

**VETON VEJSELI**  
**c/o FIGURE MARKETS HOLDINGS, INC.**  
**650 California, Suite 2700**  
**San Francisco, California 94108**

September 4, 2024

**VIA EMAIL AND OVERNIGHT MAIL**

Ionic Digital Inc.  
2332 Galiano Street, 2nd Floor  
Coral Gables, Florida 33134  
Attn: Charles Ammann, Chief Legal Officer and Corporate Secretary

Dear Mr. Ammann:

Mr. Veton Vejseli (the “Stockholder”), is a record and beneficial owner of shares of Class A common stock, par value \$0.00001 per share (the “Class A Common Stock”), of Ionic Digital Inc., a Delaware corporation (“Ionic,” or the “Company”). As of the date hereof, Stockholder is the direct record and beneficial owner of 406 shares of Common Stock. This letter is Stockholder’s demand to inspect certain books and records under the control of the Company and obtain a stockholder list (the “Demand”) pursuant to Section 220 of the Delaware General Corporation Law (“DGCL”).

**Factual Background**

Ionic owns and operates a bitcoin mining business previously owned by Celsius Mining LLC (“Celsius Mining”), an affiliate of Celsius Networks LLC (together with its affiliates, “Celsius”). The Company acquired these assets from Celsius Mining pursuant to the plan of reorganization (the “Plan”) of Celsius approved by the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) on November 9, 2023.

Stockholder is concerned that the board of directors (the “Board”) of the Company may be acting to entrench itself to the detriment of the Company’s stockholders. In particular, Stockholder is concerned that the Board has instructed the Company’s transfer agent to refuse to process trades of the Class A Common Stock with the intent and effect of preventing any stockholder of the Company from accumulating a large position in the Class A Common Stock that could allow it to challenge the Board and hold directors accountable for the Company’s performance. Currently that Class A Common Stock is not yet listed, and it does not trade on any major public markets. As a result of this instruction and in light of the current status of the Class A Common Stock, all stockholders of the Company have no access to liquidity and no way to effectively access the value of their holdings.

Below is a summary of the circumstances underlying the present need to investigate potential fiduciary wrongdoing, which give rise to serious concerns about the path to liquidity for any of the Company’s stockholders and has led Stockholder to question the motives of the Board that has presided over this situation.

Celsius initially filed its Chapter 11 cases with the Bankruptcy Court on July 13, 2022. On July 27, 2022, the U.S. Trustee appointed an Official Committee of Unsecured Creditors (the “Committee”), consisting of seven creditors of Celsius: Caroline G. Warren, Thomas DiFiore, ICB Solutions, Inc. (“ICB”), Christopher Coco, Andrew Yoon, Mark Robinson and Covario AG. Scott Duffy, CEO of ICB, and Mr. DiFiore served as co-chairs of the Committee, and Emmanuel Aidoo of Perella Weinberg Partners L.P. (“Perella”) served as lead advisor to the Committee.

As part of the Chapter 11 process, Celsius ran a sale process to identify parties to manage its bitcoin mining assets. The process resulted in two bidders, Novawulf Digital Management LP and Fahrenheit LLC (“Fahrenheit”). Fahrenheit’s proposal involved using a partner, U.S. Data Mining Group Inc. d/b/a US Bitcoin (which later merged with Hut 8 Corp. and which are collectively referred to as “Hut 8”), to operate the bitcoin mining assets, but provided for a back-up bidder. During this period, Figure Markets Holdings, Inc. (“Figure Markets”) submitted multiple proposals to the Committee regarding the management of the Celsius assets and the listing of the securities of the new company that would hold those assets.

Celsius, in consultation with the Committee, advised by Perella, ultimately accepted Fahrenheit’s bid<sup>1</sup> and awarded Mr. Aidoo a seat on the board of directors of the new company. Additionally, Celsius and the Committee selected the Blockchain Recovery Investment Consortium (“BRIC”) as the back-up bidder, with the bitcoin mining operations to be funded with \$50 million in capitalization, should Fahrenheit’s proposal be unable to proceed. The Fahrenheit proposal was approved by a vote of the creditors of Celsius (who, under the Plan as proposed and as implemented, received shares of Class A Common Stock for their claims, becoming stockholders of the Company). In November 2023, the Securities and Exchange Commission (“SEC”) rejected the Fahrenheit proposal<sup>2</sup>. Instead of pivoting to the back-up bidder, BRIC, as provided in the original plan or re-opening the bidding process, Celsius and the Committee, still advised by Perella, bypassed BRIC and the creditors of Celsius who would become stockholders in the Company to pursue an alternate path involving Hut 8, but not Fahrenheit. Under this path, which was incorporated into the Plan with the approval of the Bankruptcy Court, the Company would acquire the bitcoin mining assets and would enter into certain agreements, including a Management Services Agreement, with Hut 8 regarding the operation and support of the assets (together, the “Hut 8 Transactions”), and would increase the capitalization of the bitcoin mining operations from \$50 million to \$225 million plus 540 bitcoin, roughly \$23 million at the time, resulting in a path that was nearly \$200 million more expensive than the BRIC proposal that had been approved by the Company’s shareholders.

On January 31, 2024 (the “Plan Effective Date”), pursuant to the Plan, the Company acquired the bitcoin mining assets of Celsius Mining and entered into the Hut 8 Transactions. Also on the Plan Effective Date, Mr. Duffy, Mr. Aidoo and Mr. DiFiore joined the Board, as did Asher Genoot, the President and CEO of Hut 8. Stockholder notes that Hut 8 owns its own mining facilities that operate in direct competition with the Company, and Mr. Genoot’s service on the Board alongside his service on the board of directors and management of Hut 8 strikes Stockholder as a potential and serious violation of antitrust laws.

The Company’s Amended and Restated Certificate of Incorporation (the “Charter”) was also amended and restated on the Plan Effective Date. As so amended and restated, the Charter purports to provide that, prior to the later of (i) the effectiveness of the Company’s registration statement on Form 10 filed with the SEC (as amended, the “Form 10”) and (ii) the listing by the Company of its Class A Common Stock on a registered securities exchange, the Board has absolute discretion to approve any Transfer (as defined in the Charter) of the Class A Common Stock.

According to the Form 10, members of Ionic’s Board will receive annual compensation of \$240,000, \$75,000 of which will be paid in cash and \$165,000 of which will be paid in Company equity incentives, with additional compensation of up to \$180,000 (in cash or equity, at the election of the Board member) for membership on committees of the Board. A director -- including one who had served on the Committee or had been the counterparty to the Hut 8 Transactions -- could therefore receive total annual

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<sup>1</sup> <https://www.businesswire.com/news/home/20230525005382/en/Celsius-Announces-Fahrenheit-LLC-as-Winning-Bidder-to-Manage-New-Entity-to-Be-Owned-by-Celsius-Creditors>

<sup>2</sup> <https://www.coindesk.com/policy/2023/11/21/celsius-to-transition-to-mining-only-newco-after-sec-feedback-in-updated-bankruptcy-plan/>

compensation from the Company of as much as *\$420,000 per year*, of which as much as \$255,000 could be paid out in cash.

On August 12, 2024, Figure Markets wrote to the Company to describe a business proposal that would facilitate the listing of the Class A Common Stock and make certain other management and strategic changes at the Company. Figure Markets also attempted to purchase Class A Common Stock, only to learn that the Company's transfer agent had been instructed to refuse to process any transactions in the Class A Common Stock, apparently pursuant to the Board's purported authority under the Charter to approve transfers of the Class A Common Stock. However, even if the Charter includes that authority, board actions in Delaware are "twice-tested": once for legal authorization and another time to see whether they were equitable. Stockholder also notes that the Company initially filed its Form 10 with the SEC shortly before the Plan Effective Date, on January 26, 2024, more than eight months ago, but the registration and listing of the Class A Common Stock has still not been completed, leaving the Company's stockholders with no path to liquidity through the public markets or the private markets.

To date, Stockholder has witnessed a pattern of apparently self-dealing behavior by current members of the Board during their service on the Committee, as evidenced by:

1. rejection of the multiple proposals from Figure Markets and BRIC which seem clearly superior offers to the ultimately accepted bid;
2. the ultimate approval of the Hut 8 Transactions (structured, apparently, to circumvent the SEC's rejection of the Fahrenheit proposal and avoid a stockholder vote on the merits of the Hut 8 Transactions);
3. the self-appointment of many decision-makers in the Chapter 11 process onto the Board of the company created to hold the bitcoin mining assets;
4. self-dealing by board members of substantial cash and stock compensation packages; and
5. serious and unreasonable delay in the consummation of the listing and registration of the Class A Common Stock.

Stockholder is therefore concerned that the evaluation of Figure Markets' business proposal, the actions taken by the Board with respect to the freezing of trading in the Class A Common Stock and the process of registering and listing the Company's securities, may all be undertaken with interests other than those of the Company's stockholders in mind, and that the actions of members of the Board may constitute gross negligence and potential fraud and provide cause for removal.

#### **Books and Records Demand: Proper Purpose**

Accordingly, Stockholder demands production of the Company's books and records, as itemized in detail on the following pages. The purposes of the demand for inspection are to allow Stockholder to:

1. Investigate potential wrongdoing, mismanagement, conflicts of interest, and corporate waste conducted or approved by certain members of the Company's Board and/or management team;
2. Analyze Board processes, including any Board committee processes, to determine whether there were breaches of fiduciary duty by members of the Board or its committees related to the Hut 8 Transactions, the determination of Board compensation, the evaluation of Figure Markets'

proposal, the decision to freeze trading of the Class A Common Stock, and in connection with the ongoing process of registering and listing the Class A Common Stock;

3. Determine the independence and disinterestedness of the directors serving on the Board, including with respect to any conflicts of interest;
4. Evaluate potential corrective measures and appropriate actions in the event certain directors or others did not properly discharge their fiduciary duties;
5. Evaluate whether wrongdoing or mismanagement has taken place such that it would be appropriate to file a breach of fiduciary duty action against certain members of the Board and officers who may have breached their fiduciary duties and/or aiding and abetting claims against any other parties; and
6. Communicate with the Company's other stockholders on matters relating to their interests as stockholders, including but not limited to in connection with Board compensation and the business proposal made by Figure Markets to the Company.

Under DGCL Section 220(b), a stockholder of a company may demand review and inspection of a company's books and records upon a showing of a "proper purpose." 8 *Del. C.* § 220(b). Under 8 *Del. C.* § 220(b)(2), a "proper purpose" shall mean a purpose reasonably related to such person's interest as a stockholder. Under Delaware law, it is well established that a stockholder's "desire to investigate wrongdoing or mismanagement is a 'proper purpose'" for a books and records demand. *Seinfeld v. Verizon Commc'ns Inc.*, 909 A.2d 117, 121 (Del. 2006) (citing *Nodana Petroleum Corp. v. State ex rel. Brennan*, 123 A.2d 243, 246 (Del. 1956)). Investigating mismanagement is proper "because where the allegations of mismanagement prove meritorious, investigation furthers the interest of all stockholders and should increase stockholder return." *Id.* (citing *Saito v. McKesson HBOC, Inc.*, 806 A.2d 113, 115 (Del. 2002)); *see also City of Westland Police & Fire Ret. Sys. v. Axcelis Techs., Inc.*, 1 A.3d 281, 289 n. 30 (Del. 2010) ("[P]roper purpose" includes "to discuss corporate finances and management's inadequacies, and then, depending on the responses, determine stockholder sentiment for either a change in management," "to communicate with other shareholders in order to effectuate changes in management policies," and "to determine an individual's suitability to serve as a director") (internal citation omitted). *See also AmerisourceBergen Corp. v. Lebanon County Employees' Ret. Fund*, 243 A.3d 417, 425 at n.30 (Del. 2020) (listing "myriad proper purposes accepted under Delaware law, including "to communicate with other stockholders in order to effectuate changes in management policies; [and] to determine an individual's suitability to serve as a director") (internal citation omitted).

Stockholders may use information about corporate mismanagement or wrongdoing in several ways. For example, they may "seek an audience with the board [of directors] to discuss proposed reform or, failing in that, they may prepare a stockholder resolution for the next annual meeting, or mount a proxy fight to elect new directors." *Seinfeld*, 909 A.2d at 119-20 (quoting *Saito*, 806 A.2d at 117). These possible courses of action fall well within a stockholder's rights under Delaware law, and thus gathering information to make a determination is proper.

The books and records requests below are all directly connected with investigating potential mismanagement at the Company, establishing whether the Board is sufficiently independent to make decisions that are in the best interests of stockholders, and communicating with the Company's other stockholders on matters relating to their interests as stockholders.

### **Demand for Inspection of Books and Records**

As the record owner of shares of Common Stock, Stockholder hereby demands, pursuant to Section 220 of the DGCL, during the usual hours for business to inspect the following books, records and documents of the Company (the “Books and Records”) and to make and/or receive copies or extracts therefrom:

- (a) Any Formal Board Materials<sup>3</sup> (e.g., minutes, resolutions, presentations, reports, electronic communications, written statements, written consents, etc.) provided to the Board or any committee or subcommittee thereof relating to or reflecting (i) the Hut 8 Transactions, (ii) the determination of Board compensation, (iii) the Company’s communications with Figure Markets and the evaluation of Figure Markets’ business proposal to the Company, (iv) the decision to freeze trading of the Class A Common Stock and/or to provide instructions to the Company’s transfer agent regarding the processing of trades of Class A Common Stock, and (v) the filing and amendment of the Form 10 and the process of registration and listing of the Class A Common Stock;
- (b) All Informal Board Materials<sup>4</sup>, (including emails, text messages, and social media messages) between any member of the Board or any committee or subcommittee thereof, and any member of senior management concerning (i) the Hut 8 Transactions, (ii) the determination of Board compensation, (iii) the Company’s communications with Figure Markets and the evaluation of Figure Markets’ business proposal to the Company, (iv) the decision to freeze trading of the Class A Common Stock and/or to provide instructions to the Company’s transfer agent regarding the processing of trades of Class A Common Stock, and (v) the filing and amendment of the Form 10 and the process of registration and listing of the Class A Common Stock;
- (c) All director questionnaires completed by current members of the Board;
- (d) Any materials provided to or by members of the Board regarding potential or actual conflicts of interest;
- (e) A complete record or list of the stockholders of the Company, certified by the Company’s transfer agent(s) and/or registrar(s), setting forth the name, telephone number and address of, and the number, series and class of shares of stock of the Company registered in the name of, each stockholder as of the date hereof (the “Determination Date”);
- (f) Relating to the stockholder register and all other information referred to in paragraph (a), electronic media containing such information (in Excel or other sortable electronic format), the computer processing data necessary for Stockholder to make use of such information

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<sup>3</sup> The term “Board Material” used herein means all minutes, resolutions, or other records of any Board and/or regular or special committee (including the Special Committee) meeting, and all documents provided, considered, discussed, prepared, or disseminated, including materials on board portals, in draft or final form, at, in connection with, in anticipation of, or as a result, of any meeting of the Board or any regular or specially created committee thereof, including, without limitation, all presentations, Board packages, recordings, agendas, summaries, memoranda, charts, transcripts, notes, minutes of meetings, drafts of minutes of meetings, exhibits distributed at meetings, or resolutions. “Board Material” also includes “Informal Board Material,” which includes electronic communications between directors and the corporation’s officers and senior employees. See *KT4 P’rs LLC v. Palantir Techs., Inc.*, 203 A.3d 738, 742, 753 (Del. 2019).

<sup>4</sup> “Informal Board Materials” includes electronic communications regarding corporate matters between directors and the corporation’s officers and senior employees. See *KT4 P’rs LLC v. Palantir Techs., Inc.*, 203 A.3d 738, 742, 753 (Del. 2019).

on electronic media and a hard copy printout of such information in order of descending balance of number of shares for verification purposes;

- (g) All information in or that comes into the Company's or its transfer agent(s)', registrar(s)', proxy solicitor(s)' or other agent(s)' possession or control, or that can reasonably be obtained from brokers, dealers, banks, clearing agencies or voting trusts or their nominees or from other nominees of any central certificate depository system relating to the names, telephone numbers and addresses of, and the number, series and class of shares of stock of the Company held by, as of the last trading day of each month within the last 12 months, the Determination Date, the participating brokers and banks named in the individual nominee names of Cede & Co. or other similar depositories or nominees, including (i) respondent bank lists, and all omnibus proxies and related respondent bank proxies and listings issued pursuant to Rule 14b-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and (ii) all "Weekly Security Position Listing Daily Closing Balances" reports issued by The Depository Trust Company with respect to the Company's stock in Excel or other sortable electronic format as of the date hereof;
- (h) All information in or that comes into the Company's or its transfer agent(s)', registrar(s)', proxy solicitor(s)' or other agent(s)' possession or control, or that can reasonably be obtained from brokers, dealers, banks, clearing agencies or voting trusts or their nominees or from other nominees of any central certificate depository system relating to the names, telephone numbers and addresses of, and the number, series and class of shares of stock of the Company held by, the non-objecting beneficial owners (NOBO's) of the stock of the Company as of the Determination Date or any other date within the last 12 months, including information obtainable pursuant to Rule 14b-1(c) or Rule 14b-2(c) under the Exchange Act, on electronic media (in Excel or other sortable electronic format), along with such computer processing data necessary for Stockholder to make use of such information on electronic media and a hard copy printout of such information in order of descending balance of number of shares for verification purposes. If such information is not in the Company's or its transfer agent(s)', registrar(s)', proxy solicitor(s)' or other agent(s)' possession, custody or control, such information should be requested from Broadridge Financial Solutions, Inc. – Investor Communications Services and Mediant Communications LLC, or any other similar stockholder communications services company that has been engaged by the Company to provide investor communications services;
- (i) All lists on electronic media (in Excel or other sortable electronic format) and the relevant processing data and printouts (as described in paragraph (b) above) containing the names, telephone numbers and addresses of, and number, series and class of shares of stock of the Company attributable to, any participant in any employee stock ownership plan, employee stock purchase plan or other employee compensation or benefit plan of the Company in which the decision to vote shares of stock of the Company held by such plan is made, directly or indirectly, individually or collectively, by the participants in the plan as of the Determination Date and the method(s) by which Stockholder or its representatives or agents may communicate with each such participant, as well as the name, affiliation and telephone number of the trustee or administrator of each such plan, and a detailed explanation of the treatment not only of shares for which the trustee or administrator receives instructions from participants, but also shares for which either the trustee or administrator does not receive instructions or shares that are outstanding in the plan but are unallocated to any participant in Excel or other sortable electronic format, the computer processing data necessary for Stockholder to make use of such information on electronic

media and a hard copy printout of such information in alphabetical order for verification purposes;

- (j) A list of all holders of shares of stock of the Company who have elected to receive electronic copies of proxy materials with respect to meetings of stockholders of the Company pursuant to Rule 14a-16(j)(2) of the Exchange Act (and their email addresses);
- (k) A correct and complete copy of the Amended and Restated Bylaws of the Company, including any amendments thereto; and
- (l) All documents produced to any other stockholder in response to a demand pursuant to Section 220 of the DGCL for books and records referring or relating to the matters covered herein.

Stockholder demands that all modifications, additions or deletions to any and all information referred to above be immediately furnished to Stockholder as such modifications, additions or deletions become available to the Company or its agents or representatives. It is requested that the information identified above be made available to the designated parties no later than September 11, 2024 in accordance with Delaware law. Should the Company refuse to provide any of the demanded Books and Records, please provide a detailed written explanation of the Company's justification for any such refusal.

Please direct all responses to this demand to Stockholder's outside counsel as follows:

Andrew M. Freedman  
Olshan Frome Wolosky LLP  
1325 Avenue of the Americas  
New York, NY 10019  
(212) 451-2250  
afreedman@olshanlaw.com

This demand also authorizes Andrew Freedman of Olshan Frome Wolosky LLP, Michael Abbate of Figure Markets Holdings, Inc., and any of their respective partners, associates or employees or other persons designated by the foregoing, to conduct the inspection and copying of the Books and Records demanded, and to otherwise act on behalf of Stockholder.

Stockholder has executed a Power of Attorney designating Mr. Freedman and Mr. Abbate as his agents, which is enclosed with this letter. An affidavit relating to this Demand pursuant to Section 220 of the DGCL is also attached to this letter.

*[signature page follows]*

Stockholder hereby designates and authorizes Andrew Freedman of Olshan Frome Wolosky LLP, Michael Abbate of Figure Markets Holdings, Inc., and any other persons designated by any of the foregoing or by Stockholder, acting singly or in any combination, to conduct the inspection and copying herein requested. Pursuant to Section 220 of the DGCL, you are required to respond to this demand and produce the materials identified above within five business days after the demand has been made. Accordingly, please advise Mr. Freedman (tel: (212) 451-2250, fax: (212) 451-2222, email: [afreedman@olshanlaw.com](mailto:afreedman@olshanlaw.com)) and Mr. Abbate (email: [mabbate@figuremarkets.com](mailto:mabbate@figuremarkets.com)) as promptly as practicable within the requisite timeframe, when and where the items requested above will be made available to Stockholder. If the Company contends that this demand is incomplete or is otherwise deficient in any respect, please notify Stockholder immediately in writing, with a copy to Mr. Freedman, setting forth the facts that the Company contends support its position and specifying any additional information believed to be required. In the absence of such prompt notice, Stockholder will assume that the Company agrees that this demand complies in all respects with the requirements of the DGCL. Stockholder reserves the right to withdraw, modify or supplement this demand at any time.

Very truly yours,

VETON VEJSELI

  
A handwritten signature in black ink, appearing to read 'Veton Vejseli', is written over a horizontal line. The signature is stylized and cursive.

Enclosures.

cc: Andrew M. Freedman, Esq., Olshan Frome Wolosky LLP  
Michael Abbate, Figure Markets Holdings, Inc.




**AFFIDAVIT**

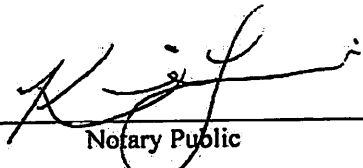
State of New York            )  
  ) ss:  
County of New York         )

VETON VEJSELI, being duly sworn, states that:

1. I executed the foregoing letter, and the information and facts stated therein (including the information regarding my ownership and the purpose of this demand for inspection) are true and correct; and
2. Such demand for inspection is reasonably related to my interest as a stockholder and is not desired for a purpose which is in the interest of a business or object other than the business of Ionic Digital Inc.

  
\_\_\_\_\_  
Veton Vejseli

Subscribed and sworn to before me  
this 4th day of September 2024.

  
\_\_\_\_\_  
Notary Public

**KIMBERLY C FREGNI**  
**NOTARY PUBLIC-STATE OF NEW YORK**  
**No. 01FR0443209**  
**Qualified in New York County**  
**My Commission Expires 10-31-2028**

My commission expires: 10/31/26

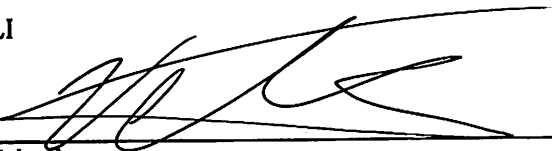
**POWER OF ATTORNEY**

KNOW ALL BY THESE PRESENTS that the undersigned hereby constitutes, designates and appoints Andrew Freedman of Olshan Frome Wolosky LLP, Michael Abbate of Figure Markets Holdings, Inc., and any of their respective partners, associates, employees and any other persons designated by the foregoing or by the undersigned, as the undersigned's true and lawful attorney-in-fact and agent for the undersigned, and in the undersigned's name, place and stead, in any and all capacities, to conduct the inspection and copying of the information demanded in the enclosed stockholder inspection demand pursuant to Section 220 of the Delaware General Corporation Law, dated September 4, 2024.


IN WITNESS THEREOF, the undersigned has executed this instrument effective as of the 4th day of September 2024.

Date: 9/4, 2024

VETON VEJSELI

  
\_\_\_\_\_  
Veton Vejseli

Subscribed and sworn to before me  
this 4<sup>th</sup> day of September 2024.

  
\_\_\_\_\_  
Notary Public

**KIMBERLY C FREGNI**  
**NOTARY PUBLIC-STATE OF NEW YORK**  
**No. 01FR6443289**  
**Qualified in New York County**  
**My Commission Expires 10-31-2026**

My commission expires: 10/31/26