

KEY INFORMATION DOCUMENT - CRYPTOCURRENCIES

Purpose

This document provides you with key information about this investment product specifically Contracts for Difference (CFDs) on Cryptocurrencies. 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

Product Name Contract for difference (CFD) on Cryptocurrencies.

Product manufacturer Klips CY LTD ("**Klips**"), authorised and regulated by Cyprus Securities and Exchange Commission (CySEC) as a Cyprus Investment Firm ("CIF") with license number 434/23 and having its registered address at 116 Gladstonos Street, M.Kyprianou House 3rd & 4th floor, 3032, Limassol, Cyprus.

Further information You can find more information about Klips and our products on our website at: www.klips.com You can contact our customer support via live chat or email. This document was last updated on 01/09/2023

Alert

You are about to purchase a product that is not simple and may be difficult to understand. Our service includes products that are traded on margin and carry a risk of losses. The products may not be suitable for all investors. Please ensure that you fully understand the risks involved.

What is this product?

Type

An Over the Counter ("OTC") Derivative Contract for Difference ("CFD") with the underlying instrument being Cryptocurrencies. A cryptocurrency is a virtual currency that functions as a medium of exchange, a unit of account, and/or a store of value, do not have legal tender status in any jurisdiction and are traded on non-regulated decentralized digital exchanges. The most common cryptocurrencies are Bitcoin, Ethereum, Litecoin and Ripple. The pricing of cryptocurrencies is derived from specific cryptocurrency exchanges and are traded on cryptocurrency exchanges. The cryptocurrencies we currently offer as CFDs can be found at the company's website.

Objectives

An Crypto CFD is not a listed instrument but is traded as an over the counter contract between you and Klips. A Crypto CFD enables you to have exposure to price movements on the underlying currency pair (the base currency and the quote currency). A Crypto CFD is an agreement between you and Klips to exchange the difference in price of the underlying over a period of time. The difference to be exchanged is determined by the change in the exchange rate between two currencies. Thus, if the exchange rate of the base currency rises you receive cash in the settlement currency from Klips and vice versa. A Crypto CFD can be bought long or sold short to suit your view of market direction in the future. A Cryptocurrencies CFD is a leveraged product that requires you to deposit a smaller amount of cash as margin than the notional value of the position. For retail investors, the European Securities and Markets Authority (ESMA) mandates a minimum initial margin of 50% of the notional value of the Cryptocurrencies CFD and requires Klips to liquidate open positions if the qualifying equity (CFD cash and unrealized CFD P&L) in your CFD account falls below 50% of the initial margin requirements

Intended Retail Investors

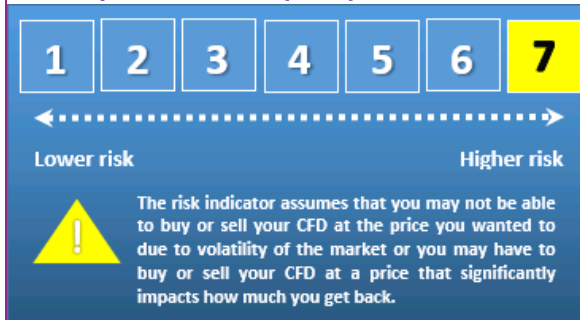
This product is for clients that have a medium to high risk tolerance and ability to lose the invested capital. It is available for clients with a relatively short-term investment horizon, and is not suitable for all investors but only for those who i) understand and are willing to bear the risks involved, including the risks associated with margin trading; ii) possess the necessary experience and knowledge about trading in derivatives and the underlying instruments; and iii) are financially able to bear the risk of a total loss of their invested amounts, subject to the negative balance protection mechanism offered by the Company.

Terms

Crypto CFDs generally have no maturity date or minimum holding period. You can decide when to open and close your position(s). Klips may close your position without seeking your prior consent if you do not maintain sufficient margin in your account. Please consult the Klips website for trading times of these instruments.

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

Summary Risk Indicator ("SRI")



The SRI is a guide to the level of risk of these products 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 these products as 7 out of 7, which is the highest risk class. This is because there is a very high chance you could lose up to 100% of your trading account balance.

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. In addition to market price, there are also other risks associated to this product: foreign exchange risk, market risk, leverage risk, market disruption risk, online trading platform, IT risk, and liquidity risk. Before deciding to trade CFDs, you should carefully consider your trading objectives, level of experience and risk appetite. Trading CFDs requires you to maintain a

certain level of funds in your account to keep your positions open. It is possible for you to sustain losses equal to your investment (deposit), therefore you should not deposit money that you cannot afford to lose and if there is a sudden adverse movement in the market you may be required to deposit additional funds at short notice. You should be aware of all the risks associated with CFDs and seek independent advice if you require further clarification. Please ensure you fully understand the risks and take appropriate care to manage your risk.

Be aware of currency risk. It is possible to buy or sell CFDs on a cryptocurrency pair in a currency which is different to the base currency of your account. The final return you may get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

Performance Scenarios

The scenarios shown below illustrate how changes in prices can affect your trading and investment. You can compare them with the scenarios of other products. The scenarios presented are an estimation of future performance based on evidence from the past on how the value of this investment varies and are not an exact indicator. What you get will vary depending on how the market performs and how long you hold the CFD. Klips will automatically liquidate positions if the equity in the account is insufficient to meet margin requirements.

- (i) Favorable scenario: is a situation where the market moves in the direction of the Investor's order and the order becomes profitable.
- (ii) Moderate Scenario: is a situation where the market remains relatively unchanged to the opening price of the Investor's order.
- (iii) Unfavorable scenario: is a situation where the market moves against the direction of the Investor's order and the order becomes unprofitable.
- (iv) Stress scenario: is a situation where the market moves considerable against the direction of the Investor's order and the market price is near the stop out level.

The following assumptions have been used to create the scenarios below:

CRYPTOCURRENCIES CFD-BTCUSD			
		Bid	Ask
Balance	1200		
Opening Price	P	20000	20100
Trade Size	TS	0.1	0.1
Margin	M	50%	50%
Initial Margin	P x TS X M	1000	1005
Notional Value	P x TS	2000	2010
Overnight Financing (USD per 1 CFD)		-1.4	-2.79

Scenarios	LONG POSITION				SHORT POSITION			
	Closing Price	% Price change	Overnight Financing	Profit/Loss after costs (USD)	Closing Price	% Price change	Overnight Rollover	Profit/Loss after Costs
Favourable	20200	0.5	-2.79	7.2	19800	-1	-1.39	18.6
Moderate	20000	-0.5	-2.79	-12.8	20100	0.5	-1.39	-11.4
Unfavourable	19000	5.47	-2.79	-112.79	21000	5	-1.39	-101.4
Stress	17000	15.42	-2.79	-312.79	22500	12.5	-1.39	-251.4

The figures shown include all the costs of the product itself but do not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back. Opening a long position holds that you think the underlying price will increase, and opening a short position holds that you think the underlying price will decrease.

***The loss is restricted to your account balance as we offer negative balance protection**

What are the costs?

Before you start trading you should familiarize yourself with all costs and fees associated with trading. These charges will reduce any net profit or increase your losses. For more information about the composition of costs and fees please visit Klips website.

Costs Over Time

Estimated Holding Period: 4 Weeks

Investment: \$1000

Notional Amount: \$2000

Total Costs: -€88.2 (spread + commission + financing)

Impact on Return: -8.8%

This table shows the different types of cost categories and their meaning:

One-off costs	<i>Spread</i>	Standard Account	The spread is the difference between the buy (offer) and sell (bid) price that we quote. For example, if the underlying asset is trading at \$ 8622, our offer price (the price at which you can buy) might be \$ 8635 and our bid price (the price at which you can sell) might be \$8609.
	<i>Commission</i>	Standard Account	A commission "cost" is based on volume transaction and is one charge for both opening and closing a position.
	<i>Currency conversion</i>	Standard Account	The fee charged for converting realised profit/ loss from the instrument currency to the account currency.
Ongoing costs	<i>Swap</i>	Standard Account	Overnight financing costs are calculated for CFDs on Crypto instruments: 50% +/- 1 month Libor. whenever a position is left open after a certain roll over time - 22:00 UTC, according to our Swap Rates visible in Contract Specification.

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

CFDs are intended for short term trading, in some cases intraday and are generally not suitable for long-term investments. There is no recommended holding period and no cancellation period. You can open and close a CFD on a cryptocurrency pair at any time during the market trading hours of each CFD.

How can I complain?

For any questions you may have that we can help you with, you can communicate with the Company under the "Contact Us" page on our Website, Such as referring your enquiry via email to our Customer Service Department, or via a chat with a Customer Service representative.

Should you wish to submit an official complaint please request from our Customer Support Department to receive the designated Complaint Form then, duly complete, sign and send the form to the Customer Support officer you are in communication with regarding your dispute/complaint. More information about our complaint handling procedures can be found here.

If you do not feel your complaint has been resolved satisfactorily, you are able to refer your complaint to the Financial Ombudsman of the Republic of Cyprus. For further information, see <http://www.financialombudsman.gov.cy>

Other Relevant information

You should ensure that you read and understand the Company's Legal Documentation available in the Legal section on our website which you can find here together with the Key Investor Document before opening an account and start trading with the Company. You should ensure that you are familiar with all the terms and policies that apply to your account.

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. The majority of the retail investor accounts lose money when trading CFDs with Klips. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.