Public offer for the conditional assumption of customer claims

Public offer for the assumption of customer claims against Inlock Services UAB (Laisvės pr. 60, Vilnius 05120, Lithuania, code: 306036522), hereinafter referred to as UAB.

IP Technologies Kft makes the present public offer (1118 Budapest, Rétköz utca 5., Company Registration Number: 01 09 328093) - hereinafter referred to as 'IP'. This offer aims to immediately release 50% of the customer's crypto assets on the Vigiler platform operated by IP while striving long-term to make the remaining assets available and release them. All this with the same but enhanced services as the Inlock platform operated by UAB for all customers of the Inlock platform who take advantage of this offer and accept its terms and conditions.

IP intends to fully compensate its customers by the following means :

- re-distributing the revenues of the vigiler.io platform to the customers involved in the revenue-generating transaction
- compensation from the vigiler.io platform reserve fund pro rata compensation
- from the potential and future compensation of the Inlock platform
- compensation from the excess crypto asset holdings of the Inlock platform

This public offer is conditional and limited in time. In the event of non-compliance with the conditions, IP shall have the right to withdraw from the offer. Failure to meet the deadlines will result in forfeiture.

IP will accept claims from UAB customers between 10 January 2023 and 20 April 2023. The assumption of customer claims will be on an individual basis; IP does not offer the possibility of group migration or migration on terms other than those of this offer and does not intend to enter into such individual contracts.

1. Conditions for proceeding with the migration

1.1 The Customer accepts the Migration Terms of Use, the Vigiler Platform Terms of Use and the Personal Data Policy.
1.2 The Client agrees that, in addition to his crypto assets, his personal data and the information recorded during the identification of the Client will be processed by IP.
1.3 The customer's onboarding process (KYC) will be re-performed during the IP migration.
1.4 The customer has at least one thousand US dollars worth of migrateable assets and loans

The crypto assets of customers who wish to exercise the migration option will be transferred. They will be subject to the same restrictions as currently in place on the Inlock platform until the preconditions for the migration to be completed are met.

The restrictions in force on the Inlock platform are as follows:

- Deposit and withdrawal
- Borrowing
- New customer registration

- Token market function
- Retail API function
- Pioneer and Welcome bonus programs and deposit promotion announced on 31 October
- Badge reward payout
- Interest payment

An exception to the above is the deposit function, which will be available to the client once the migration has started. The client may only hold the following instruments on the new platform: BTC, ETH, LTC, BNB, SOL, ADA, LINK, USDC, USDT, PAXG. The IP will consider the balance held in the listed crypto assets as the subject of the client's claim. The listed crypto assets can only be migrated in their entirety to the vigiler.io platform; no partial migration is possible.

2. Conditions for completing the migration

2.1 The Customer agrees to store at least 50% of the USD value of the balance held on the vigiler.io platform in USDC to complete the migration. If this condition is not met for the crypto assets transferred during the migration, the required percentage can be achieved either by swapping the existing crypto assets or by a deposit on the vigiler.io platform.
2.2 The customer does not have a running loan that has been transferred from the Inlock platform.

The migration is completed automatically when the conditions are met.

3. Loans migrated from the Inlock platform

If the customer has a running loan transaction that was opened on the Inlock platform, he/she must either close these transactions on the Inlock platform before the migration starts or he/she has the option to transfer the loans to the vigiler.io platform, but the migration will not be completed until they are repaid or closed. The duration of the loans and the interest rate payable will remain unchanged, subject to the following conditions:

3.1 Interest on the loans will be capitalised daily on the vigiler.io platform. Accordingly, the customer has no outstanding interest debt.

3.2 On the new platform, the collateral liquidation will take place at 93% LTV, with a corresponding slight increase in the LTV margin of the migrated loans.

Following the migration, 50% of the USD value of the client's crypto asset balance will be automatically blocked (hereafter referred to as the compensating balance) on the vigiler.io platform, for which only the client's USDC balance can be used. The client's additional assets may be freely used on the vigiler.io platform provided by the IP, for its services or even withdrawn at the client's discretion. If the customer has crypto assets on the Inlock platform that are not supported by the vigiler.io platform, these crypto assets will remain on the Inlock platform and will be managed by the customer there.

4. Vigiler platform (vigiler.io)

The Vigiler platform aims to provide high-quality services to the customers of the Inlock platform by enhancing the business model implemented by Inlock. The Vigiler platform adds several innovative and new services. The platform implements a transparent crypto asset registry and service fee system, with the main objective of allocating the largest part of the platform's revenues to the reduction of the compensation balance to compensate its customers for the damages suffered by the Inlock platform in the event of a loss.

5. Timeline of the migration process

Customers wishing to take advantage of this offer acknowledge that the migration process may take several days to complete, especially in cases where the customer also has loans in progress. After the migration, the client's crypto assets will be available on the Vigiler platform. The customer must repeat the customer identification process to access these crypto assets, as the law requires. The customer should note that once the migration has started, he will not have access to his crypto assets until it is completed, but for a maximum of 7 working days.

6. Distribution of platform fees

Inlock has developed a model that has been able to generate significant extra profits, particularly during bull market periods. The Vigiler platform further develops the same business model and adds new innovative services (e.g. dualswap and superposition). IP implements the following two platform cost re-distribution models:

6.1 Where the transaction generating the platform fee involves one or more clients who still have a compensatory balance, 20% of the platform fee is allocated to operating costs; 10% is allocated to replenish the reserve fund; a further 10% is allocated as compensatory returns, and the remaining 60% is allocated to the client or clients involved in the transaction.

6.2 Where the transaction generating the platform fee involves only a client or clients who do not have a compensatory balance, 20% of the platform fee will be allocated to operating costs, 20% will be allocated to new developments, and 60% will be allocated to the reserve fund.

Thus, the platform fee rebate scheme is primarily intended to compensate those customers who actually use the Vigiler platform services, thus contributing the most to the platform's operations.

Where several customers are involved in a transaction (e.g. superposition or collateral position) and several of them still have a compensation balance, they will receive their share of the platform fee in proportion to their share of the platform revenue from the specific transaction.

7. Compensation from a reserve fund in the Vigiler Platform:

The purpose of the reserve fund is to minimise the risks associated with crypto assets on the Vigiler platform. Based on the Inlock platform's many years of professional experience, this is done by maintaining an amount equal to 10% of the total AUM (Asset Under Management) in the reserve fund. The IP undertakes to review the balance of the reserve fund every three months and, if it finds that there are crypto assets registered in the reserve fund more than 10% of the platform's AUM, to distribute the excess in proportion to the outstanding compensation balances among clients with outstanding claims.

8. Compensation from Inlock’s compensation

UAB agrees that, in the event of partial or full compensation for the damage suffered by the platform, it will transfer the compensation equivalent to the crypto asset holdings of the client that has opted for the migration option to IP. The IP will use this amount, without deduction of any other fees or charges, to unblock the compensation balance of the client. If the value of the compensation received exceeds the amount of the compensation balance owed to all clients, the excess will be transferred in full to the reserve fund.

9. Compensation from Inlock's surplus assets

UAB undertakes that if it successfully settles all its debts to its customers and as a result of the process, it has surplus assets, it will transfer these assets in full, without any other charge or cost, to IP to reduce its customers' compensation balance proportionately. If the excess assets exceed the amount of the compensation balance owed to all customers, the excess shall be transferred in full to the reserve fund.

10. Compensational yield

The compensatory balance entitles our clients to a yield credit, the source of which is the compensatory yield. This is 10% of the Vigiler platform's revenues for transactions initiated by a client with a compensatory balance. The compensation yield is in addition to the compensation balance (i.e. its crediting does not reduce the compensation yield) and is paid at the close of each quarter (the last day of the calendar quarter). Clients still have a compensatory balance are entitled to receive the yield credit. The yield will be distributed in proportion to the percentage of our customers with a compensatory balance.

Annex 1

Technical Annex: Services

The Vigiler platform offers its customers the following services:

Wallet: a wallet service; customers can freely deposit and withdraw funds. The Vigiler platform aims to store up to 80% of the USD value of the assets stored in the Wallet in a cold wallet; an amount exceeding this percentage may not be allocated to third parties. The initial 80% commitment will be progressively reduced as the "reserve fund" increases. The target is to have 100% of the assets held in the custody accounts in cold wallets within 2-3 years. The supported assets can be stored in the cold wallets are BTC, ETH, LTC, BNB, SOL, ADA, LINK, USDC, USDT, PAXG.

Wallet:**Swap**: The platform provides a limited possibility for clients to exchange their assets for the current market exchange rates via a swap function.

Wallet: Internal Transfer: Assets held in custody wallets can be internally transferred within the platform to another user via email address or alias.

Savings Pool: clients can place all or part of their assets in their Custody Wallet in the Savings Pool. The purpose of the Savings Pool is to provide a pool of liquidity always available for additional services on the platform. The system may pay interest on the assets stored in the Savings Pool in proportion to the allocations. Allocation: shows the proportion of liquidity from a given coin or token that is actively used in other services. The higher the allocation ratio, the higher the interest the client receives on the assets in the pool. The platform may limit the number of new assets can be placed in the pool if the pool allocation for a particular coin or token is persistently low. Clients can initiate an asset withdrawal from the Savings Pool at any time, but this will only be executed if the desired amount of the coin or token is available in unallocated form. The platform applies a so-called "provisioned interest rate" principle, whereby interest is paid daily, backed by the interest earned over the previous 100 days. At maximum allocation, interest rates of up to 80% per annum are available.

Borrow: clients can borrow using the assets held in their Wallet as collateral, in any asset supported on the platform. They can then freely use the borrowed assets for the platform's services or even transfer or sell them, opening a short position.

Collateral Option: Clients can allocate the funds in their Wallet to hedging options, allowing them to buy crypto assets up to 4.3% below the market price. The transaction will be settled if a liquidation event occurs in relation to the Loan product. The hedging option serves as the primary source of margin liquidation.

Dualswap: customers can initiate Dual Swap operations with their crypto assets stored in their Wallet. These are positions on which they can open long or short positions from 1.1 with ten times the initial leverage.

Positions can be opened not only on the ten crypto assets supported by the platform, but also on hundreds of coins and tokens available on the most popular exchanges. The platform also commits to allowing the use of Dual Swap almost immediately after listings on the most popular crypto assets available on the major exchanges. The platform reserves the right to open only 'long' positions against certain crypto assets. Alternatively, it may limit the amount of leverage if the client resides in a jurisdiction where leveraged transactions are restricted.

Dualswap long positions can be opened in USDC, and USDT assets (stablecoin) and the positions are closed out in USDC or USDT. Dualswap short positions can be opened in all crypto assets supported by the platform against USDC or USDT assets. The availability of dualswap pairs depends on the spot trading pairs available with the exchange counterparties. Dualswap, in combination with stop loss and take profit options, allows for efficient risk management. The Savings Pool provides the source of the crypto asset for the transfer of Dualswap capital. A Dualswap option can only be opened if there is sufficient collateral in the Savings Pool of the respective token to open the transaction. The crypto assets allocated for leverage are subject to an hourly payment of the base interest rate of the relevant Savings Pool.

Superposition: Our clients can benefit from the volatility of crypto assets on an ongoing basis while keeping the associated risks under control. When establishing a Superposition, the client must choose which crypto asset he wishes to open the position against and whether he wishes to maintain the position in the short or long term. On average, short-term positions can generate extremely high returns for a few weeks to a month. Still, they can become passive positions in the long term if the price of the chosen crypto asset changes significantly (more than 20%) in either direction. The expected return on a long-term position is lower than on a short-term position. Still, it has a significantly higher tolerance level for exchange rate movements, so it can generate a steady profit from volatility even if the exchange rate moves within 50%.

Positions can be opened not only against the ten crypto assets supported by the platform but also against hundreds of coins and tokens available on the most popular exchanges. The platform also commits to allowing Superposition against top-rated assets and is available on major exchanges almost immediately after listings.

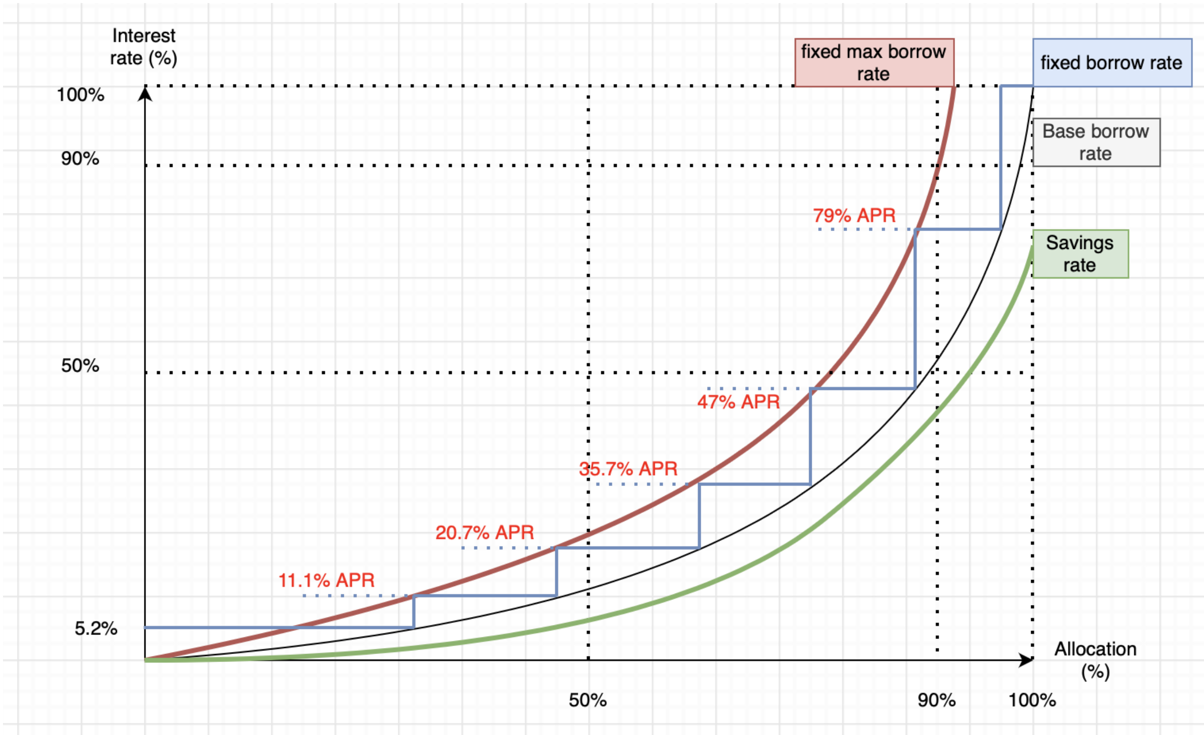
Superposition is a high-risk but extremely high-return product. To manage the risks associated with it, the platform provides several tools: price-based stop loss and take profit, PnL (Profit and Loss) based stop loss and take profit.

Some innovative enhancements complement the Superposition product, the most notable of which is that clients who open Superpositions against the same coins or tokens within a relatively narrow (+/-10%) price band can achieve significantly higher profits by leveraging such allocations to allow clients to collectively take advantage of the profitability inherent in volatility.

Annex 2

Technical Annex: Loan and Savings Pool interest rates

The platform uses an automatic interest rate setting and correction model. The aim is to provide predictable and favourable conditions for using the platform's services.



Interpreting the figure:

- **Base borrow rate**: the thin black line shows the interest rate at which the counterparty can access the liquidity source for all short-term floating rate allocations (e.g. dual swaps). Interest is calculated on an hourly basis, each hour based on the current allocation rate.
- **Fixed borrowing rate**: the blue stepped line indicates the interest rate for long-term (10 days to 360 days) loans. The interest rate does not change during the term unless the client uses the "instant credit line" option. The interest rate on a long-term loan can be 5.2%, 11.1%, 20.7%, 35.7%, 58.3%, 90.6% and 100%
- **Savings rate**: the chart shows the annual interest rate at which those who provide liquidity to the Savings Pool receive a return on their allocation. The interest is credited at the end of the day based on the interest income generated on that day.

Detailed rules:

- if the Savings Rate for a given coin or token is less than or equal to 0.1%, no interest will be paid on that coin on that day
- if the Allocation (%) for a given coin or token is less than 10%, no new crypto asset may be placed in that pool
- To avoid highly volatile daily interest payments, the platform aims to spread the interest payment proportionally over the next 100 days. In practice, the platform reserves the right to fine-tune the duration of the distribution to maintain optimal performance.

Annex 3

Technical Annex: Service Fees and their Reallocation

Wallet, Savings Pool, and **Collateral Option** products, including deposit and internal transfer services, are free to use. With the Wallet product, there is a fee for withdrawals depending on the transaction fees of the respective network. The platform also offers the possibility to transfer crypto assets through several alternative networks, some of which may be free of charge.

Swap costs. The specific swap service fee varies for each coin/token pair. Clients with a compensatory balance are entitled to a 60% refund of the platform fees thanks to the platform fee rebate, which can be as low as 0.12% of the swap transaction cost on the most popular pairs.

Loan offers, disbursement, partial or full repayment and coverage extension are free of charge.

Loan repayment from collateral: 1% of the amount of collateral.

Liquidation of a loan on reaching a break-even point or for missing a repayment deadline: 7% of the value of the collateral.

Opening and closing a **Dualswap** position is free, but the client has to pay the current base borrow rate per hour to maintain the position.

Superposition: the product usage and closure is free to use and the client is entitled to 100% of the exchange rate profit generated when closing the position. The volatility profit generated during the maintenance of the position is shared between the client and the platform in the ratio of 80%:20%, where 20% of the profit is due to the platform in the form of a platform fee. Still, this fee is also subject to a fee refund from the compensation balance!

Opening and closing **Collateral Option** is free.

<u>Reallocation of service fees (platform fees):</u>

If a particular service is used by a customer or customers who still have a compensation balance from a claim against Inlock, 60% of the service fee will be credited to the affected customer or customers in the form of a release of their compensation balance.
Details of the rules for each product:

Clients using the **Swap** function are entitled to 60% of the platform fee in the form of a fee refund against their compensation balance.

Clients with a sufficient compensation balance are also entitled to 60% of the margin release if the Collateral Option is exercised. In practice, this means that the relevant customer base:

- In the case of a collateral settlement, they can buy crypto assets at ~0.6% below the market price;
- in case of liquidation of collateral: ~4.2% below market price.
-

IMPORTANT: the option is settled at the spot market price, but the client is entitled to 60% of the margin call on his/her compensation balance.

Savings Pool interest markup: the chart in the Loan and Savings Interest annex shows the extent to which the platform earns platform revenue from the interest markup. This represents a platform fee of between 1% and 30% depending on the allocation size and the related product (variable or fixed rate product). This fee is also part of the reduction of the compensation balance, as follows:

- 50% of the platform fee due on interest payments will be payable as compensation to the client from whom the interest is derived. As a result, the borrower can reduce the actual interest payable on the loan by up to 10-15%.
- 50% of the platform fee on interest payments is available to customers who still have a compensatory balance in the Savings Pool allocation

Calculation aid:

- Savings benchmark interest rate: rate% = 1.0997**(0.45 * allocation%) - 1.047. If result < 0.1, then rate% = 0
- Base loan interest reference: loan% = 1.5 * (1.0967**(0.457 * allocation%) - 1.047
- Suppose the annualised rate of return (APR) of the interest amount paid is greater than or equal to the annualised rate of return of the savings reference. In that case, 100% of the interest is paid as interest, so in this case, there is no platform fee.
- Suppose the annualised rate of return (APR) of the interest paid is lower than the annualised rate of return of the savings reference rate. In that case, the amount equal to the savings reference rate is charged as Savings Pool interest and the remainder as a platform fee. The platform fee is refunded to the interest payer and the customers providing funds to the Savings Pool in the proportions described above

Superposition: 80% of the volatility profit generated by the use of the product is paid to the client. The remainder is a platform fee, of which the client is entitled to a fee rebate if he still has a compensating balance. If the volatility gain arises from a multi-cross event. In that case, the platform fee is divided between the clients concerned in proportion to the proportion of the superposition involved in the transaction. For example, if client **A** holds a USDC 10k superposition against BTC and manages to jointly capture the volatility in a multi-cross transaction with client **B,** who holds a USDC 40k superposition against BTC, and both clients still have an offsetting balance, client **A** will receive 20% of the platform fee and client **B** 80%.