement. The notice satisfied both: (i) Rule 23, as it was “the best notice . . . practicable under the circumstances” and directed “in a reasonable manner to all class members who would be bound by the” Settlement (Fed. R. Civ. P. 23(c)(2)(B) & (e)(1)(B); *see also Eisen v. Carlisle & Jacquelin*, 417 U.S. 156, 173-75 (1974)); and (ii) due process, as it was “reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections.” *Mullane v. Cent. Hanover Bank & Tr. Co.*, 339 U.S. 306, 314 (1950).

In accordance with the Preliminary Approval Order, JND has disseminated a total of 101,793 Postcard Notices and 4,075 Notice Packets to potential Settlement Class Members and Nominees through October 13, 2026. *See* Ex. 4, ¶ 11. In addition, JND caused the Summary Notice to be published in *The Wall Street Journal* and transmitted over *PR Newswire* on August 26, 2026, and established the Settlement Website, www.KornitSecuritiesLitigation.com, to provide information about the Settlement and access to downloadable copies of the Notice and Claim

Form and other Settlement-related documents. *Id.* ¶¶ 12, 15. Defendants also issued notice pursuant to the Class Action Fairness Act, 28 U.S.C. § 1715 on July 24, 2026. Harrod Decl. ¶ 87 n.4.

In sum, the notice campaign utilized here provides sufficient information for Settlement Class Members to make informed decisions regarding the Settlement, fairly apprises them of their rights with respect to the Settlement, represents the best notice practicable under the circumstances, and complies with the Court's Preliminary Approval Order, Rule 23, the PSLRA, and due process. Courts in this Circuit have routinely approved comparable notice programs. *See, e.g., Hacker v. Elec. Last Mile Sols. Inc.*, 2024 WL 5102696, at *12 (D.N.J. Nov. 6, 2024); *Goodman v. UBS Fin. Servs. Inc.*, 2023 WL 8527165, at *2 (D.N.J. Dec. 7, 2023); *In re Innocoll Hldgs. Pub. Ltd. Co. Sec. Litig.*, 2022 WL 16533571, at *2-4 (E.D. Pa. Oct. 28, 2022); *Kanefsky v. Honeywell Int'l Inc.*, 2022 WL 1320827, at *2-3 (D.N.J. May 3, 2022); *In re Horsehead Holding Corp. Sec. Litig.*, 2021 WL 2309689, at *2 (D. Del. June 4, 2021).

VI. CONCLUSION

For the reasons set forth herein and in the supporting Harrod Declaration, Lead Plaintiffs respectfully request that the Court certify the Settlement Class for purposes of the Settlement, grant final approval of the Settlement, and approve the Plan of Allocation.

Dated: October 14, 2026

Respectfully submitted,

By: /s/ James E. Cecchi

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CERTIFICATE OF SERVICE

I hereby certify that I caused the foregoing to be electronically filed with the CM/ECF system. Those attorneys registered with the Electronic Filing System will receive notice of this filing by ECF and email. I further certify that a courtesy copy of this filing will be served upon the Court.

Dated: October 14, 2026

s/ James E. Cecchi

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