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## KEY INVESTOR INFORMATION SHEET (KIIS) – ETFL

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Project Reference Number: 20240878

**Introducing Alternative investing in Credit Insured Trade Finance:** ETFL Limited (the “Company” or “ETFL”) is a company established and operating since 2018, providing alternative financing solutions to legal entities that are involved in the sale of goods and services, generally referred to as trade finance.

Companies which supply goods and services domestically or internationally are usually requested by their customers to provide credit - which usually varies from 30 to 120 days. Such requests cause working capital needs which can be met either by banks or trade finance organisations.

ETFL’s clients assign the credit invoices issued to their customers (debtors) to ETFL and receive up to 85% of the invoice value to cover their working capital needs. When the debtor settles the invoice by paying the total amount to ETFL, the latter advances to the client the non-discounted element of the invoice less ETFL’s charges.

ETFL covers its risk by having the trade receivables of its clients credit insured by Allianz Trade (formerly Euler Hermes) and Atradius, two global credit insurers. This means that in the event of default of a trade debtor, the non-collected amount will be recovered from the credit insurer, thus avoiding losses.

When you invest in the bonds issued by ETFL, the risk of default is very low, since the trade debtors will be pre-insured by either Allianz Trade or Atradius. Since ETFL commenced operations, it has never made any claim with the credit insurers due to the expertise of our company and the prudence of its management team.

This document provides you with key investor information about this project. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this project. You are advised to read it carefully so you can make an informed decision about whether to invest.

### **Part A: Information about the project owner and the crowdfunding project**

#### ***A i: Identity, legal status, ownership, management and contact details***

This KIIS is drawn up under the responsibility of the Project Owner, including the natural persons which are, under the applicable national law, responsible for conducting the Project Owner’s business:

Project Owner/Issuer: ETFL Limited

Business Address: 7 Kronou Street, flat 201, Egkomi Nicosia 2400 Cyprus

Legal Entity Identifier (LEI): 213800D17FS6HHK4XN32

Management: Athos Kyranides – Director      Contact details: Email: info@etfl.finance

#### ***A ii. Responsibility statement:***

The Project Owner declares that, to the best of its knowledge, no information has been omitted and/or is materially misleading or inaccurate. The Project Owner is responsible for the preparation of this KIIS.

#### ***B: Principal activities, products and services offered***

This trade finance investment is considered as low risk since the underlying assets are trade finance receivables used for financing exports, or domestic trade, most of them insured by leading international credit insurers.

When a supplier wishes to become a client of ETFL, it informs ETFL about the identity of all its debtors, the projected volumes of business for each customer and the offered credit terms. ETFL then applies to Allianz Trade or Atradius, the two global credit insurers for specific credit limits on those debtors. This means that in the unlikely event that any one of those insured debtors were to default, then ETFL would submit a claim to the credit insurers and recoup the money that it had prepaid.

Since 2018 when the Company was established and commenced operations, ETFL has never had a trade loss or made an insurance claim; this proves the quality of its management and prudence of its decision making.

### Main advantages for investors:

- 1) High return. You are receiving 5.5% per annum interest with the ability to exit sooner by giving 30-day notice.
- 2) The underlying assets are credit insured with Allianz Trade or Atradius, which means that if any of the debtors of our clients were to default, we would make a claim and recover our money.
- 3) You can invest from as little as €1,000.
- 4) There are no entry, brokerage or custody fees. You will receive lower interest rate, only if you decide to exit earlier than the one-year maturity.
- 5) The management team of ETFL has more than 100 years combined experience in the trade finance and financial industry.
- 6) ETFL invests its own money in the same deals.

### *Part C. Financial strength of the Project Owner*

ETFL has a strong financial record. Since it commenced operations, it has never had a bad debt, and has always been profitable. Based on audited 2023 financial statements, the Company's net assets amount to €4,7 mln while it is debt free and carried cash balances in excess of €300,000.

Trade finance volume amounted to €16 mln in 2023 and is expected to double to €35 mln in 2024.

### *D. Description of the project, purpose and main features*

The Company is owned by Mr. Athos Kyranides who is by far the leading expert in Trade Finance Operations in Cyprus. Athos, born in 1963, is a qualified Chartered Accountant and a graduate of the London School of Economics – Economics Faculty (1983-1986).

After working at KPMG UK, Athos was repatriated by Bank of Cyprus where he set up and managed 3 new companies: the first factoring company in Cyprus (1992), the first factoring company in Greece (1995) and the first venture capital company in Cyprus (2000).

In 2003 he left the Bank of Cyprus Group and set up his own management consulting practice specializing in strategic and financial management as well as business re-engineering, working with clients in Cyprus and abroad.

The Project Owner is interested in raising €200,000 through bonds to finance new trade finance deals in the pipeline. The bonds will have issue date 2 September 2024 and maturity date 31 August 2025.

The Project Owner is offering 5.5% per annum interest on the issued bonds payable every six months with an option for early exit, subject to investors giving 30-day notice.

### **Part B: Main features of the crowdfunding process and conditions for the capital raising**

The proceeds from the issue of the bonds will be used exclusively to invest in fully insured new trade finance deals as the Company seeks to expand its business activities. The Issuer has the financial strength to support all its expenses and intends to invest the maximum amount in trade finance receivables.

Each time an investment is made in a bond, the total invested amount is used to fund a trade finance deal.

When a deal matures, the bond is redeemed in full and new bonds are issued for a new trade finance deal with a new maturity, specific to the trade finance deal under consideration.

- A. *Minimum target amount to be raised:* €200,000
- B. *Number of offerings that have been completed for the crowdfunding project:* N/A
- C. *Deadline for reaching the target to raise capital:* 30.09.2024
- D. *Information on the consequences if the target capital is not raised within the deadline:*  
The Company is adequately capitalised and financed to cover the needs of its current business portfolio. The only consequence in the unlikely event that the target amount is not met is the slowdown of the growth in its business portfolio.
- E. *Maximum offering amount when different from the target capital:* The Company is in a position to utilise additional funds without limitation, hence the intention to absorb overfunding.
- F. *Amount of own funds committed:* The Company has committed more than €3 mln of its own funds and has no difficulty to sustain the operation.

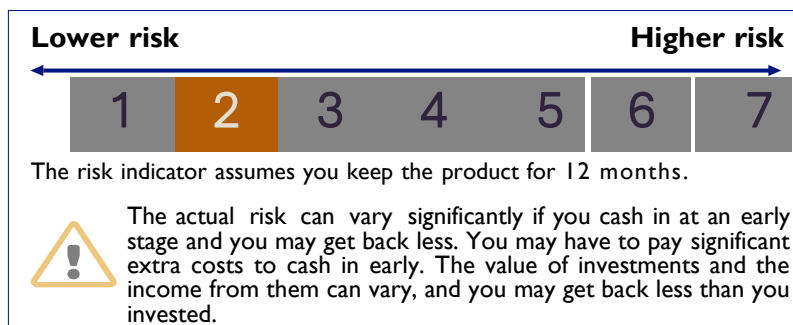
G. *Change of the composition of the Project Owner's capital:* The targeted fundraise of €200,000 corresponds to less than 10% of own funds, and hence there is no impact on the project owner's capital.

H. *Pre-contractual reflection/withdrawal period for retail investors:* 4 working days.

### Part C: Risk Factors

Below are the main risks associated with funding the project, with the sector, the project owner and the securities.

We have classified this product as 2 out of 7, which is a low-risk class. The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the Issuer is unable to repay your investment and guaranteed return.



The chart rates the potential losses from future performance at a low level, and poor market conditions are not expected to impact on the amount you could get back. Changes to tax laws/treaties may adversely affect returns on your investment.

The risk indicator assumes you keep the product for 12 months, which is the ideal minimum holding period. The actual risk can vary significantly if you cash in at an early stage and you may get back less. Market developments in the future cannot be accurately predicted. The scenarios shown below are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.

The Company is exposed to general risks such as market, credit, liquidity and geographical risk.

**Market Risk:** The business of ETFL is well diversified into many different industries. As such the risk of any particular industry underperforming can be countered by the overperforming by other industries. A substantial downturn of the whole economy of Cyprus can have negative impact on the Company. Even in that case, the fact that the receivables are insured by global insurance companies reduces market risk.

**Credit and liquidity Risks:** This is the risk that a lender will extend credit to a borrower but will not be paid back. The company regularly reviews its commitment to suppliers to ensure that it has the necessary funds to meet its obligations.

**Geographical Risk:** Cyprus is located in Europe but close to the Middle East, where the risk of conflict is always possible. However, the island has been at peace for the past 50 years. The fact that the assigned receivables are insured by global companies reduces any geographical risk.

### Performance Scenarios

| Scenario                             |   | Total Annualized Return |
|--------------------------------------|---|-------------------------|
| Nominal investment amount of €10,000 |   | €                       |
| Pessimistic Scenario                 | What you might get after costs over the life of the instrument<br>Average return over nominal amount      | €82<br>3.25%            |
| Expected Scenario                    | What you might get after costs over the life of the instrument<br>Average return/loss over nominal amount | €550<br>5.50%           |
| Optimistic Scenario                  | What you might get after costs over the life of the instrument<br>Average return/loss over nominal amount | €550<br>5.50%           |

The table shows the money you could get over the minimum period of investment, under different scenarios, assuming you invest €10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other similar products.

#### Optimistic scenario

The project owner is offering a return of 5.50% per annum when the underlying assets are credit insured with Allianz Trade and or Atradius, hence there is no risk of default, and it is assumed that the investor will not exit the investment for the 12-month period and earn the 5.50% per annum return in full.

#### Expected scenario

The project owner is offering a return of 5.50% per annum when the underlying assets are credit insured with Allianz Trade and or Atradius, hence there is no risk of default, and it is assumed that the investor will not exit the investment for the 12-month period and earn the 5.50% per annum return in full. The Normal scenario is the same as the Optimistic scenario since it is assumed that investors will keep the investment for 12 months.

#### Pessimistic scenario

The project owner is offering a return of 5.50% per annum when the underlying assets are credit insured with Allianz Trade or Atradius, hence there is no risk of default, but if the investor decides to exit earlier with the 30-day notice during the first three months, then the rate of return will be 3.25% per annum.

| <b>Example of how much return the investor will receive on early exit</b> | <b>Interest per annum</b> |
|---|---------------------------|
| Within 30 days  | 2.50%                     |
| 31 to 90 days   | 2.50%                     |
| 91 to 180 days  | 3.25%                     |
| 180 to 365 days   | 4.00%                     |

The figures shown above include all the costs of the product itself but may 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. You may lose some or all of the money invested.

The Custodian of the investment, CrowdX, is not in a position to help investors in case of default of the Project Owner and will not be able to refund your investment since all the monies are transferred to the Issuer and only the securities are held in custody.

#### **Risk warning**

*This crowdfunding offer has been neither verified nor approved by CySEC or any other competent authority. The appropriateness of your education and knowledge have not necessarily been assessed before you were granted access to this investment. By making this investment, you assume full risk of taking this investment, including the risk of partial or entire loss of the money invested.*

*Investment in this crowdfunding project entails risks. You may not receive any return on your investment. This is not a savings product, and you should not invest more than 10% of your net wealth in crowdfunding projects.*

#### **Part D: Information related to the offering of transferable securities**

##### A. Total amount and type of transferable securities to be offered:

Product name: ETFL TF1  
Type: Fixed coupon bonds  
Fund Raise target: €200,000

##### B. Subscription details:

Subscription price: €1 per bond  
Price at issue date: €1 each  
Minimum subscriptions: 1,000 bonds or €1,000 value  
Maximum subscription: 25,000 bonds or €25,000 value

### C. Oversubscriptions and undersubscriptions:

In the event of over-subscription: The Issuer will accept over-subscriptions.

In the event of under-subscription: The Issuer will accept all funds, as project is ongoing since 2018.

### D. Terms of subscription and payment:

Issue date: 2 September 2024

Maturity date: 31 August 2025

Method of subscription: SEPA transfer to CrowdX (Eurivex) IBAN

Crowdfunding campaign start/end date: 2 September 2024 - 30 September 2024

### E. Custody and delivery of transferable securities to investors

The securities will be held under custody in your account with CrowdX, a tradename of Eurivex Ltd, who is the owner of the crowdfunding platform. All investors will need to register through the CrowdX website and undergo basic verification so that both the interests of the Project Owner and those of the investors are protected through a regulated platform.

### F. Security of investment:

*(i) The legal person behind the guarantor and the maximum amount:*

The notes are not guaranteed but the underlying assets are credit insured.

*(ii) The identity, legal status and contact details of that guarantor:*

Allianz Trade is an international insurance company that offers a range of services, including trade credit insurance, debt collection, surety bonds and guarantees, business fraud insurance and political risk protection. It monitors the financial health of over 80 million companies. It is a subsidiary of Allianz SE. The Company has a Standard & Poor's rating of AA (Very strong).

Atradius provides trade credit insurance, surety and collections services worldwide through a presence in more than 50 countries around the globe. It is the credit insurance arm of Grupo Catalana Occidente. The financial strength rating has been affirmed by AM Best as A (excellent) with a stable outlook and upgraded by Moody's to A1 with a stable outlook.

*(iii) Information on the nature and the terms of the guarantee:*

ETFL has signed contracts with both Allianz Trade (maturing Feb 2025) and Atradius (renewed to mature September 2025) for credit insurance of its clients.

The investing environment you are accessing through crowdfunding entails risks that are covered neither by deposit guarantee schemes established in accordance with Directive 2014/49/EU nor by investor compensation schemes established in accordance with Directive 97/9/EC. There are no investor protection plans applicable to transferable securities or admitted instruments for crowdfunding purposes acquired through the crowdfunding platform.

### G. Commitment to buy back the investment:

The Project Owner gives a commitment to buyback the bonds subject to 30-day notice, which is the reason why it has restricted the maximum amount to invest to €25,000 per investor, which means it has the liquidity to support such a pledge.

The Project Owner has outsourced the administration and management of the bond registry to CrowdX, allowing for the financial instruments to be introduced to the Bulletin Board or Secondary Market of CrowdX whereby investors will be able to trade in the bonds. Existing owners who subscribed through the primary offering, will have the option to sell the acquired bonds on the CrowdX platform and other investors who have active accounts with crowdX and who have available funds, will be able to purchase the bonds, after acknowledging that they have read and understood the terms of the relevant KIIS.

### H. Interest rate returns:

Fixed Coupon: 5.50% per annum

Interest payment dates: 30th March 2025 and 31st August 2025      Basis of interest calculation: 365 days

### **Part E: SPV information**

There is no SPV interposed between the project owner and the investor.

## **Part F: Investor rights**

### A. Key rights attached to the transferable securities:

The credit insurance contacts have been pledged for the benefit of the bondholders, which means that in the unlikely event of ETFL defaulting, the receipts will first be used to pay off the bondholders and then distributed pro-rata to any creditors.

### Optimistic scenario

The project owner is offering a return of 5.50% per annum when the underlying assets are credit insured with Allianz Trade and/or Atradius, hence there is no risk of default, assuming that the investor will not exit the investment for the 12-month period and earn the 5.50% per annum return fully.

### Expected scenario

The project owner is offering a return of 5.50% per annum when the underlying assets are credit insured with Allianz Trade and/or Atradius, hence there is no risk of default, assuming that the investor will not exit the investment for the 12-month period and earn the 5.50% per annum return fully. The Expected scenario is the same as the Optimistic scenario since it is assumed that investors will keep the investment for 12 months.

### Pessimistic scenario

The project owner is offering a return of 5.50% per annum when the underlying assets are credit insured with Allianz Trade and/or Atradius, hence there is no risk of default, but if the investor decides to exit out of the investment with 30-day notice during the first three months, then the annual rate of return will be 3.25%.

### B. Restrictions, including arrangements preventing transferability:

No restrictions apply and there are no agreements preventing their transferability.

### C. Description of any restrictions on the transferring of the transferable securities:

None. The only restriction on transferability is that all investors must maintain an active account with CrowdX. Transfers outside of CrowdX are not possible.

### D. Opportunities for exiting the investment:

The project owner allows investors an early redemption possibility, but every investor must give a 30-day notice to the Issuer for early redemption and receive a reduced interest rate as explained above or may sell all their holdings before maturity on the CrowdX Secondary Market platform, provided there is sufficient buying interest from other investors. CrowdX operates a bulletin board on which it allows its clients to advertise interest to buy and sell investments acquired through its website. In line with existing regulations, CrowdX imposes an additional condition whereby all clients advertising the sale of a transferable security must make available the respective KIIS to the buyer before they sell, something which is effected through the platform. The investor who wishes to purchase the securities must also confirm that they have read and understood the KIIS before the system allows for the transaction to continue.

### E. Distribution of capital and voting rights resulting from the offer:

Not applicable.

## **Part G: Fees, information and legal redress**

### A. Fees for investor:

Zero onboarding, zero brokerage, zero custody fees.

### B. Additional information about the crowdfunding project and the project owner can be obtained free of charge at:

<https://www.crowdx.eu/live-deals/>

### C. How and to whom to address a complaint:

You may file a complaint regarding the investment, the conduct of the Project Owner or the crowdfunding services provider by using the Complaints form template available on the CrowdX website at <https://www.crowdx.eu/legal-documentation/>