LEVERAGE POLICY

EXENICO (CY) LTD

Last Updated:	**October 2026**
Company Number:	**HE 360960**
CIF License Number:	**343/17**

1. Introduction

EXENICO (CY) Ltd (ex. Grandis Securities Ltd) (herewith "**Company**") is authorised and regulated by the Cyprus Securities and Exchange Commission (CySEC) with licence number 343/17, to provide investment services under the Law 87(I)/2017, as amended, regarding the provision of investment services, the exercise of investment activities and the operation of regulated markets which has implemented the Markets in Financial Instruments Directive (MiFID II).

2. Scope and Applicability

The purpose of this Policy is to set out the Company's leverage and margin levels and procedures applicable to contract for difference (CFD) transactions between the Company and its clients.

The risk of CFDs is magnified by the leverage of the CFD. The impact of leverage becomes higher when the value of the underlying asset of the CFD is volatile. Some underlying assets based on their historic performance are more volatile than others, therefore setting different leverage limits helps to ensure that investors face a consistent level of risk.

This Policy applies exclusively to Professional Clients, either Per Se or Elective and Eligible Counterparties, as defined in the Client Categorization Policy of the Company. Retail clients are not onboarded. The Company offers Contracts for Difference (CFDs) across a range of asset classes.

3. Legal Framework

This Policy complies with the provisions of:

- MiFID II (Directive 2014/65/EU),
- CySEC Law 87(I)/2017, as amended,
- and the relevant CySEC directives and circulars concerning leverage and risk management.

4. Leveraged Trading

CFDs are leveraged products which magnify both the potential gains and potential losses of trading positions.

Leverage allows clients to control a larger position than their initial deposit would otherwise permit. While this can enhance returns, it also increases risk, and clients may sustain losses in excess of their initial margin. Therefore, leveraged products are only suitable for clients with the appropriate financial background, trading experience, and risk tolerance.

Leverage ratios are set by instrument and may be adjusted based on prevailing market or geopolitical conditions, in accordance with the Company's risk appetite and policies.

Leverage involves the economic concept of using borrowed funds to increase exposure. For example, a leverage ratio of 1:100 implies that the client is controlling 100,000 USD of notional exposure for every 1,000 USD of margin deposited.

The applicable maximum leverage ratios for each instrument class are published on the Company's website under the Products & Services section and are tailored to suit the profile of professional clients.

5. Leverage Ratios for Professional Clients

The leverage offered by the Company for each Contract for Difference (CFD) instrument is determined based on the underlying asset class, liquidity, volatility, and market conditions.

The applicable leverage for each CFD instrument is clearly displayed on the Company's official website under the "Products & Services" section.

The Company reserves the right to adjust the maximum leverage available on any product at its sole discretion, particularly during periods of extreme market volatility, illiquidity, or in response to regulatory changes or risk management considerations.

6. Initial Margin

The Company requires all professional clients to deposit and maintain sufficient initial margin before opening a trading position in Contracts for Difference (CFDs). The margin requirement reflects the notional value of the contract, adjusted for the maximum leverage permitted for each asset class.

Margin Calculation

Initial margin is calculated based on the following formula:

Initial Margin = Notional Value / Leverage

Each CFD instrument has a defined maximum leverage which directly affects the margin required. Indicative leverage levels are published on the Company's website under the "Products & Services" section.

Margin Currency

The margin is calculated and debited in the account's base currency. If the product is denominated in a different currency, appropriate FX conversion is applied using real-time market rates.

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7. Margin Call & Stop-Out Levels

Exenico (CY) Ltd applies a transparent and systematic margin policy to ensure effective risk management for all professional clients engaging in leveraged trading of CFDs.

Margin Call Level – 100%

A margin call is triggered when the client's Margin Level (defined as *Equity ÷ Used Margin × 100*) falls to 100% or below. This serves as a risk alert indicating that the client should take prompt action to restore the required margin level.

Professional clients are expected to:

- Deposit additional funds to the trading account, and/or
- Close or reduce existing positions to free up margin

At this stage, no automatic liquidation occurs — however, clients should act proactively to avoid forced closure of positions.

Stop-Out Level – 30%

If the Margin Level deteriorates to 30%, the system will automatically begin liquidating the client's open positions to restore the Margin Level above the stop-out threshold.

- Liquidation begins with the most unprofitable position
- The process continues until the margin level is restored above 30% or all positions are closed

This mechanism is intended to limit losses but does not guarantee that losses will not exceed the client's deposited funds and aligns with the professional client's ability to manage risk independently.

Key Notes:

- Margin requirements and stop-out thresholds are uniform across all instruments unless otherwise stated in the product specifications.
- Clients are solely responsible for monitoring their account balance and ensuring sufficient margin is maintained.
- Exenico may, at its discretion, alter margin call or stop-out thresholds temporarily during periods of exceptional market volatility or low liquidity.

8. Negative Balance Protection

In accordance with applicable regulation and professional client or eligible counterparty classification, the Company does not offer Negative Balance Protection.

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Professional Clients and Eligible Counterparties are deemed to possess the necessary experience, knowledge, and financial capacity to assess the risks involved in leveraged trading. Consequently, they are fully responsible for monitoring their account equity and maintaining sufficient margin at all times.

In the event of adverse market conditions, rapid price movements, or gapping events, account equity may become negative. The Company reserves the right to recover any resulting negative balance from the client, in accordance with the Terms and Conditions.

9. Leverage Adjustments in Market Events

The Company may reduce leverage without prior notice in the event of major economic news, elections, or market turmoil to protect clients and manage internal risk.

10. Definitions

- **Leverage**: The ratio of exposure to margin (e.g., 1:100).
- **Margin**: The collateral required to maintain an open position.
- **Equity**: Account balance including unrealized P&L.
- **Margin Call**: A warning that more funds are required.
- **Stop-Out**: Forced closure of open positions due to insufficient margin.