Description of Services, Financial Instruments and Risks

Section I

INFORMATION ABOUT REVOLUT SECURITIES EUROPE UAB AND ITS INVESTMENT SERVICES

1. Purpose

Revolut Securities Europe UAB (“Revolut”, “we”, “us” or “our”) would like to provide its clients (“you”, “your” or “yourself”) with information about its legal entity and the investment and ancillary services offered.
We shall be describing what financial products we are offering, what are the risks you should consider before investing, providing clarity what investment protection agreements we have in place and supplementing you with all the other information relevant for you.
This document is designed for retail clients, as defined in Directive 2014/65/EU (“MiFID 2”), so as all the services described hereinafter.

2. Details about us

Name	Revolut Securities Europe UAB
Legal entity code	305799582
Address	Quadrum South, Konstitucijos ave. 21B, LT-08130, Vilnius, Lithuania
Website	www.revolut.com
Supervisory authority	Bank of Lithuania (address Gedimino pr. 6, LT-01103 Vilnius, tel.: +370 5 2680029, fax: +370 5 2628124, e-mail: info@lb.lt, website: www.lb.lt)
Business licence	For more information on Revolut Securities Europe UAB regulatory permissions please visit Bank of Lithuania (BoL) licence register here.

3. Investment services and ancillary services we are licensed to provide

Investment services:

- Reception and transmission of investors’ orders in financial instruments;
- Execution of orders for the account of Clients;

- Management of financial instruments portfolio;
- Provision of investment recommendations.

Investment ancillary services:

- Safekeeping, accounting and management of financial instruments for the account of clients, including custodianship and other related services such as cash/collateral management and excluding maintaining securities accounts at the top tier level
- Foreign exchange services where these are related to the provision of investment services;
- Investment research, financial analysis and other general recommendations relating to transactions in financial instruments.

You will be required to open a money account and a securities account at Revolut in order to acquire access to the described services.

4. Client classification

In line with regulations, before you commit any transactions in financial instruments, we will assign to you the status of a retail client. The status has a direct impact on your investment protection level, whereas the status of a retail client guarantees you the highest level of protection.
Some of the key protection measures the retail client benefits from are enhanced suitability and appropriateness controls ensuring the client is investing in investment products in line with his investment objectives, risk tolerance, financial capabilities, experience and knowledge.

5. Assessment of appropriateness and suitability

We do not perform for you an assessment of appropriateness and suitability for execution only investment services on non-complex financial instruments, such as stocks and ADRs (American depositary receipts). Consequently, you shall not receive any recommendations or additional notifications on the risks associated with the transaction you might wish to enter into. Your investment decisions are your sole responsibility.
We might provide you from time to time with factual information about securities, however this information is not, and should not be interpreted as investment advice. It is your decision when submitting any orders.
We reserve the right to provide our clients with investment services or investment ancillary services at our own discretion without explaining the reason for providing or not providing such services.

6. Transactions in financial instruments

Transactions in financial instruments may take place in different forms – in an organised manner at a trading venue or outside regulated markets; on an organised trading facility ("OTF") or multilateral trading facility ("MTF"), for over the counter transactions (OTC). The Third Party Broker ("the Broker") is an executing broker in respect of fractional shares and fractional

American Deposit Receipts (ADRs). All such orders will be executed by the Broker against its proprietary account. You should, prior to entering into the respective investment services agreement, examine the Order Execution Policy. List of Execution Venues and other information essential for transactions in financial instruments on our website.

7. Taxation

Your income from investment services and ancillary services may be subject to taxes as and when specified in legislation of the Republic of Lithuania and/or foreign country where you reside for tax purposes.
You must note that in the events specified in legislation, we may have a duty to withhold taxes from the payment to you. We also may need to exchange funds for payment of taxes into the official currency of the respective country at the current Revolut exchange rate. Such withholding of tax does not create a duty for us to reimburse you for the amount of tax withheld.
Taxes may also be withheld by a foreign financial authority pursuant to the procedure laid down in foreign legislation.
We do not provide tax, financial, legal or regulatory advice. You must independently assess all the circumstances related to the taxation of your investments or their return, even if we have indicated specific tax aspects in the information provided to you. You should seek independent advice if you have any questions in this respect.

8. Fees

- All the fees for the services are specified in our ex-ante cost disclosure and our price list available on our website, and we will charge you in accordance with the documents.
- In the event we incur any additional expenses in connection with operations necessary for provision of services, you may have a duty to reimburse them.

9. Communication with you

- Unless agreed otherwise, the language used in our communications to you will be English. This document, the Order Execution Policy and other relevant documents are available on our website.
- The forms of information exchange in which we will communicate with you are described in the Trading Terms & Conditions also available on our website.
- We shall provide you with information about your executions, transactions and orders as described in the Trading Terms & Conditions.
- We may provide you with binding third-party information in the original language.

10. Conflict of interest prevention

- We will undertake all reasonable steps to identify and prevent conflicts of interest which may arise between us, including our employees, and you, in the course of providing investment services.
- Our detailed Conflict of Interest Prevention Policy is available on our website.

11. Investor protection and deposit guarantee arrangements

- We insure our liabilities to investors under the Law on "Insurance of Deposits and Liabilities to Investors" of Lithuania in accordance with Directive 2014/49/EU on Deposit Guarantee Schemes. The Liabilities to Investors Insurance Fund is a fund managed by "Deposit and Investment Insurance" - a Lithuanian state company, in accordance with the above stated law. You are provided with an investment liabilities insurance of up to EUR 22,000 upon the occurrence of an insured event.
- You can access and inspect the rules of the investor protection scheme on our website.

Section II

DESCRIPTION OF SECURITIES AND CASH CUSTODY SERVICE AND THE ASSOCIATED RISKS

We are taking actions required by the laws of the Republic of Lithuania to ensure the safeguarding of your securities. Shall securities of foreign issuers owned by you be held in foreign custody, we are ensuring the applicable local laws provide you with sufficient protection in respect of safeguarding of your securities. This is to ensure that your securities held in our omnibus account with the foreign custodian ("the custodian") are clearly separated from the custodian's personal assets to avoid possible losses in the case of the custodian's bankruptcy, asset seizure or similar events. We are not carrying out an independent legal investigation on the foreign country's safekeeping regulation, but request the custodian to provide legally binding questionnaires in respect of the regulations and internal controls they are obliged to adhere to. We are undertaking measures to safeguard your beneficial ownership rights when holding your financial instruments. We have no rights to use the financial instruments belonging to you, except with your explicit consent.
Your financial instruments issued by issuers registered in foreign countries may be held in custody by other financial instrument custodians. When choosing another financial instrument custodian, we act with all due professionalism and care. On your request, we can provide information on the custodian of your financial instruments.
Financial instruments owned by you are safekept in an omnibus account with the Broker, i.e. account opened in the name of Revolut, although indicating that the beneficial owner of the safekept financial instruments is you. You will be able to exercise all relevant rights in respect of your financial instruments only through us.
Client money is segregated from our own money and safeguarded. Up to 20% of its value could be held on designed accounts within Revolut Group entities. The remainder shall be held on an

account opened with an eligible third party. An “eligible third party” means a central bank, an authorised credit institution, a bank authorised in a third country or a qualifying money market fund. The account in which your money is held is known as a “Client money account”. Your money may be pooled with those of our other Clients in the “Client money account”.
Whilst we’ve exercised all due care, skill and diligence in selecting and appointing the eligible third party, we are not responsible for any losses you may suffer as a result of any action that the eligible third party takes or fails to take in connection with Client money.

Potential risks related to the safekeeping of your securities

You should be aware that there are risks in respect of safekeeping your securities.

Risk	Description
Operational Risk	**You may suffer losses in case the custodian, stock exchange or central depository faces technical failures in their respective systems.**
Custodian Risk	In some jurisdictions, due to limited legal regulation, the segregation across clients and custodians securities is insufficient. In the event of bankruptcy of the custodian you might irrecoverably lose your investment.
Legal Risk	You might be often unfamiliar with foreign state laws - in case of an unfavourable legislative change in a jurisdiction, where your securities are safekept, you might be subject to a loss.
Information Risk	With us relying on some occasions on third parties, you might not always have full access to your financial instruments information on demand.

Section III

INFORMATION ABOUT FINANCIAL INSTRUMENTS TRANSACTIONS AND THE ASSOCIATED RISKS

Part 1. General risk introduction

You need to take into consideration that investing in financial instruments exposes you to different risks which might decrease the value of your investment. A risk means the possibility

of incurring a loss when investing.
The value of financial instruments may decrease or increase, therefore, risk exists that the return on financial instruments may be negative, meaning it may create a loss for you. The risk of loss may vary from one financial instrument to another. You should also keep in mind that past performance of financial instruments doesn't guarantee future results and you may lose all the invested amount.
You should, prior to undertaking a financial instrument transaction, make an independent assessment of the characteristics and the associated risks of the selected financial instrument in the perspective of your financial standing, experience with transactions in financial instruments, risk tolerance, investment objectives and the preferred investment horizon.
It is your responsibility to understand all the risks related to the relevant financial instruments, as you will bear the losses shall your investment decrease in value.
When investing in financial instruments, you must:

- Carefully examine the Order Execution Policy, which is available on our website, and assess the capacity to accept the obligations set forth in Trading Terms & Conditions of RSEUAB.
- Carefully assess transaction risks covered in the following descriptions, especially the risks inherent in the financial instrument transactions you shall enter into. Pay attention to the obligations attached to the applicable instruments and assess if you are willing to take them.
- Carefully evaluate the information found in order confirmations received from us and independently keep track of the status of your orders.

Risk types:

Risk type	Description
Political Risk	Political decisions made by governments and administrative bodies might negatively impact market participants. In result, issuers might not be able to fulfil their earlier commitments, decreasing the value of respective financial instruments. Examples of such scenarios include trade embargoes, increases of interest rates or any other decisions impacting the social, economic and legal environment.
Emerging Markets Risk	Investments in financial instruments in countries considered as emerging might be subject to increased and unpredicted financial instrument volatility due to more unstable political and economical conditions.
Currency Risk	Unfavourable exchange rate fluctuations might lead to lower returns or losses in case you made investments in foreign currencies.

Risk type	Description
Market Risk	You might suffer losses if the market you have investments in is underperforming. The underperformance could be related to an insecure macro- and micro- economic environment, instability on stock exchanges or to poor financial returns in respective countries, regions or industries.
Liquidity Risk	Insufficient market liquidity might hinder your ability to sell or buy financial instruments at a price favourable to you. As a result you might receive smaller returns or bear losses on your investments.
Price Risk	You may incur a loss due to unfavourable fluctuations in prices of your investments.
System Risk	It is possible to incur a loss due to disruptions in financial instruments' custody systems, depositories, stock exchanges, securities custodians and other institutions. You might irrecoverably lose your investments if such institutions fail to meet their obligations in terms of financial instruments they hold in their custody.
Interest Rate Risk	The performance of financial instruments, such as debt securities, are heavily dependent on the level of global and regional interest rates. If they change, they might have a negative impact on the investment returns.
Issuer Risk	If the issuer of securities suffers financial or liquidity difficulties, underperforms or faces any other challenges of similar nature, it could have a negative effect on the securities it issued and earlier commitments towards issuer's investors. If you hold the issuer's securities, you might bear losses as a result.

Risk type	Description
Information Risk	It may be impossible for you to obtain adequate and correct information about all securities or obtaining such information could be challenging. On such occasions, it may be impossible for you to make appropriate decisions with respect to your investments.
Credit Risk	The risk that the issuer of a financial instrument or a counterparty may default on their obligations.

Part 2. The risk of financial instrument concerned

The below classification of financial instruments does not take into account the investment period or your investment objectives. Please keep in consideration, that:

- you bear the investment risk during the financial instrument lifecycle;
- when trading in financial instruments, you must carefully read the transaction confirmation documents and immediately inform us about possible errors;
- you must constantly monitor changes in the value and positions of your investments;
- where necessary, you shall consider to take appropriate measures to reduce the losses associated with your investments;
- you must get acquainted with the general trading conditions of the intermediaries through which you might trade financial instruments.

1. Equity transactions

Description of investment transactions
An equity (also called "stock" or "share") is a financial instrument that gives the shareholder participatory interest in the equity capital of a company.
Holding the share usually grants the right to vote at the issuers general meeting, but the voting right may differ depending on the type of equity the investor holds.
If the issuer generates profit, he might decide to pay his shareholders dividends. It is a pay-off, usually a cash payment, where the value depends on the amount of shares owned. It should be taken into account that the earning of dividends is never guaranteed, and whether and if there will be a dividend is fully to the discretion of the issuer.
When investing in equities, the investors expect that the price of the stock will increase in value, whereas there are several factors which impact the performance of such security. For instance, the issuers growth potential and the health of its balance sheet, competition landscape or any changes particular to the company itself (e.g. opening a new branch) are considered as microeconomic factors. Events with a more sectoral and global outreach, such as

increases of interest rates, weather disasters or global recession are called macroeconomic factors and the investor should equally take them into account.
Therefore, a person investing into one particular equity should observe the corresponding company, the securities market and also follow general economic news.
Various equity types are possible: voting, non-voting, preferential and other equity. The variables in each specific issue of equity are determined by the issuer.

Risks inherent in equities transactions
Equities traded on the stock exchanges are sensitive towards principal risks of financial markets.
When investing into equity it is possible that it will not increase in value as expected or that all the invested money will be lost. In the case of the issuer's bankruptcy, the shareholders are among the last parties entitled to receive compensation.
Compared to other securities, the change in the value of equities may be significant. A widespread method for lowering the risk related to one company is diversification, which is risk spreading by preparing an investment portfolio composed of various equities from different sectors, countries and regions. However it does not mitigate the general market risk – prices of equity may strongly fluctuate due to a reason not directly connected to the issuers economic results (e.g. global cooling of economy or liquidity crises).
When purchasing equities of a foreign company, you shall additionally take into account the political risk, economic risk, legal risk and potential fluctuations of currency exchange rate (see the general risk introduction above).

Execution venue, settlement procedure
Normally, transactions in equities are conducted on trading venues. Applicable execution venues might halt or suspend trading in respect of equities. It might be very difficult to sell illiquid equities (in the event there are no buyers and/or sellers in the market).
Settlement takes place in your securities account with us.

Direct costs and associated expenses of transaction
You may incur costs when executing transactions related to financial instruments. For more details please refer to our price list available here. For your consideration, you should be aware of the most common costs.

Direct costs:

- The price of purchasing equity (purchase and sale or transaction fee);
- If the trade currency is other than euro, then the fee will be withheld in the relevant trade currency according to the current Revolut exchange rate.

Associated costs:

- The fee for maintenance of the cash and securities account;
- The fee for opening of the cash and securities account.

Please note that:

- Fees are charged for executed or partially executed orders only.

Functioning and performance in different market conditions
For illustrative purposes we have prepared the below table which shows how the price of a financial instrument is expected to perform in different market conditions.

Market conditions	Scenario	Price
Development of issuer's economic situation (company specific)*	Positive	Up
	Negative	Down
Market expectations regarding the future development of the company/industry/economy as a whole*	Positive	Up
	Negative	Down
General development of stock market*	Positive	Up
	Negative	Down
Political and psychological factors*	Positive	Up
	Negative	Down

*assuming that other market conditions remain the same and the market is not in any kind of distress. If multiple market events shall happen the financial instrument might either increase or decrease in value.

Complexity
Provided that shares are strictly regulated, traded on venues which need to meet rigorous legal requirements and their pay-off strategy is simple, shares are considered as non-complex financial instruments.
However, shall a share embed a derivative and/or not be admitted for trading on an regulated market within EU, an equivalent third country market or to an MTF ("Multilateral Trading Facility"), it is considered as an complex financial instrument product.

2. Transactions in fractions of equity

Description of investment transaction
Fractional equity is a portion of a whole equity (also called "stock" or "share"). The investor may instead of buying the whole stock, purchase just a fraction of it, for instance a half (½) or a fifth (⅕).
While shares are traded on regulated stock exchanges, their fractions are not. Execution of such orders is possible outside execution venues through a brokerage firm that can combine them with the outstanding fractions of the given share until a whole equity is attained. As a consequence, fractional equities cannot be transferred and must be sold when for instance closing a brokerage account.
Investors with fractional equity are treated the same way as full equity shareholders, as the gains and losses generated are proportionate to full equity shareholders. In the event the issuer

pays out a dividend, the pay-off the investor shall receive would be proportional to the amount of equity investor holds. For example, investors holding half of a share, would be entitled to half of the dividend. To note, similarly as in the case of whole shares, the payment of dividends is never guaranteed. Whether and if there will be a dividend is fully to the discretion of the issuer. Whilst equities usually grant the right to vote at the issuers general meeting, voting whilst holding a fraction of a share is not possible. This right is reserved for whole equity shareholders. Other product characteristics of fractional shares, as well as their key risks and benefits are in line with equities, so you shall familiarise yourself with the "Equities Transactions" section above.

Risks inherent in fractional equities transactions
As fractional equities cannot be traded directly on regulated markets (such as public stock exchanges), they may be subject to greater liquidity risk than whole equities.
Positions in fractional equities cannot be transferred to another broker which exposes the investor to custodian risk to a higher degree.
Consequently the investor holding fractions of equities is exposed to the same risks as whole equity holders (please refer to the "Equity transactions" section above).
Execution venue, settlement procedure
All fractional share orders shall be executed via the Broker and all respective orders shall be executed against the Brokers proprietary account. Applicable trading venues might halt or suspend trading in the related equities. It might be very difficult to sell fractions of equities in case the underlying equities are illiquid (in the event there are no buyers and/or sellers in the market).
Settlement takes place in your securities account with us.

Direct costs and associated expenses of transaction
You may incur costs when making transactions related to financial instruments. For more details please refer to our price list available here. For your consideration, you should be aware of the most common costs.

Direct costs:

- The price of purchasing the fractional equity (purchase and sale or transaction fee);
- If the trade currency is other than euro, then the fee will be withheld in the relevant trade currency according to the current Revolut exchange rate.

Associated costs:

- The fee for maintenance of the cash and securities account;
- The fee for opening of the cash and securities account.

Please note that:

- Fees are charged for executed or partially executed orders only.

Functioning and performance in different market conditions

For illustrative purposes we have prepared the below table which shows how the security is expected to perform in different market conditions.

Market conditions	Scenario	Price
Development of issuer's economic situation (company specific)*	Positive	Up
	Negative	Down
Market expectations regarding the future development of the company/industry/economy as a whole*	Positive	Up
	Negative	Down
General development of stock market*	Positive	Up
	Negative	Down
Political and psychological factors*	Positive	Up
	Negative	Down

*assuming that other market conditions remain the same and the market is not in any kind of distress. If multiple market events shall happen the security might either increase or decrease in value.

Complexity

Whilst fractional equity is exposed to liquidity and custodian risk in a higher degree than whole shares, provided the underlying stocks are strictly regulated, traded on venues which need to meet rigorous legal requirements and their pay-off strategy is simple they are considered as non-complex financial instruments.

However, shall the underlying share embed a derivative and/or not be admitted for trading on an regulated market within EU, an equivalent 3rd country market or to an MTF ("Multilateral Trading Facility"), it is considered as an complex financial instrument.

3. American Depositary Receipt (ADR) transactions

Description of investment transaction

American Depository Receipts (ADRs) are certificates issued by the U.S. Depositary Bank and represent a specified number of shares of a foreign (non-U.S.) company and are traded in U.S. based trading venues. Their main aim is to allow investors, trading on such venues, to get exposure to European and Asian-Pacific markets in an easy way.

Shall the underlying share of the ADR grant voting and/or dividend rights, the ADR holder is eligible to exercise them. The investor shall be aware that payment of dividends is never guaranteed and whether and if there will be a dividend is fully to the discretion of the issuer, but furthermore, additional U.S. tax laws might apply which may have a negative impact on the value of the dividend received.

ADRs product characteristics, its performance and its key risks and benefits are in line with equities, so you shall familiarise yourself with the "Equities Transactions" section above.

Risks inherent in ADR transactions

ADRs traded on the market are sensitive towards all principal risks of financial markets.
When investing into ADRs it is possible that it will not increase in value as expected or that all the invested money will be lost, since in case of the issuer's bankruptcy, the shareholders are among the last parties entitled to receive compensation.
Compared to other securities, the change in the value of ADRs may be significant. A widespread method for lowering the risk related to one enterprise is diversification, which is risk spreading by preparing a portfolio composed of various ADRs from different sectors, countries and regions. However it does not mitigate the general market risk – prices of ADRs may strongly fluctuate due to a reason not directly connected to the issuers economic results (e.g. global cooling of economy or liquidity crises).
When purchasing ADRs you shall additionally take into account the political risk, economic risk, legal risk and potential fluctuations of currency exchange rate (see the general risk introduction above).

Execution venue, settlement procedure
Normally, transactions in ADRs are conducted via stock exchanges. Applicable trading venues might halt or suspend trading in respect of equities and ADRs. It might be very difficult to sell illiquid ADRs (in the event there are no buyers and/or sellers in the market).
Settlement takes place in your securities account with us.

Direct costs and associated expenses of transaction
You may incur costs when making transactions related to financial instruments. For more details please refer to our price list available here. For your consideration, you should be aware of the most common costs.

Direct costs:

- The price of purchasing of the ADR (purchase and sale or transaction fee);
- If the trade currency is other than euro, then the fee will be withheld in the relevant trade currency according to the current Revolut exchange rate.

Associated costs:

- The fee for maintenance of the cash and securities account;
- The fee for opening of the cash and securities account.

Please note that:

- Fees are charged for executed or partially executed transactions only.

Functioning and performance in different market conditions
For illustrative purposes we have prepared the below table which shows how the receipt is expected to perform in different market conditions.

Market conditions	Scenario	Price
Development of underlying	Positive	Up

Market conditions	Scenario	Price
financial instrument issuer's economic situation (company specific)*	Negative	Down
Market expectations regarding the future development of the relevant company/industry/economy where receipt has exposure*	Positive	Up
	Negative	Down
General development of market of underlying financial instrument*	Positive	Up
	Negative	Down
Political and psychological factors*	Positive	Up
	Negative	Down

*assuming that other market conditions remain the same and the market is not in any kind of distress. If multiple market events shall happen the security might either increase or decrease in value.

Complexity

Provided that the underlying shares of ADRs are strictly regulated, traded on venues which need to meet rigorous legal requirements and their pay-off strategy is simple they are considered as non-complex financial instruments.

However, shall the underlying share embed a derivative and/or not be admitted for trading on an regulated market within EU, an equivalent third country market or to an MTF ("Multilateral Trading Facility"), it is considered as an complex financial instrument product.

4. Transactions in fractions of American Depositary Receipts (ADR)

Fractional ADRs are portions of whole American Depositary Receipts. The investor may instead of buying the whole ADR, purchase just a fraction of it, for instance a half (½) or a fifth (⅕). While ADRs are traded on regulated markets, their fractions are not. Execution of such orders is possible outside trading venues through a brokerage firm that can combine orders with the outstanding fractions of the given ADR until a whole ADR unit is attained. As a consequence, fractional ADRs cannot be transferred and must be sold when for instance closing a brokerage account.

Investors with fractional ADRs are treated the same way as full ADR holders, as the losses and profits generated are proportional to whole ADR holders. In the event the issuer pays out a dividend, the pay-off the investor shall receive would be proportional to the amount of ADR he holds. For example, investors holding half of an ADR, would be entitled to half of the dividend. To note, similarly as in the case of whole shares, the payment of dividends is never guaranteed and whether and if there will be a dividend is fully to the discretion of the issuer, but furthermore, additional U.S. tax laws might apply which may have a negative impact on the value of the dividend received.

Whilst ADRs usually grant the right to vote at the issuers general meeting, voting whilst holding a fraction of an ADR is not possible. That right is reserved for whole equity shareholders.
Other product characteristics of fractional ADRs, as well as their key risks and benefits are in line with the whole unit ADRs, so you shall familiarise yourself with the “American Depositary Receipt (ADR) transactions” section above.

Risks inherent in fractional ADRs transactions
As fractional ADRs cannot be traded directly on regulated markets (such as public stock exchanges), they may be subject to greater liquidity risk than whole ADRs.
Positions in fractional ADR cannot be transferred to another broker which exposes the investor to custodian risk to a higher degree.
Consequently the investor holding fractions of ADRs is exposed to the same risks as whole ADR holders (please refer to the “American Depositary Receipt (ADR) transactions” section above).

Execution venue, settlement procedure
All fractional ADR orders shall be executed via the Broker and all orders shall be executed against the Brokers proprietary account. Applicable trading venues might halt or suspend trading in ADRs. It might be very difficult to sell fractions in case the underlying equities are illiquid (in the event there are no buyers and/or sellers in the market).
Settlement takes place in your securities account with us.

Direct costs and associated expenses of transaction
You may incur costs when making transactions related to financial instruments. For more details please refer to our price list available here. For your consideration, you should be aware of the most common costs.

Direct costs:

- The price of purchasing the fractional ADR (purchase and sale or transaction fee);
- If the trade currency is other than euro, then the fee will be withheld in the relevant trade currency according to the current Revolut exchange rate.

Associated costs:

- The fee for maintenance of the cash and securities account;
- The fee for opening of the cash and securities account.

Please note that:

- Fees are charged for executed or partially executed transactions only.

Functioning and performance in different market conditions
For illustrative purposes we have prepared the below table which shows how the security is expected to perform in different market conditions.

Market conditions	Scenario	Price
Development of underlying	Positive	Up

Market conditions	Scenario	Price
financial instrument issuer's economic situation (company specific)*	Negative	Down
Market expectations regarding the future development of the relevant company/industry/economy where receipt has exposure*	Positive	Up
	Negative	Down
General development of market of underlying financial instrument*	Positive	Up
	Negative	Down
Political and psychological factors*	Positive	Up
	Negative	Down

*assuming that other market conditions remain the same and the market is not in any kind of distress. If multiple market events shall happen the security might either increase or decrease in value.

Complexity

Whilst fractional ADRs are exposed to liquidity risk in a higher degree than whole ADRs, provided that the underlying shares of ADRs are strictly regulated, traded on venues which need to meet rigorous legal requirements and their pay-off strategy is simple they are considered as non-complex financial instruments.

However, shall the underlying share of the fractional ADR embed a derivative and/or not be admitted for trading on an regulated market within EU, an equivalent third country market or to an MTF ("Multilateral Trading Facility"), it is considered as an complex financial instrument product.