

**Execution Quality Summary Statement
for the year 2020
on execution arrangements for CFDs**

LYDYA FINANCIAL LTD

CIF 300/16

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1. Introduction

Lyda Financial Ltd. (the “Company”), owner of trade name “Forex24”, is Cyprus Investment Firm, registered under the laws of the Republic of Cyprus, with registration number HE 334292, and regulated by the Cyprus Securities and Exchange Commission (“CySEC”), with Licence Number 300/16.

The Company monitors the effectiveness of order execution arrangements in place and regularly assess the Execution Venues, in order to ensure that the best possible results for clients are provided, on an ongoing basis.

1.1 EQSS

This Execution Quality Summary Statement (the “EQSS” or “Statement”) is prepared pursuant to the Delegated Regulation 2017/576 of 8 June 2016, supplementing European Parliament and Council’s Directive 2014/65/EU, regarding the regulatory technical standards for the annual publication, by investment firms, on the identity of execution venues and on the quality of execution.

The EQSS provides information on the venues used for execution of clients’ orders, during the year 2020 (the “Year Under Review”). The information provided within EQSS is intended to provide clients and/or potential clients with information on how the Company executes clients’ orders and execution venue(s).

2. Execution Factors and Criteria

This Statement is addressed to Retail and Professional clients of the Company.

The Company is complying with the best execution rules at all times, by determining the best possible result in terms of total consideration, with the price merits ranking the highest, and therefore cooperate with reputable liquidity providers (“LPs”), for the provision of prices to clients. The Company is providing continuous price flow, of both, bid/ask prices to clients which facilitate the execution of clients’ orders, at the best available price(s).

When executing clients’ orders, the Company takes all sufficient steps to achieve/obtain the best possible outcome/result (“Best Execution”) for clients, taking into the factors, ranked

according to the importance, from highest to lowest, (“Best Execution Factors”), that being:

- Price;
- Costs;
- Speed;
- Likelihood of execution and settlement;
- The size of the Order;
- Market Impact;
- Nature of the order.

For transacting in some types of financial instruments, offered by the Company to clients for trading, commission and/or financing fees may be applied, the amount of which can be seen under the Product Specifications document, found on the Company’s website.

Commissions: Charges may be applied either in the form of a percentage of the overall value of the transaction or as a fixed amount.

Financing Fee: In the case of financing fees, the value of position(s) held open overnight, for some types of financial instruments, is increased or decreased by a daily financing fee, “swap”, throughout the time that the position(s) remains open. Financing fees are based on prevailing market interest rates, which may vary over time. Details of daily financing fees applied can be seen under the Product Specifications document, found on the Company’s website.

For all types of financial instruments, offered by the Company, the commissions and financing fees are not incorporated into the price quoted and are instead charged explicitly to client(s)’ trading account(s).

3. Conflicts of interests related to order execution

The Company has entered into agreement(s) with two LPs for execution of client(s)’ orders and does not have any close links and/or common ownerships with any of the relevant LPs/execution venues, which would give rise to conflicts of interests. Further information about the way that the Company handled conflict of interest can be found on the Company’s website under “Conflict of Interest Policy”.

4. Specific arrangements with execution venues

The Company does not have any specific arrangements with the LPs/execution venues related to discount, rebates and/or other benefits. As a result, the Company does not receive any financial or non-financial benefits from the LPs/execution venues related to the execution of client(s)' orders.

The Company applies symmetrical and consistent mark-ups to raw spreads, obtained from the LPs/execution venues, as to ensure that the average spreads, offered to clients, are competitive within the marketplace.

The Company is committed to act honestly, fairly and professionally and in the best interests of clients and to comply, at all times, with the principles set out within the legislative requirements, when providing investment and ancillary services related to such investment services.

5. Client Types

“Retail Client” is a client who is not a Professional Client, as defined further below. It is noted that Retail Client is afforded with the highest level of protection.

“Professional Client” is a client who possesses the experience, knowledge and expertise to make own investment decisions and properly assess the risks that they incur.

When executing client(s)' order(s), the factors relevant to client(s)' order(s) are taken into consideration, also known as “Execution Criteria” such as:

- characteristics of the Client;
- characteristics of the Client's order;
- characteristics of the relevant financial instrument;
- characteristics of the execution venues to which the Client's order can be directed for execution.

The Company considers the price as being the most important factor when seeking to obtain the best possible result for clients. Moreover, the financial instrument, to which the order relates to, is also taken into consideration while ranking the importance of the factors within the Execution Criteria. However, in certain circumstances, the Company may decide, in its absolute discretion, that other factors, as stated above, may be more important than price, when determining the best possible result, as per the Best Execution Policy found on the Company's website.

For retail clients, the best possible result is determined in terms of the total consideration, represented by the price of the financial instrument and the costs incurred by clients related to execution of orders.

6. Execution Venues

LPs/execution venues used by the Company for execution of client(s)' orders are regulated investment firms.

Within the Year Under Review, below-mentioned LPs/execution venues were used:

- 1) LMAX GLOBAL;
- 2) Broctagon Prime Ltd.

The Client acknowledges that the transactions entered into with the Company, are undertaken over the counter ("OTC") and as such they may expose the greater risks to client(s) rather than transactions executed on regulated exchange(s).

Execution Venues-Retail Clients

The information presented below refers to the top execution, venues in terms of trading volumes, used by the Company, for executing client(s)' orders, during the Year under Review, for financial instruments falling under the category of Contract for Difference ("CFD").

Class of Instrument	CFD's (Contract for Difference)				
Notification if < 1 average trade per business day in the previous year YES Top five execution venues ranked in terms of trading volumes (descending order)	N				
Notification if < 1 average trade per business day in the previous year YES Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of volume traded as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
LMAX Broker Europe Limited (LMAX Global) (LEI Number 213800GJ47NI1547NH25)	0%	0%	0%	0%	0%
Broctagon Prime Ltd (LEI Number) 213800AYVP83GMTLSE33	100%	100%	0%	0%	0%

Execution Venues-Professional Clients

The information presented below refers to the top execution, venues in terms of trading volumes, used by the Company, for executing client(s)' orders, during the Year under Review, for financial instruments falling under the category of Contract for Difference ("CFD").

Class of Instrument	CFD's (Contract for Difference)				
Notification if < 1 average trade per business day in the previous year YES Top five execution venues ranked in terms of trading volumes (descending order)	N				
Notification if < 1 average trade per business day in the previous year YES Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of volume traded as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
LMAX Broker Europe Limited (LMAX Global) (LEI Number 213800GJ47NI1547NH25)	0%	0%	0%	0%	0%
Broctagon Prime Ltd (LEI Number) 213800AYVP83GMTLSE33	100%	100%	0%	0%	0%

7. Quality of execution assessment

The Company monitors the arrangements described in this Statement, on an ongoing basis, in order to be able to identify any deficiencies and to assess whether there are requirements for any changes. The monitoring forms a part of the Best Execution Policy whereby the Company rigorously examines the quality of execution of client(s)' orders. The Company has implemented three distinct stages for monitoring execution quality:

- Stage 1: Real time monitoring of client(s)' orders execution and Execution Venue performance;
- Stage 2: Regular independent reviews of execution quality arrangements and operating effectiveness by the Compliance Officer of the Company, on a quarterly basis;
- Stage 3: Periodic independent reviews of the execution quality arrangements by the internal audit function, on an annual basis.