



COMMERZBANK

Product Group

Bonus, Index / Participation, Outperformance and Sprint Certificates

In this information sheet, Commerzbank provides information on the underlying characteristics as well as the opportunities and risks of the bonus, index / participation, outperformance and sprint certificates product group.

General characteristics and investment opportunities

These products are “debt securities with special repayment terms” denominated in euro or another currency and linked to an underlying, e.g., an equity or an equity index.

By investing in these certificates, investors can benefit from a positive performance of the underlying; however, investors will not receive a regular income. Investors are also not entitled to any dividend payments or other distributions from the underlying.

While index & participation certificates 1:1 track the performance of the underlying minus ongoing product costs, bonus, outperformance & sprint certificates use mechanisms that optimise the risk/reward profile in sideways or rising markets.

Typical product characteristics

The performance of the latter certificate types depends not only on the performance of the underlying but also on other factors such as the expected volatility of the underlying, interest rate changes, expected dividend payments. The issuer's credit rating, by contrast, affects all certificate types in this product group.

Bonus certificates allow investors to fully participate in the performance of the underlying at maturity. The bonus amount set at the time of issue is usually linked to the condition that a certain price threshold is not breached during the entire term of the bond.

There are many different variations of bonus certificates, for example limiting the redemption to a maximum amount - also called a cap - or restricting the threshold observation to a shortened period of time.

By purchasing an index or participation certificate, investors can benefit from the performance of the securities contained in the index without having to directly invest in them. The certificates usually have a multi-year or even indefinite term. The issuer, however, often reserves a special termination right. If the certificate is

terminated at an unfavourable time for the investor, the redemption amount may only be reinvested on less favourable terms (termination and reinvestment risk).

Sprint certificates allow investors to participate disproportionately in the positive performance of the underlying within a certain performance range without incurring an additional negative performance risk. In return, the maximum performance is capped, however, as investors will only benefit from price appreciation of the underlying up to a pre-determined maximum price - the so-called cap.

For outperformance certificates, the cap does not apply and investors enjoy unlimited participation above a fixed level.

The individual design of the respective products varies greatly, e.g., additional components may still be included in the respective final terms and conditions.

Material risks of the product group

By investing in these products, investors benefit from return opportunities, but are also exposed to additional material risks.

These include the following:

Issuer risk - also referred to as default risk - when the issuer fails to meet its obligations or can only meet them in part, for example as a result of insolvency. The issuer is usually a bank. If the bank runs into financial difficulties, a regulatory intervention may result in a bailout of the bank, partial or total loss of the investment, or a compulsory conversion into equity, such as shares. Generally: The worse the credit rating of an issuer, the higher the default risk, but also the risk premium. Certificates are generally not covered by deposit insurance.

Risk of loss, i.e., investors receive a reduced redemption amount or a delivery of shares because the price of the underlying has declined by a certain amount. This can lead to a total loss if the

underlying becomes worthless. Sustainability-related decisions relating to the environment, social aspects and corporate governance also impact on the performance of the underlying and the issuer.

Liquidity risk - during the term, investors may not be able to sell the security or may only be able to sell it at a possibly much lower price.

Foreign currency risk - Investors are exposed to currency risk when investing in a foreign currency denominated security as performance could be adversely affected by exchange rate movements.

Further information and costs

For further details on these aspects and the product, please refer to the relevant sales prospectus and basic information sheet. In principle, inflation trends impact your investment performance. A resulting loss of purchasing power affects both the income generated and your capital invested. When acquiring, holding and eventually selling securities and derivatives, costs will impact returns. For further details, please refer to the respective cost information before entering into a securities transaction.

For further details on the characteristics and risks of the products, please refer to the brochure "Basic Information on Securities and Other Investments".