

Key Information Document (“KID”)

Lykke Cyprus Ltd

April 2018

1. PURPOSE

This document provides you with key information about this investment product. It is not marketing or legally binding material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of investing in this product and to help you compare it with other products. Before deciding to open an account, we suggest that you read the whole document together with our terms and conditions.

You are about to trade on a market that is not simple and may be difficult to understand.

This document was last updated on 12/04/2018.

PRODUCT: Contract for Differences (“CFDs”) (hereinafter referred to as the “product”)

1. MANUFACTURER

Lykke Cyprus Ltd, (the “Company”), registered at 182, Ayias Filakseos Street, Kofteros Business Center, CY-3083 Limassol. For more information visit www.lykke.com.cy

INFORMATION REGARDING THE COMPETENT AUTHORITY

The Company is authorised and regulated by the Cyprus Securities and Exchange Commission with license number XXX/XX, located at 27 Diagorou Str. CY-1097 Nicosia.

2. WHAT IS THIS PRODUCT?

This product enables you to have exposure to fluctuations related to the underlying instrument without physically owning it. Contract for Differences (CFDs) is an agreement between a buyer and a seller to exchange the difference in value of a particular underlying instrument for the period between when the contract is opened and when it is closed. The difference to be exchanged is determined daily by the change in the closing reference price of the underlying instrument. Thus, if the underlying instrument rises in price, the buyer receives cash from the seller and vice versa.

The objective of trading CFDs is to allow the trader to speculate on rising or falling prices in the underlying instrument, by gaining exposure to the underlying instrument.

CFDs are not listed instruments but are traded as 'over-the-counter' contracts between the client and the Company. Investors are required to pay an initial deposit, or margin, upfront when the position is opened. Trading on margin can enhance any losses or gains you may make. This initial margin will be returned when the position is closed.

3. WHO IS THIS ACCOUNT MOST SUITABLE FOR?

- Clients who have a high-risk tolerance;
- Clients who want to generally gain short term exposures to financial instruments/ markets, and have a diversified investment and savings portfolio;
- Clients who are trading with money which they can afford to lose;
- Clients who have experience with, and are comfortable trading on, financial markets and understand the impact of and risks associated with margin trading.

4. WHO IS THIS ACCOUNT NOT SUITABLE FOR?

- Clients who do not want to be subjected to volatile markets;
- Clients who want capital protection.

5. WHAT CAN I TRADE?

With your account you can trade CFDs on the currency pairs, commodities and indices indicated under the trading conditions section on the website.

RISK AND REWARD PROFILE

The primary advantage of CFDs over stock options is their pricing simplicity and the range of underlying instruments. For example, option pricing incorporates the time premium that decays as it nears expiration; whereas CFDs only reflect the price of the underlying security. Because CFDs do not have an expiration date, there is no premium to decay. You can expect the following benefits:

- CFDs are a cost-effective way to gain exposure to equity markets
- CFDs are characteristically liquid and easily traded
- CFDs provide a highly capital efficient way to participate in shares
- You can sell (short) CFDs, and benefit from a downward price movement

- The pricing of CFDs is transparent
- Wholesale interest rates are used in pricing and trading these instruments even for a retail investor
- Direct market access (DMA), which means that you can trade directly on the exchange without Lykke Cyprus Ltd adding to the ruling bid/offer spread price
- You may subscribe to live prices
- Set up watchlists to track shares
- Set up alerts to new opportunities that match your trading strategy
- The ability to manage risk by setting up a 'price watch' and 'stop loss' facility
- Free fundamental research and scanning tools

The primary risk of CFDs is the risk that the other party in the contract is unable to meet their obligation; this is known as counterparty risk. Investors use margin to trade CFDs, subjecting the investor to margin calls should the value of the portfolio fall below the minimum level. Profit and loss on CFD trades take place when an investor executes a closing trade. Since CFDs can employ a high degree of leverage, investors can lose money quickly should the price of the underlying security move in the undesired direction. As such, investors should be careful when using CFDs.

6. WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

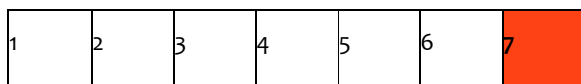
The summary risk indicator (SRI) is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 7 out of 7, which is the highest risk class. This rates the potential losses from future performance at a very high level. Poor market conditions are very likely to impact the capacity of Lykke Cyprus Ltd to pay you.

Lower risk

Higher risk

Typically lower rewards

Typically higher rewards



The risk indicator is set at 7 (i.e. very high risk) due to the fact that:

- It is volatile and is subject to unforeseeable swings.
- Spread may widen with reduced liquidity.
- Your entire investment may be at risk.

7. PERFORMANCE SCENARIOS

The below table illustrates how your investment could perform (i.e. potential profit and loss) under different scenarios. * These scenarios assume that:

- you have a starting equity of €1000 and you choose to open a long/short 100k position;
- this particular underlying instrument has a pip cost of €0.1 per 1k;
- the underlying instrument open price is 1.10000.

Scenarios		Trade P/L	New Equity
Stress scenario: You go long (buy), the price falls by 40 pips and you receive a margin call.	Open Price: 1.10000 Close Price: 1.09600	-€400	€600
Unfavourable scenario: You go short (sell), the price increase by 7 pips and you exit the position.	Open Price: 1.10000 Close Price: 1.10070	-€70	€930
Moderate scenario: You go long or short and exit the position at the same rate at which you entered	Open Price: 1.10000 Close Price: 1.10000	€0	€1000
Favourable scenario: You go long (buy), the price increases by 5 pips and you exit the position	Open Price: 1.10000 Close Price: 1.10050	€50	€1050

*Overnight holding costs or commissions are not included.

There are a number of types of trading risk which you should be aware of before trading. Factors which affect the product's performance include but are not limited to:

- Leverage risk
- Margin risk
- Foreign exchange risk
- Market risk

- Unregulated market risk
- Market disruption risk
- Counterparty risk
- Online trading platform and IT risk
- Conflicts of interest
- Currency risk

The above list of risks is non-exhaustive. Regarding currency risk, it is possible to receive payments in a currency which is different to the base currency of your account, so the final return you will receive depends on the exchange rate between the two currencies. This risk is not considered in the indicator mentioned above. Trading risks are magnified by leverage. In times of high volatility or market/economic uncertainty, values may fluctuate significantly. Such fluctuations are even more significant in case of leveraged positions and may adversely affect your positions. In the event of default, your positions may be closed out. You should carefully consider whether trading in leveraged products, such as CFDs, is appropriate for you. For more information on leverage and the Company's Risk Disclosure Policy please visit the Company's website www.lykke.com.cy.

Please ensure you fully understand the risks and take care to manage your exposure. It is important to ensure that you are comfortable with the level of risk your chosen instruments carry. If you are unsure of how to invest, a financial adviser may help you to make appropriate choices.

8. MINIMUM INVESTMENT

Each new position opened needs to have a minimum exposure value of 1,000 EUR or the equivalent in your accounts' currency. For instance, the initial deposit, or margin, is varied depending on the product. Margin requirements are defined in the Leverage Policy and/or on the trading platform directly. On the minimum exposure value of 1,000EUR this would require 1,000 EUR initial margin deposit in an unleveraged position. Great details are provided in the Leverage Policy of the Company.

9. FEES & COSTS

One-off costs

Spread	The difference between the bid and the ask price at the time of the conclusion of the transaction. The	All the costs are well defined in the Trading Conditions section of the website (www.lykke.com.cy).
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	cost can be different depending on market conditions.	
Commission	The fee to be charged at the opening and closing of the transaction. The fee concerns only PRO accounts.	
Exchange fees	The fee related to the conclusion of the transaction in selected CFD instruments, connected with fees on the underlying market.	
Equivalent of dividend	The fee related with dividends payments for selected CFD instruments.	

Recurring Costs

Swap Point Rates	Holding positions for another day results in the charge of fee.	All swap points are showing directly from the mobile trading platform.
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10. HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

There is no minimum and/or recommended holding period for CFDs. As such, you can open and close a CFD at any time during market hours. Such a decision is not related to any extraordinary costs, other than standard item closure costs. Sale of the product does not change the product risk profile. Note that Lykke Cyprus Ltd may close your position without asking your prior consent if there is no sufficient margin in your account. You can request a withdrawal of available funds on your account at any time.

11. INFORMATION REGARDING CONDITIONS OF RETURN FOR INDIVIDUAL INVESTORS OR DETERMINED UPPER LIMITS OF PROFIT FOR THE INVESTORS

Termination of the product investment does not entail any extraordinary costs. The product has no upper brackets in terms of profit for the investor.

12. ACCESS TO YOUR INVESTMENT

- You can view your account online anytime by logging onto our secure website.
- You can buy and sell CFDs during market hours. Market hours can be found online at the Trading Conditions area on the website (www.lykke.com.cy).
- Depending on your bank, the transfer can take a further two (2) days.

13. TAX CONSIDERATIONS

As a trader, all profits are deemed as taxable income. You are then taxed on profits at your marginal tax rate. Lykke Cyprus Ltd does not provide yearly tax statements or any information about tax. For further tax considerations, please consult your financial adviser or tax consultant.

14. WHAT HAPPENS IF THE COMPANY IS UNABLE TO PAY OUT?

If Lykke Cyprus Ltd is unable to meet its financial obligations to you, you may lose the value of your investment with Lykke Cyprus Ltd. However, Lykke Cyprus Ltd is a member of the Investor Compensation Fund (ICF) for the Clients of CIFs, which secures the claims of the covered Clients against Cyprus Investment Firms, members of the ICF, through the payment of compensation which may not exceed €20.000 in total to each covered client, irrespective of the number of accounts held, currency and place of offering the investment service.

15. HOW CAN I COMPLAIN

If you have a complaint, then you should submit it by email at complaints@lykke.com.cy. For more details please see our 'Complaint Handling Policy'. If you are not satisfied with our final response to your complaint, then you can contact the Financial Ombudsman of the Republic of Cyprus.

16. OTHER RELEVANT INFORMATION

Further information with regards to this product can be found on our website. You should ensure that you read all our legal information displayed in the legal section of our website.