

“REPLY CRYPTO INVESTMENT CHALLENGE”

TERMS AND CONDITIONS

These Challenge T&Cs (with the "waiver" attachment) regulate the “**REPLY CRYPTO INVESTMENT CHALLENGE**” run by Reply and apply to all Registered Users as defined in article 1.

For these Challenge T&Cs, the definitions in article 1 retain their value in both singular and plural, both in lowercase and uppercase letters.

The Challenge does not constitute a prize competition in accordance with article 6, paragraph 1, of Presidential Decree 430/2001, consisting of the so-called 'prize' in a consideration in kind for performance of work and relative assignment of the rights on the respective Final Report, in favor of the Registered Users, if resulting in 1st, 2nd or 3rd on the final Leaderboard.

This Challenge's goal is to allow Registered Users to show their skills in crypto investment strategies, as described below.

The Challenge is organized by Reply S.p.A. with registered offices in Torino, Corso Francia, 100 - Tax ID: 9757921001 and VAT number: 08013390011

The Reply Platform is managed by Reply.

The Trading Platform is provided by a third party, as sponsor, Young Platform.

Information request regarding the Challenge can be sent to: challenges@reply.com.

The online publication of these Challenge T&Cs (with the "waiver" attachment) on the Platform, in pdf format, is valid as making information available on a durable medium. Registered Users can also save, on their own durable medium, these documents, in order to be able to consult them once the Challenge is concluded, after their removal from the Reply Platform itself.

Young Platform is a sponsor of the Challenge and it is not involved in the organization.

Article 1 – Challenge T&Cs definitions

Challenge: the overall activity of the “REPLY CRYPTO INVESTMENT CHALLENGE” that takes place in accordance with these Challenge T&Cs.

Challenge Leaderboard: the ranking that lists in descending order the Registered Users, based on Investment Performances obtained at the end of the Challenge and calculated as per Art. 5 of the Challenge T&Cs.

Challenge T&Cs: Challenge Terms & Conditions with the "waiver" attachment, as published on the Reply Platform.

Enrolment: the enrolment procedure to allow identification of the Registered User that will apply to join the Challenge.

Final Report: the written report describing the procedures (e.g. strategies, financial analysis, possible macro economic triggers etc.) used to obtain the Performance and that the Registered Users in 1st, 2nd or 3rd position in the temporary Leaderboard will have to provide.

Financial Instruments: for the sake of this Challenge, Reply will consider Digital Assets in general and more specifically, Cryptocurrencies, Stable Coins and Tokens.

Hints: the description of an investment suggestion or an educational tip Reply might publish on the Platform, on which the Registered User can adopt his crypto investment strategy, using the financial instruments available on the Trading Platform, as per Art. 5.

Internet: the global network, including networks connected to each other according to TCP/IP protocol.

Investment Portfolio: the virtual capital to be invested and available for Registered Users who will join the Challenge.

Leaderboard: the ranking that lists in descending order the Registered Users, based on Performance obtained at the end of Challenge and calculated as per Article 5 of the Challenge T&Cs.

Parties: Reply, Reply Group and Registered Users.

Performance: the result of the investment strategy (that means total profit or loss) and weighted by the Algorithm, obtained by a Registered User during the Challenge.

Registered Users: participants at least 18 years old at May 5th, 2023, external to Reply Organization and Young Platform S.p.A. and who are not professional financial advisors or traders.

Reply: Reply S.p.A., as above identified.

Reply Group: Reply and any company connected to it and/or controlled by it.

Reply Organization: all employees (with any qualifications or level, including executives) and Reply Group Managers.

Reply Platform: the site accessible at the URL: challenges.reply.com and after connection to the internet.

Rights: the overall intellectual property rights as provided for by the applicable Italian legislation, including – by way of example and not exhaustively – the Law 22 April 1941 no. 633: protection of copyright and other rights related to its exercise; the article 2575 and following of the civil code, etc.

Skills: the investment strategy skills that Registered Users demonstrate during the Challenge.

Trading Platform: the site accessible at the URL: <https://reply-challenge-pro.youngplatform.com/> and after connection to the internet.

Article 2 - Applicable laws and disputes

The applicable law is that current in Italy, as Reply, as organizer of the Challenge, has its headquarters in this territory.

For anything not expressly provided for in these Challenge T&Cs, reference is made to the current laws in the Italian legal system.

For any dispute deriving from the Challenge and the related Challenge T&Cs, the Court of Torino will have exclusive jurisdiction.

Article 3 - Exclusions

Are expressly excluded from participating in this Challenge:

- all members of the Reply Organization and all employees or executives of Young Platform
- all subjects who are not at least 18 years old, at May 5th, 2023
- all subjects who are registered to the Italian “Albo unico dei Promotori Finanziari” (“Single Register Of Financial Advisors”) or equivalent professional register available in the country of residence or, if no professional register is foreseen in the country of residence, who are professional advisors, traders or other professionally experienced in this field.

Article 4 - Enrolment

To join the Challenge, the subjects with the requirement indicated in the definition of “Registered User” and that, consequently, do not fall under Art. 3 exclusions, must:

- 1) if not already registered to the Reply Platform, fill-in the online form and complete the registration that includes the acceptance of the Reply Platform “Terms and Conditions” and the declaration to have read the privacy notice; if already registered to the Reply Platform, make the login filling-in username and password
- 2) when logged-in the Reply Platform, enter in the section dedicated to the Challenge and fill-in the registration online form available on such section that includes the acceptance of these Challenge T&Cs (and attached waiver) and declaration to have read the privacy notice provided by Young Platform (the privacy notice provided by Reply is already available during registration to the Reply Platform). When the registration will be completed, the Registered User will automatically receive a User ID (published in the so called ‘thank you page’ and then inserted in the Registered User Challenge page) and the password (sent by e-mail) to be used for the login to the Trading Platform.

If a Registered User is a university student or an alumnus/alumna (former student) and wants to make valid

his/her participation in the Challenge also for the “University Students’ League” as set in Article 7, during enrolment it is necessary:

- 1) to provide the name of the university
- 2) to declare to be actually a student or alumnus/alumna at the indicated university.

The enrollment will take place between April 3rd, 2023 and May 5th, 2023 (until 11.59:59 p.m. CEST).

Enrolment after 11.59:59 p.m. (CEST) on May 5th, 2023, won't be accepted, except if there's an extension, which would be announced via the Reply Platform.

All the subjects that will complete the Enrollment procedure above described will be able to join the Challenge as Registered Users.

Article 5 – Challenge

The Challenge will take place from May 8th, 2023 (from 09:00 am CEST) to May 19th, 2023 (06:00 p.m. CEST).

When the Challenge will start, each Registered User will have a (virtual) Investment Portfolio of 1 (one) million Euro.

The Investment Portfolio is at disposition of the Registered User that will have to set the best crypto investment strategy, on the base of the hints related to a business activity, to obtain the best Performance.

The market on which the Registered User will be able to trade is the crypto market and available 24 hours a day, every day including weekends.

The Trading Platform will always operate during the Challenge in accordance to the crypto market opening time and the daily trading activities done by Registered Users during the Challenge will be taken in consideration for the provisional Investment Portfolio ranking.

The provisional Investment Portfolio ranking will show the related value, as increased (in case of positive Performance, that means a profit) or decreased (in case of negative Performance, that means a loss) and weighted by the Algorithm (noted below):

- The **Global Ranking** will consider the algorithm output value, that is based on trading activities done from the beginning of the Challenge
- The **Daily Ranking** will consider the delta of the algorithm output value between two consecutive days; i.e. daily trading activities will include trades placed between 00:00 am (CEST) until 11:59 p.m. (CEST), except on May 19th, 2023 since the Challenge will close at 06:00 p.m. CEST.

More information about the algorithm logics, “Global Ranking” evaluation and “Daily Ranking” evaluation

are shown below.

Regarding the publishing of the **Daily Ranking and Global Ranking** on the Reply Platform:

- the Daily Ranking related to every working day until 11:59 p.m. (CEST) will be available the following working day by 1:00 p.m. (CEST), except on May 19th, 2023 since the Challenge will close at 06:00 p.m. CEST.

N.B. the Daily Ranking and Global Ranking related to Monday May 15th, 2023 may be delayed in publication

- the Daily Ranking and Global Ranking related to Saturday May 13th and Sunday May 14th, 2023 will not be shared, even if all the activities carried out will be taken into consideration for the purpose of daily and global rankings subsequent evaluations
- the Global Ranking related to the trading activities from May 8th, 2023 00:00 a.m. (CEST) to May 19th, 2023 06:00 p.m. (CEST) will be available every working day by 1:00 p.m. (CEST) and updated at previous day balance.

Challenge algorithm logics (“Algorithm”)

The Challenge algorithm output value - *Player Ranking Value* - will be used to determine the Registered User's position in the "Global Ranking" and is equal to:

$$Player_i \text{ Ranking Value} = P\&L_i + BM_{i|AT} + BM_{i|ADI} + B_{i|H}$$

where

- $i = i$ -th Registered User (Player) with $i = 1, 2, \dots, n$
- $P\&L_i$ = Profit&Loss of the i -th Registered User calculated as the difference between the i -th Registered User portfolio value in € (pretend money) at the evaluation time (11:59 p.m. CEST) and the initial balance in € (pretend money)
- $BM_{i|AT}$ = Bonus/Malus applied accordingly to the ‘Average Trades’ logic rule
- $BM_{i|ADI}$ = Bonus/Malus applied accordingly to the ‘Average Diversification Index’ logic rule
- $B_{i|H}$ = Bonus applied accordingly to the ‘Hints’ logic rule

‘Average Trades’ logic rule: Bonus / malus are assigned taking into consideration average number of trades made daily during the challenge

$$BM_{i|AT} = BM\%_{i|AT} \times P\&L_i$$

where

- $BM\%_{i|AT} = -BM\%_{i|AT} | P\&L_i < 0$
- $BM\%_{i|AT}$ is applied accordingly to the below Table 1

Table 1		
\overline{AT}_i equal or greater than	\overline{AT}_i less than	$BM\%_{i AT}$
	5	-10%
5	40	10%
40		-10%

- $\overline{AT}_i = \frac{\sum_{y=1}^m T[y;C]}{y}$ where
 - \overline{AT}_i is the average trades number made by the i -th Registered User during the Challenge period;
 - T is the trades number made by the i -th Registered User in the y -th day of Challenge;
 - y is the n -th day of Challenge with $y = 1, 2, \dots, m$
 - C is a constraint on invested counter value of the specific trade; a trade T to be considered valid must have $C \geq 5.000\text{€}$ (pretend money)

'Average Diversification Index' logic rule: Bonus / malus are assigned taking into consideration the average number of products the Registered User invests in each day during the Challenge evaluated at the market value of the investment

$$BM_{i|ADI} = BM\%_{i|ADI} \times P\&L_i$$

where

- $BM\%_{i|ADI} = -BM\%_{i|ADI} | P\&L_i < 0$
- $BM\%_{i|ADI}$ is applied accordingly to the below Table 2

Table 2		
\overline{ADI}_i equal or greater than	\overline{ADI}_i less than	$BM\%_{i ADI}$
	45%	-10%
45%	62%	-5%
62%	70%	0%
70%	75%	5%
75%		10%

- $\overline{ADI}_i = \frac{\sum_{y=1}^m DI[y]}{y}$ where
 - \overline{ADI}_i is the portfolio average diversification index of the i -th Registered User during the

Challenge period;

- DI is the diversification index of the i -th Registered User in the y -th day of Challenge, calculated as the sum of the squares of the ratios between the z -th open positions values at the evaluation time (11:59 p.m. CEST) and the portfolio value at the evaluation time (11:59 p.m. CEST)

$$DI = 1 - \sum_{z=1}^o \left(\frac{\text{position value}_z}{\text{portfolio value}_i} \right)^2$$

- y is the n -th day of Challenge with $y = 1, 2, \dots, m$

'Hints' logic rule: During the Challenge, hints will be given to Registered User on currency clusters to invest during a given time frame. Registered Users who follow hints will receive a bonus on Profit & Loss generated during the time frame

$$B_{i|H} = \sum_{w=1}^u (B\%_{w|H} \times P\&L_{w|H})$$

where

- $B\%_{w|H} = -B\%_{w|H} | P\&L_{w|H} < 0$
- $B\%_{w|H}$ is applied accordingly to the below Table 3: The Clusters, w -th Currencies, Time frame (TM) starts and ends, Bonuses will be shared during the Challenge

N.B. the Hints currencies will be new currencies that will be added to the products perimeter

Table 3				
Cluster	Currency	TM start	TM end	Bonus
Cluster ₁	Currency ₁	DD/MM/AA	DD/MM/AA	B% _{0₁ H}
Cluster ₁	Currency ₂	DD/MM/AA	DD/MM/AA	B% _{0₂ H}
Cluster ₂	Currency...	DD/MM/AA	DD/MM/AA	B% _{0... H}
Cluster...	Currency _w	DD/MM/AA	DD/MM/AA	B% _{0_w H}

- $P\&L_{w|H} = \left(\frac{\sum_{j=1}^p \text{sales transactions values}_j | TM}{\sum_{j=1}^p \text{sold quantities}_j | TM} - \frac{\sum_{j=1}^p \text{purchased transactions values}_j | TM}{\sum_{j=1}^p \text{purchased quantities}_j | TM} \right) \times$
 $\times \text{MIN} \left(\sum_{j=1}^p \text{sold quantities}_j | TM ; \sum_{j=1}^p \text{purchased quantities}_j | TM \right)$

N.B. the P&L is calculated only on the quantities purchased and also sold in the period

Registered Users who will have 0 transactions will not be considered for the purposes of the ranking and will be shown as Inactive.

Please note that, considering that, when a transaction is entered, when this is executed in multiple orders, the time of the first order executed will be considered as the reference time of the transaction.

In case of *ex equo* (Registered User with the same *Player Ranking Value*), to define the ranking, it will be given a better ranking to whoever has the highest $BM_{i|AT} + BM_{i|ADI}$ value and following, in case of another *ex equo*, to whoever has the highest $B_{i|H}$ value.

The “Daily Ranking” will show Registered Users according to the following logic:

“Daily Ranking” value in day T = [“Global Ranking” portfolio value in day T] – [“Global Ranking” portfolio value in day T-1]

From May 22nd, 2023, by 1:00 p.m. (CEST) the provisional Leaderboard will be published on the Reply Platform, displaying the Registered Users in descending order and based on the respective Performance obtained and considering the Algorithm above described.

The Leaderboard will be considered as provisional until the Registered Users in the 1st, 2nd and 3rd position will provide – as answer to the e-mail sent them by Reply – within May 26th, 2023:

- the Final Report;
- a copy of his/her own identity document.

The Final Report will be verified by Reply within 10 working days from receipt, in order to evaluate its conformity with the requested requirements, that means that the content of the Final Report sent by the Registered Users will have to detail all the procedures (e.g. strategies, financial analysis, etc.) used to obtain the Performance during the Challenge.

The identity document will be verified by Reply within 10 working days from receipt, in order to verify the current correspondence with the information provided at the time of registration to the Reply Platform.

If the Final Report and the copy of the identity document are submitted within May 26th, 2023 and if:

- a) the Final Report is compliant to requirements
- b) the information provided during registration to Reply Platform will correspond to the ones on the copy of the identity document

the provisional Leaderboard will be confirmed as final Leaderboard and each Registered User in the 1st, 2nd and 3rd position will have the right to obtain the consideration in kind, as per Art. 6.

If a Registered User:

a) does not reply to the aforementioned communication within May 26th, 2023, or the response would be without Final Report and/or without the copy of the requested identity document

or

b) responds in good time, but the Final Report is not be considered compliant to requirements and/or results a non-conformity between the identity document and the information previously provided

the Registered User will be automatically excluded from the final Leaderboard.

In such case, the request to submit the Final Report and the copy of the identity document will be sent to the Finalist in 4th position on the provisional Leaderboard and so on, until the 1st, 2nd and 3rd positions on the final Leaderboard are definitively confirmed.

Reply can't be held in any way responsible if the email sent is not received by one or more Registered Users in contacted in order to provide the Final Report as a result of:

- i. an unreachable or non-existent email address (if disabled after enrollment)
- ii. configuration, on the client or server side, of the email box that erroneously classify the message sent by Reply as spam.

Article 6 - Consideration in kind for the 1st, 2nd and 3rd Finalist in the final Leaderboard

The consideration in kind for the transfer of the Rights on the Final Report, for the 1st Registered User in the final Leaderboard, consists in Mac Book Pro 14" that Reply will send to such Registered User within 120 days.

The consideration in kind for the transfer of the Rights on the Final Report, for the 2nd Registered User in the final Leaderboard, consists in iPad Pro 11' that Reply will send to such Registered User within 120 days.

The consideration in kind for the transfer of the Rights on the Final Report, for the 3rd Registered User in the final Leaderboard, consists in Apple Airpods 3rd Generation that Reply will send to such Registered User within 120 days.

Reply will also proceed, within the terms established by law, to pay the withholding tax, based on the gross value of the consideration in kind, if applicable.

The guarantee on the aforementioned good is that offered by the manufacturer (being a purchase made by a professional and not by a consumer) and therefore equal to 12 months.

If for reasons due to customs import procedures applicable in the country of destination, the goods were not deliverable, Reply retains the right to offer an alternative consideration in kind of equal value.

Article 7 – University Students’ League

The University Students’ League allows university students or alumni to enter the Challenge also as ‘community’ of the same university, to compete for a special reward.

Such reward, offered by Reply in favor of the university whose students and alumni will result in 1° position of the special “University Students’ League leaderboard”, consists in an arcade game, branded Reply, to be installed in a common (entertainment) area of the university or, alternatively, in a financial contribution for a project to be developed by the university or by a specific department, for an amount not exceeding 2,000.00 (two thousand) Euros.

In both cases (arcade game or financial contribution) the university will have to provide formal acceptance of the reward when contacted by Reply.

Entering the University Students’ League, students and alumni declare that the university opposes their participation in no way.

The University Students’ League leaderbord will be based on the sum of Performances (that means profit or loss as weighted by the Algorithm) obtained by related students/alumni of the same university – as declared through enrollment procedure – during the Challenge, as set in in article 5.

The University Students’ League leaderboard will be available on the platform within 10 working days from the end of the Challenge.

For the purposes of the University Students’ League leaderboard:

- the Final Report to be sent by the the Registered Users in the 1st, 2nd and 3rd positions on the final Leaderboard and necessary to confirm such position the final Leaderboard is not relevant
- Reply will inspect the Performance submitted by each Registered User belonging to the university community temporarily in the 1st position. To maintain the 1st position, each Performance must be different from the other ones or, if the same, it must be obtained as results of different trading activities made by a Registered User compared with the ones of the Registered User who obtained the identical Performance. Each Performance resulting from identical trading activities made by different Registered Users will be consequently invalidated and the temporary leaderboard updated. Only when such inspection will be concluded, the University Students’ League leaderboard will be validated.

The Registered User that, as part of the university community in the 1st position on the validated

University Students' League leaderboard, will have obtained the best Performance among the other students/alumni, will be informed by e-mail asking him/her to put Reply in contact with a professor at the university he/she belongs.

If a Registered User will not reply to such communication within 10 business days, Reply will contact another Registered User part of the same university community, and so on.

After receiving the contact details of the professor, Reply will contact him/her to inform about the reward in favor of the university, as described above.

If the professor will not answer within 10 working days or, in case of answer, he/he will inform Reply that the university does not agree to receive the reward, Reply will take contact with a Registered User belonging to the university community in the 2nd position on the validated University Students' League leaderboard, and so on.

Reply cannot be held in any way responsible if the communication sent isn't received by one or more Registered Users as a result of:

- iii. an unreachable or non-existent email address (if disabled after registration)
- iv. configuration, on the client or server side, of the email box that erroneously classify the message sent by reply as spam.

In case professor will answer within the term, confirming that the university agrees in receiving the reward, Reply will provide the reward within 120 days.

Article 8 – Miscellanea

The Parties will maintain their managerial and operational autonomy during the activities carried out respectively in the Challenge.

The attempted unauthorized access to the platform, regardless of the outcome, for the purpose of damaging it or attempting, by way of example and not exhaustively, to manipulate the system that calculate the Performance, are grounds for eliminating a Registered User from the Challenge.

In addition to extending the deadline for Enrolment, Reply has the right to postpone publication of Hints, giving notice, also in this case, via the Reply Platform.

Reply has the right to anticipate or postpone the starting time/date of the Challenge and/or to anticipate or postpone the end, giving notice to the Finalists.

Reply is not responsible for failure to start or end the Challenge for any reason attributable to third parties (by way of example, but not limited to: interruption of internet connectivity, attempted intrusion or unauthorized access to the Platform or to the Trading Platform or any computer systems connected to it, etc.) or due to force

majeure; in such cases, Reply will have the right to postpone the start or end of the Challenge, or to interrupt temporarily the Challenge, giving notice via the Reply Platform.

Reply is not responsible for any Registered Users' hardware or software malfunctions, or interruption of the internet connection used by them that prevent them processing or completing a trading activity through the Trading Platform during the Challenge.

Reply has the right to modify and/or supplement these Challenge T&Cs, provided any changes and/or additions will not create unequal treatment between Registered Users already enrolled.

In case any provision of these Challenge T&Cs shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

"Waiver" attachment

The Registered User, as identified by the data released during the registration process on the Reply Platform and during the Enrolment that includes the acceptance of the Challenge T&Cs, of which this waiver is an integral and substantial attachment,

GIVEN THAT:

1. the Registered User has independently decided to join the Challenge that takes place according to the Challenge T&Cs
2. for the purposes of this waiver, the same definitions in the Challenge T&Cs apply.

That said, the registered user, accepting Challenge T&Cs and the waiver:

A) DECLARES AND GUARANTEES

1. That the information provided during registration on the Reply Platform is truthful and correct.
2. Not be a professional advisor
3. To be aged 18+
4. To be aware that, in case he/she will join the Challenge and will be within the first 10 Finalists, he/she will have to provide the Final Report within the deadline indicated in Art. 6 and that he/she will be the unique author of such Final Report and, for this reason, no third party will have rights or claims regarding the Final Report provided.
5. To have nothing to claim if he/she will not be 1st, 2nd or 3rd on the final Leaderboard, considering itself already fully satisfied by participation in the Challenge.
6. To be aware that the Performance is calculated as described in these Challenge T&Cs.
7. To be aware that, in so far as the object of this waiver is found to be, wholly or in part, untruthful and/or

incorrect, Reply has the right to exclude the registered user from the Challenge.

8. To be aware that if he/she will be 1st 2nd or 3rd on the final Leaderboard, only the consideration in kind referred to in Art. 6 and nothing else will have to claim against the provision of work and the consequent transfer of rights of the Final Report provided.
 9. To know that the subject matter of the Challenge T&Cs and of this waiver, is governed by Italian law.
- B) As reasoned above, **THE REGISTERED USER IS COMMITTED TO HOLD HARMLESS AND INDEMNIFY**, Reply, as well as all subjects involved in any way in the organization and/or management of the Challenge – from any request, claim, action, burden, cost, and/or prejudice of third parties, in any way connected to the Challenge and deriving from the conduct of the Registered User that would make less or prevent Reply and its donors and/or those having the right to carry out the Challenge and exercise, in the sole case he/she will be 1st, 2nd or 3rd on the final Leaderboard, the rights acquired through the Transfer (as defined below).
- C) **THE REGISTERED USER DECLARES TO TRANSFER (hereafter the "Transfer")** only in case he/she will be the in 1st, 2nd or 3rd position in the final Leaderboard, as in fact it transfers - exclusively and against the consideration referred to in Art. 6 of Challenge T&Cs - to Reply, which accepts and acquires for itself and/or its assignees, all the exclusive rights on the Final Report, including those of use and economic and commercial exploitation, in any form or manner, in whole or in part, without any limitation of time, territory and methods.
- D) **THE REGISTERED USER ALSO DECLARES:**
- a) that there's no impediment to release for the present declaration
 - b) to accept that if he/shell will be 1st, 2nd or 3rd on the final Leaderboard, he/she will not be entitled to receive any compensation, indemnity or reimbursement in addition to the consideration in kind pursuant to Art. 6 of the Challenge T&Cs
 - c) in relation to b) above, to have nothing to claim from Reply and/or its donors and/or assignees, transferees and in general from anyone who uses the Final Report for the purposes envisaged by the Transfer, guaranteeing its peaceful use
 - d) to have been duly informed about the characteristics of the Challenge and to have freely decided to join the same
 - e) to not having in place legal acts that, in any case, may affect the extent and effectiveness of this waiver.