

Purpose of the Document

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: Currency Option
 Creator: AKCENTA CZ a.s. (www.akcenta.eu)
 Competent supervisory authority: Czech National Bank
 Date and time of issue: 01/01/2024 8:00

Warning

You are about to purchase a product that is not simple and may be difficult to understand. The product is not suitable for every investor. The product is suitable for an active investor who has experience and is aware of investment risks.

I. What is this product?

Type

A currency option is a financial instrument for hedging against the risk arising from a possible negative development of a specific currency pair. At the same time, it provides clients with the opportunity to profit from the opposite development in the foreign exchange market. When purchasing a currency option, the client has the right, but not the obligation, to buy or sell the currency at a pre-agreed rate on a specified date in the future. The buyer of the option pays the selling party an option premium to acquire this right. The option can be negotiated as a European or American one. A European option means that the client has the right to exercise the option on a specific maturity date; an American option gives the client the option to exercise this right at any time during the life of the trade until maturity. There is no limit on the number of such trades or their maximum amount. A trade is binding at the moment of arranging the transaction. When purchasing a currency option, the client is not required to deposit financial collateral, the buyer only pays a non-refundable option premium. When selling a currency option, the client is required to deposit financial collateral and collects the premium in this case.

Goals

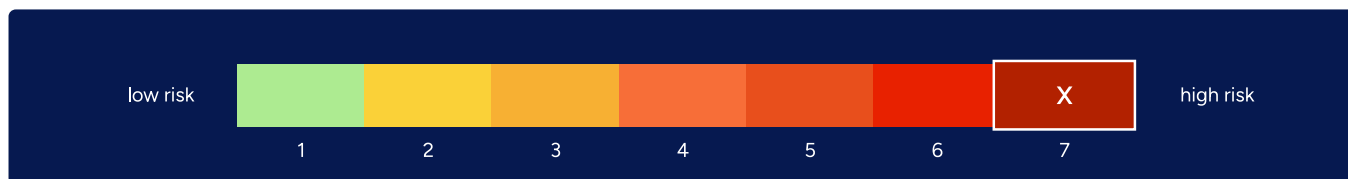
This product is suitable for customers who want to hedge their funds against adverse rate movements, just as in the case of a forward. Unlike a forward, however, the customer has the option, in the event of a positive market development from their point of view, not to exercise the option and to execute the trade on a given day at a more favourable spot rate than the hedged rate. Customers can thus participate in the favourable course development.

Intended customer

This product is only suitable for corporate customers who have sufficient experience in hedging against currency risks. As the market rate may develop differently from customer expectations, it is necessary that customers are aware of this risk and are able to bear any financial loss from a negative development. Customers are assumed to have a high tolerance for risk and understand the consequences and risks associated with trading these products.

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

Risk indicator:



The risk indicator assumes that you will keep the product for the entire maturity period. The actual risk may be significantly different if the customer divests early. This product is a high-risk product. The prices of the underlying assets can fluctuate considerably in a short period of time and the customer may suffer a significant unlimited loss.

All derivative contracts are legally classified as 7, which is the highest risk class. The product has been placed in this category based on its character. Its performance for the customer is dependent on the future development of market rates.

Performance scenarios

The currency option example is based on realistic fundamentals. The example may not exactly match the specific terms of your contract.

Example of purchase (buy) put option (right to sell) for 1 year, amount of EUR 100,000, option premium of CZK 150,000 (client pays to AKCENTA)

Position scenario	Opening rate of the position	% change in rate	Referential fixing at maturity	Profit / Loss [CZK] from the ex-change rate of difference	Profit / loss [CZK] incl. the cost of option premium
Stress	24,000	8%	25,920	-192 000,00	-342 000,00
Unfavourable	24,000	3%	24,720	-72 000,00	-222 000,00
Moderate	24,000	-2%	23,520	48 000,00	-102 000,00
Favourable	24,000	-7%	22,320	168 000,00	18 000,00

The scenarios presented are estimates of future performance based on past facts regarding rate developments and are not an accurate indicator. The stress scenario shows what you can get back or what you will have to pay in extreme cases. These figures include all costs of the product itself. The figures do not take into account your personal tax situation, in particular the tax regulations of your home country, which may also affect the success of your investment.

III. What happens if AKCENTA is unable to pay out?

If AKCENTA fails to meet its obligations under this product or is unable to make a payment, you may lose all or part of your payment or suffer an unlimited loss. This product is not protected by any deposit insurance scheme, statutory or other insurance.

IV. What are the costs?

The costs shown below are based on a hypothetical trade reflecting current market prices. The specific costs you may incur in purchasing such a product may vary and will depend on market prices at the time of purchase. These amounts represent the cumulative cost of the product itself for the recommended holding period (assumed 365 days). The table below shows the impact of each cost on the return on investment.

One-off costs	Fee charged at the opening of the transaction - option premium.	
For the specific given scenario	CZK 150,000/option premium depends on the intrinsic and time value of the option.	
Running costs	Subsequent running fees associated with holding product positions/fees in the underlying asset market.	0%
Incidental costs	Performance fees/Capital appreciation fees.	0%

The person selling or advising you about the product may charge you different costs. If so, this person will provide you with information about these costs and explain the impact that all the costs will have on your investment over time.

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

The recommended holding period is the same as the agreed maturity date. Generally, a European option must be held to maturity, while an American option can be exercised at any time during the life of the trade. Depending on the market value of the product, the customer may make a profit or loss upon termination.

VI. How can I complain?

All the necessary information for the handling of complaints and claims can be found at <https://www.akcenta.com/claims-form>. The details are listed in the Claims Policy, which is also available on the website. Under the conditions set out in the legislation, you can contact the Czech National Bank (www.cnb.cz) or the Financial Arbitrator (www.finarbitr.cz).

VII. Other relevant information

For more information on this product, please visit our website <https://www.akcenta.com/forward-transactions> or contact the relevant AKCENTA CZ expert at +420 498 777 800.