



Key Information Document – CFD Cryptocurrencies

Objective:

This document provides you with key information about this investment product. This document should not be understood as marketing material or investment advice. The provision of this information is required by law in order to assist you in understanding the nature of the risks, costs, potential profits and losses and to assist you in comparing this financial product with other products.

Product:

Product name: Contracts for Difference ("CFDs") – Cryptocurrencies

Distributor: Brokerage Company CAPITAL MARKETS, o.c.p., a.s. (hereinafter referred to as the „Brokerage Company“), with its registered office at Slávičie údolie 106, Bratislava – Staré mesto, 811 02 Bratislava, registered in the Business Register of the City Court Bratislava III, Section Sa, Insert No.: 4295/B, ID No.: 36 853 054, TIN: 2022505419.

Website: www.investingfox.com

Date of last revision of this document: October 2023

Warning: You are about to purchase a product that is not simple and can be difficult to understand.

What is the product?

Type

CFDs on Cryptocurrencies are leveraged contracts that allow you to gain indirect exposure to the underlying asset, which are Cryptocurrencies. A cryptocurrency is a virtual currency that functions as a medium of exchange, unit of account and/or store of value and has no legal tender status in any jurisdiction and is traded on unregulated decentralized digital exchanges. The most common Cryptocurrencies are Bitcoin, Ethereum and Ripple. The value of Cryptocurrencies is derived from the cryptocurrency exchanges on which they are traded. The Cryptocurrencies on which the Brokerage Company currently provides CFDs are available on the website.

Example

If an investor has opened a Long position (e.g. BTC/USD) and the price of the underlying asset increases, the value of the CFD will increase - when the position is closed, the Brokerage Company will pay the difference between the contract's closing value and the contract's opening value. On the contrary, if the investor opens a Short position and the price of the underlying asset increases, the value of the CFD will increase - at the close of the position the investor will pay the Brokerage Company the difference between the closing value of the contract and the opening value of the contract. The leverage in Cryptocurrency CFDs results in an increase in both profits and losses.

Aims

The aim of trading Cryptocurrency CFDs is to speculate on the price fluctuations (in the short term) of the underlying asset by gaining indirect exposure. Your profit depends on the price fluctuations of the underlying asset and the size of your investment. The first currency (Cryptocurrency) listed in the pair is called the base currency and the second currency is called the quoted currency (each currency pair is listed as a three-letter code). The value of the pair represents the price of one unit of the base currency in the quoted currency. If the base currency rises against the quoted currency, then one unit of the base currency will be worth more units of the quoted currency and the price of the pair will increase. If the base currency (Cryptocurrency) weakens, the value of the pair will decrease.

Cryptocurrency	Direction	Leverage	Position value	Initial margin	Opening price	Closing price	Change in %	Paid spread	Swap*	Net profit	Currency
ETH/USD	BUY	1:2	Value 1 ETH	1087.5	2175	2191	0.74%	48.61	20.6	209.39	USD
ETH/USD	SELL	1:2	Value 1 ETH	1087.5	2175	2191	0.74%	48.61	20.6	-306.61	USD
XRP/USD	BUY	1:2	Value 1 XRP	0.325	0.65	0.70	7.69%	0.001	20.6	0.049	USD
XRP/USD	SELL	1:2	Value 1 XRP	0.325	0.65	0.70	7.69%	0.001	20.6	-0.051	USD

* Example above: The position was held for one (1) night.

The tax laws of the retail investor's home Member State may affect the amount actually paid.

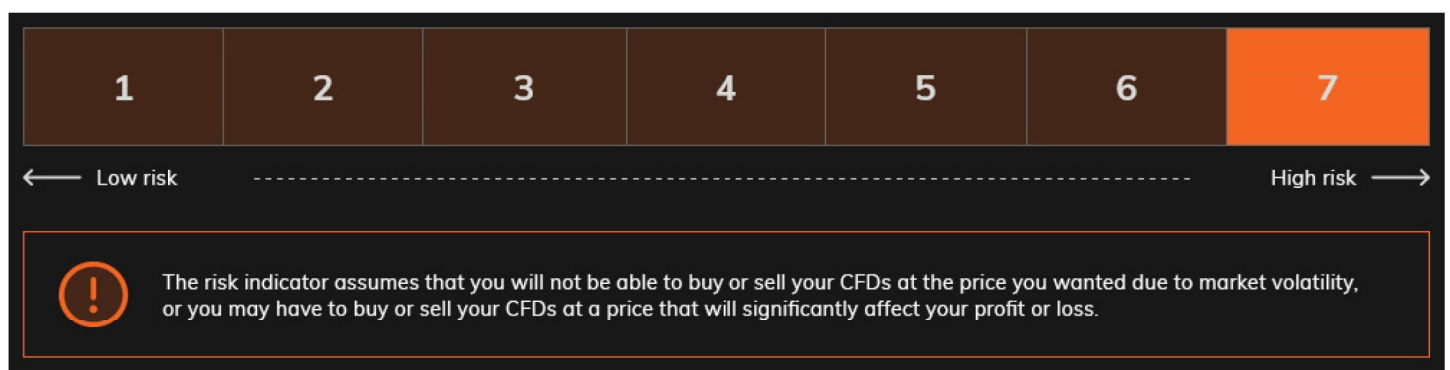


When the free margin drops due to price fluctuation in the opposite direction of the investor's open positions, the investor must either fund the account to maintain the margin level above the stop-out level (automatic systemic closing of the position), which is at 50% of the free margin, or close the open positions to avoid automatic closing of the open positions. Notification of a Margin Call will be made via a durable medium when the margin level falls below 100%. If the underlying asset is delisted from the Stock Exchange, a position that is open on these shares will be automatically closed at the last available trading price. You should familiarise yourself with all costs and fees associated with trading prior to trading. These fees will reduce any net profit or increase your losses. The Brokerage Company reserves the right to unilaterally close any position if it considers that the terms and conditions of the contract have been breached.

Target investor

This product is available for investors who have knowledge of the financial markets and are expected to have had experience with leveraged trading in the past. Investors are expected to understand how Cryptocurrency CFD prices are derived, the key concepts of margin and how leverage works. In addition, they must understand that leveraged trading can cause the loss of all invested capital and be able to bear losses.

Risk indicator



The risk indicator can show you the risk associated with these products compared to other products. It is an indicator of how product movement can lead to financial loss for the investor. The risk indicator has been set to the highest level. The rate indicates the potential losses from future product performance. CFDs on Cryptocurrencies are leveraged and risky products that can cause losses. Losses cannot exceed the amount invested (negative balance protection), but you may lose all your invested capital. There is no capital protection against market risk, credit risk and/or liquidity risk.

Currency risks

CFD on Cryptocurrencies can be bought or sold in a currency other than the currency of your account. The final amount you may receive depends on the exchange rate between the two currencies.

Performance scenarios

The scenarios below are a demonstration of how an investment might develop, allowing you to compare the different products and their scenarios to determine which product is better for you. The scenarios presented are an indication of possible future performance based on past performance and are not an accurate indicator.

The outcome will be based on the performance of the market and how long you hold a particular CFD. The stress scenario indicates a possible outcome under extreme market circumstances. **The future development of the market cannot be accurately predicted. The below scenarios are only an indication of some possible outcomes based on recent results.**

Scenario

Cryptocurrency Contract for Difference (CFD): ETH/USD	
Opening price: P	2175
Trade size (by CFD): TS	1
Margin %: M	50%
Contract size: K	value 1 ETH
Margin requirement (€): $MR = P \times TS \times M \times K$	1087.50
Trade notional value (€): $TN = MR/M$	2175





Table 1

BUY Performance Scenario	Closing price (including spread)	Price change	Profit/loss Gross*	SELL Performance Scenario	Closing price (including spread)	Price change	Profit/loss Gross*
Favorable	<u>2207.62</u>	1.5%	<u>32.62 USD</u>	Favorable	<u>2142.85</u>	1,50%	<u>32.15 USD</u>
Moderate	<u>2191.31</u>	0.75%	<u>16.31 USD</u>	Moderate	<u>2158.81</u>	0,75%	<u>16.31 USD</u>
Unfavorable	<u>2142.85</u>	-1.5%	<u>-32.62 USD</u>	Unfavorable	<u>2207.62</u>	-1,50%	<u>-32.62 USD</u>
Stress	2070	-5%	<u>-105 USD</u>	Stress	2280	5%	<u>-105 USD</u>

What happens if the Brokerage Company is unable to pay the amount requested?

The Brokerage Company separates all funds of its clients from its own funds in various bank accounts in accordance with section 71h of Act No. 566/2001 on securities and investment services. In addition, the Brokerage Company contributes to the Investment Guarantee Fund (GFI). The purpose of the GFI is to secure the claims of covered clients by paying compensation in cases under the Securities Act. The total amount of compensation payable to each covered client of the Brokerage Company is up to a maximum of EUR 50,000. For more information, please visit www.garancnyfond.sk/.

What are the costs? *

One-off entry or exit costs	Spread	The difference between the sell price and the buy price.
	Minimum commission	Minimum fee charged for the service related to the execution of the transaction (relates to shares ONLY).
Running costs	Swap	If you hold an open buy or sell position after the market closes, you will be subject to a swap fee.

* For more information, please visit www.investingfox.com

How long should I keep the product, and can I withdraw the money sooner?

CFDs on Cryptocurrencies do not have a recommended holding period. Assuming the markets are available for trading an investor can buy and/or sell CFDs on Cryptocurrencies at any time. Please refer to the trading hours of the financial instruments at www.investingfox.com.

How can I complain?

If you, as a client or potential client of CAPITAL MARKETS, o.c.p., a.s., wish to file a complaint, you may do so by sending an e-mail to the Brokerage Company's e-mail address info@capitalmarkets.sk or by sending correspondence to the following address CAPITAL MARKETS, o.c.p., a.s., Slávičie údolie 106, Bratislava – Staré mesto, 811 02 Bratislava.

If the entity that sells you a service of CAPITAL MARKETS, o.c.p., a.s. or provides financial intermediation or investment advice is not the Brokerage Company directly, please contact this entity directly in accordance with the current complaints procedure available on the Brokerage Company's website www.capitalmarkets.sk/o-nas/licencie-a-regulacie/ or www.investingfox.com.

If you are not satisfied with the response to your complaint, you can complain directly to the NBS regulator. For contact details and further information, please visit www.nbs.sk/sk/o-narodnej-banke/kontakty.

Other relevant information

All relevant documents containing detailed product information, including information on product features and fees, such as General Terms and Conditions, Pre-Sales Information, etc. can be found at www.capitalmarkets.sk or www.investingfox.sk.