Key Information Document (KID) for Cryptocurrency CFDs

1. Purpose:

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product legal identification

Name of product: Cryptocurrencies CFDs **Manufacturer**: Maxiflex Ltd (previously Maxiflex Global Investments Corp Ltd) **Contact details:** www.europefx.com **Telephone Number**: +357 25 262767 **Licence information**: Cyprus Securities and Exchange Commission (CySEC) Licence number 258/14 **Date:** 9st of March 2018

You are about to purchase a product that is not simple and may be difficult to understand

2.What is this product?

2.1. Type of Product: A CFD or Contract for Difference is an agreement between two parties (Buyer and Seller) to exchange the difference in value between the opening and closing price for a particular asset. Trade opening price would be the price in effect at the moment the agreement is made at while the closing price would be the price at which the agreement is executed. As per the applicable law, CFDs are complex financial products, traded on an 'over the counter basis' ('OTC'). CFDs are considered as financial derivatives that enable the traders to take advantage of price movements on the underlying financial instruments without the need for ownership of this asset.

This document provides key information on CFDs where the underlying investment that the Client choose is Cryptocurrencies such as Bitcoin. A Cryptocurrency derivative is a contract with a cryptocurrency as the underlying asset.

2.2. Objectives: The objectives of trading CFDs is to speculate on price movements in an underlying asset by obtaining an indirect exposure to the underlying asset. Client's return depends on movements in the price of the underlying asset and the size of Client's stake. For example, if the Client believes that the value of Cryptocurrency is going to increase, the Client would buy a number of CFDs ("going long") with the intention to later sell them when they are at a higher value. The difference between the price at which the Client buys and the price at which the Client subsequently sells equates to Client's profit, minus any relevant costs. If the Client thinks that the value of a Cryptocurrency is going to decrease, the Client would sell a number of CFDs ("going short") at a specific value, expecting to later buy them back at a lower price than the Client previously agreed to sell them for, resulting in Company paying the Client the difference minus any relevant costs. However, in either circumstance if the Cryptocurrency moves in the opposite direction and Client's position is closed, either by Client or as a result of a margin call, the client would owe the Company the amount of any loss that the Client has incurred together with any costs.

To open a position and to protect the Company against any losses the Client incurs, the Client is required to deposit a percentage of the total value of the contract in his account. This is referred to as the margin requirement. Trading on margin can enhance any losses or gains that the Client makes.

2.3. Indented Retail Investor: Trading products such as Cryptocurrencies is not appropriate for everyone. t is normally expected that these products are used by persons who have a high-risk tolerance as well as the ability to understand the risks involved with their high volatility including the risk of losing a part of or the entire investment in a very short period of time. Clients should be also trading with money they can afford to lose. CFDs on cryptocurrencies are compatible with the needs of clients who are seeking a short-term capital gain and/or with a short-term investment horizon by investing in highly liquid markets which can provide the benefit of quick.

Moreover, Clients should be aware of the absence of any specific EU regulatory framework governing the trading in such products, that falls outside the scope of the Company's regulated activities as per MiFID II. Clients that will trade these products must be aware that they are not entitled for any protection under the Investors Compensation Fund ('ICF') and they do not have the right to initiate a dispute, through the Cyprus Financial Ombudsman.

2.4. Term: CFDs do not have any maturity or termination date, the Client is able to decide when to open and close his position(s). However, CFDs on Cryptocurrencies may have an expiry date. In such cases any open positions on CFDs on Cryptocurrencies will close upon the expiry date set for the instrument at the last available price, if they are not closed earlier.

The company has the right to close Client's position(s) without seeking a prior consent if the Client do not maintain sufficient margin in his account.

3. What are the risks and what could I get in return?

Risk indicator:

1	2	3	4	5	6	7

Low Risk **High Risk**

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 7 out of 7, which is the highest risk class. This rates the potential losses from future performance of the product at a very high level. There is a very high chance you could lose up to 100% of your trading account balance. However, the investor will never owe to the Company any amount in excess of the available funds in the account in light of the contractual "Negative Balance Protection. In circumstances where no automatic stop loss is manually selected by the Client, the amount of your losses may significantly exceed the amount invested in a specific trade, up to 100% of the total balance in Client's trading account.

Moreover, the Client shall be aware of currency risk as the realized return of CFD contract denominated in a currency other than Client's account currency is affected by both the performance of the underlying asset and the exchange rate between both currencies.

CFD trading requires you to maintain a certain level of funds in your account in order to open position(s) and to keep Client's position(s) open. This is called the initial margin and maintenance margin respectively. You will be able to open a position by depositing only a small percentage of the notional value of the position, creating a

leveraged position. Leverage can significantly magnify your gains and losses. If the funds in your account decrease to the point that they will soon become insufficient to keep your position(s) open – meaning that your equity is getting close to the total maintenance margin - a margin alert will be issued, asking you to consider depositing additional funds. If you fail to deposit additional funds and the market continues to move against you, we may close your position(s) (immediately and without notice) and you will realise any losses. Our CFDs are not listed on any exchange, and the prices and other conditions are set by us in accordance with our best execution policy. The contract can be closed only with us and is not transferable to any other provider. If you have multiple positions with us, your risk may be cumulative and not limited to one position.

The tax regime of the country in which you are domiciled may impact your return. This product does not include any protection from future market performance, so you could lose part of or all of your investment. This includes both your deposit(s) as well as any accumulated profits. If we are not able to pay you what is owed, you could lose your entire investment.

<u>Performance scenarios</u>

The table below shows the money you could get back under different scenarios, assuming that you buy 1 CFD on BTC/USD, your investment amount is 100 USD at 20000 USD and your position is closed on the same day. Profit and loss accrue based on percentage change of underlying asset.

*The position is closed on the same day.

Performance Scenario	Closing Price	Price Change	Profit/Loss in USD
Stress	16000	-20%	(16000/20000-1) x100= -20 loss
Unfavourable	18000	-10%	(18000/20000-1) x100= -10 loss
Moderate	19000	-5%	(19000/20000-1) x100= -5 loss
Favourable	22000	10%	(22000/20000-1) x100= 10 profit

The figures shown include all the costs of the product itself excluding commission and other fees which can be found in Client's Agreement (Terms and Conditions) and/or Contract Specification in the Legal documentation section of the Company's website. Please note that your personal tax situation may also affect how much you get back.

4. What happens if the Company is unable to pay out?

All client money held by the Company are held in segregated bank accounts, separately from the Company's own funds, and safeguarded with highly-rated credit institutions in Europe. On a daily basis The Company performs internal and external reconciliations as required by the CySEC and prescribed by the rules of MiFID II for the Company to ensure that it maintains adequate amounts in its client money accounts to cover all client funds.

However, Clients should be aware of the fact that in the improbable event that the Company is unable to pay the Client, Client trading in CFDs on cryptocurrencies is not entitled to the protection under Investor Compensation Fund.

5. What are the costs?

There are various charges and fees applicable when trading CFDs. Such information can be found on the Company's official website, Client Agreement and Contract Specifications. For instance; Commissions, spread, mark-up, swaps/financing fees and etc. There are no additional charges for opening / activating your trading account, however there are extra charges for withdrawing funds from your account. Sufficient information can be provided on the Company's website and by contacting a Customer Support Representative. Before you proceed with your trading activity, please review the applicable charges and decide accordingly. Any charges might change from time to time, to this extent, the Company suggests to regularly review its Legal Documentation. The Company charges a spread or/and fixed commission, when an investor buys/sells a CFD. A spread is the difference between the Sell ("Bid") and Buy ("Ask") price of the CFD which is multiplied by the deal size. The commission per each underlying asset is detailed on the website [Contract Specifications] but each investor may have different commission plans on all or some of the underlying asset based on the investor's history, volume, activities or certain promotions.

In addition to the above, the Company charges Overnight Financing (OF) for deals that remain open at the end of the daily trading session. This fee may be subject to credit or debit, calculated on the basis of the relevant interest rates for the currencies in which the underlying instrument is traded, plus a mark-up. Overnight Financing Percentage means that an applicable amount will be subtracted (debited) from the investor's account. If the CFD's quoted currency differs from the account's currency, it will be converted to the account's currency at the prevailing exchange rates.

Upon the occurrence of certain events that effect a public company's shares value (Corporate Action), the Company shall liquidate any open position(s) and remove any limit order(s) in the CFD which quotes the specific share. Corporate Actions include Splits, Rights Offering, Delisting and any other event which materially affects or may materially affect the shares' price (including material company announcements, takeovers, mergers, insolvency etc.).

6. How long should I hold it and can I take money out early?

Usually for less than 24 hours. As soon as you close a position, then your trade – investment ends. You can close a position, at any time within the trading hours of the underlying instrument. Market hours can be found online, by accessing the Contract Specifications .However, please note that your position might be automatically closed by the system, if you do not have the necessary margin available(your balance is low). For MT4, if the margin level reaches 30%, then your position will be closed automatically. Prior to any closure, when margin level reaches 100% and below, the Company might close part of your trades in order to bring your account above the margin level of 100%, the client may receive a 'margin call' to proceed with additional deposit/s in order to avoid closure of the position. Therefore, Investors shall always monitor the margin level of the trading account. Moreover, if all margin is in use, then the Investor will not be able to open new position. Additionally, the position might close if the underlying asset becomes unavailable for trading.

Upon maturity, so any position which is open after the maturity date, will be automatically closed by the system. Investor can close the position, before the maturity. For the use of leverage, Investors shall ensure that they maintain at all times the margin required to keep a position open, therefore the trading account's available balance shall be always equal or higher than the required margin in order to avoid closure of the position (stop- out).

7. **How can I complain?**

Any Complaints the Client may have against the Company which relate to trading in CFDs on Cryptocurrencies are not eligible and shall not be accepted for consideration or review by the Financial Ombudsman of the Republic of Cyprus