
***Execution Quality Summary Statement
(EQSS) For the year 2020***

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1. INTRODUCTION

K-DNA Financial Services LTD (hereinafter, the “Company”) is an Investment Firm incorporated and registered under the laws of the Republic of Cyprus, with registration number HE335683. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission (CySEC) under the license number 273/15, and operates under the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law of 2017, Law 87(I)/2017, as subsequently amended from time to time (the Law).

The Company’s office is located at 56 Griva Digeni Avenue, Anna Tower, 1st Floor, 3063, Limassol, Cyprus.

This Execution Quality Summary Statement (EQSS) (hereinafter, the “Statement”) of the Company, is issued pursuant to and in compliance with the Investment Services and Activities and Regulated Markets Law 87(I)2017, implementing the Markets in Financial Instruments Directive 2014/65/EU of the European Parliament (“MIFID II”).

Through this statement the Company, informs its Retail and Professional clients (hereinafter the “Clients”), about how and where the company has executed clients’ orders during the year 2020 (hereinafter the “Year Under Review”), providing a summary of the analysis and conclusions the company drew from its detailed monitoring of the quality of execution obtained on the execution venue where it executed all clients’ orders. Hence, it allows potential investors to evaluate the quality of the Company’s execution practices. The statement will be available on company’s website for a minimum period of two (2) years post its publication.

The purpose of this Document is to ensure the Company’s compliance with the Commission’s Delegated Regulation (EU) 2017/576 (‘RTS 28’) as well as the relevant provisions of the Questions and Answers Document(s) of the European Securities and Markets Authority (‘ESMA’) issued on (i) 31 March 2017 with reference ESMA35-36-794 and (ii) 18 February 2020 with reference ESMA35-43-349 with respect to the provision of CFDs and other speculative products to retail investors and on MiFID II and MiFIR investor protection and intermediaries topics.

The Company urges its clients to read the Statement carefully as it contains useful information on execution venues used by the company for each class of financial instrument as well as how the Company executes orders to execution venue(s) when operating under the Straight through Processing (STP) model. In addition, we recommend to read the Company’s entire [Order Execution Policy](#).

2. SCOPE

The aim of this document is to provide an outline of how the clients’ orders are executed and the aspects that might affect the order execution conduct.

Via this material, investors will be allowed to evaluate the efficiency of the monitoring carried out by the Company with regards to the execution provisions of all client orders where the company owes

the client best execution under the Markets in Financial Instruments Directive 2014/65/EU ("MiFID II").

The Company, during the year under review offered only the asset class of Contracts For Differences (CFDs) to Retail Clients. For a detailed breakdown of the asset classes for which the company owes a duty of best execution, please refer to the [Order Execution Policy](#).

Moreover, it will afford an explicit picture of the execution approaches and tools used to evaluate the quality of execution achieved.

The Company revises and amends this document on an annual basis. The information contained herein, should also be based on the data of the prior years.

3. INFORMATION REQUIRED TO BE DISCLOSED UNDER REGULATORY TECHNICAL STANDARD 28 (RTS) OF MIFID II

a) An explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.

The Company takes utmost care to ensure fastest possible order execution.

Several Qualitative and Quantitative factors were taken into consideration while selecting the execution venue, such as:

- **Cost of execution** - For opening a position in some types of financial instruments the Client may be required to pay commission or financing fees, the amount of which is disclosed on the [Company's Website](#).
 - 1) Commissions may be charged either in the form of a percentage of the overall value of the trade or as fixed amount.
 - 2) In the case of financing fees, the value of opened positions in some types of CFDs is increased or reduced by a daily swap rate throughout the life of the contract. Swap rates are based on prevailing market interest rates, which may vary over time. Further information is available on the Company's website.For all types of CFDs that the Company offers, the commission and financing fees are not incorporated into the Company's quoted price and are instead charged explicitly to the Client account. Fees can be found under the [Full List of Spreads and Commissions](#) on the Company's website "Account Types" Section.
- **Price** - The market price, based on which the order is executed. Clients can refer to the related sections in the [Order Execution Policy](#) in order to be informed on how we set our prices.
- **Speed of execution** - The Company receives and transmits a Client Order for execution to a third party (another Execution Venue), i.e. Up Trend Ltd, and places a significant importance when executing Client's orders and strives to offer high speed of

execution within the limitations of technology and communications links. For more information please refer to the applicable section in our [Order Execution Policy](#).

- Likelihood of execution and settlement - As it is explained in the Execution Venue section of our [Order Execution Policy](#), the Company acts as an agent whereby the Principal shall be the Execution Venue for the execution of the Client's orders for the financial instrument of Forex and CFDs. Although the Company executes all orders placed by the clients, it reserves the right to decline an order of any type or to offer the Client a new price for "market order". In the last case the Client can either accept or refuse the new price as explained in the agreement entered with the Client. In regards to the settlement, the Company proceeds to a settlement of all transaction upon execution of such transactions. The Company may not be able to execute the order at the best available price. Although the Company strives to execute all orders placed by the clients, it reserves the right to decline an order or execute the order at the first available market price.
- Size of order - Size of trades depends on the type of instrument and the available funds before any requested order. Extensive list of available size of orders is preserved and available to the company's website under section [Full List of Spreads and Commissions](#).
- Nature of Order - Given the nature of risk and volatility of financial markets, the Client may want to consider using different types of orders to limit risk and manage investment strategies. The particular characterizing of an order can affect the execution of the Client's order. For more information please refer to the applicable section in our [Order Execution Policy](#).
- Market Impact - Some factors, such as unusual market conditions, may affect rapidly the price of the underlying instruments from which the Company's quoted price is derived and may also affect the rest of the factors herein. The Company will take all reasonable steps to obtain the best possible result for its Clients.
- Such other factors as we consider relevant.

The Company attempts to provide the best possible execution after having taken into account the above factors. However, the Company is not able to safeguard that our offered prices will constantly be better than elsewhere. In addition to the above, the relative significance of the aforesaid factors can differ between different CFDs.

In regards to the Best Execution, the best possible result is determined in terms of the total consideration. Total consideration represents the price of the instrument and the costs associated to the execution of the order. It contains all expenses sustained by the client, which are directly connected to the execution of the order, such as venue execution fees, clearing and settlement fees. Moreover, the Company provides equal order execution requirements to all its clients.

b) A description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders.

The Company does not maintain any close links or common ownership structures with its execution venue. However, the Company has in place sufficient safeguards against any potential conflict of interest. For example: The Company's employees do not relate their remuneration with clients' performance. For a detailed description please see the Company's [Conflict of Interest Policy](#).

The Company has an [Order Execution Policy](#) in place which sets out our procedures in delivering Best Execution to our clients.

In addition, we disclose our Spreads and charges on our trading platform and [website](#).

Our marketing communication is developed on the basis of being fair, clear and not misleading to clients and is issued following approval by the Compliance department.

Furthermore, we do not offer any form of investment advice and our disclaimers make this fact explicitly clear.

c) A description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.

During the year under review, the company had a standard, Liquidity providers agreements in place with UP Trend Ltd starting from 09.03.2020. The Company neither paid nor received any monies or non-monetary benefits to and/or from UP Trend Ltd (apart from the fixed fees which the LP received based on the LP Agreement between the CIF and the LP) for the execution of Clients' orders. There are no specific arrangements in place with the execution venue used (apart from the fixed fees which are paid to the LP for the provision of its services), regarding payments made or received, discounts, rebates or other non-monetary benefits.

Following the termination of the business relationship with Leverate Financial Services Ltd on 08.03.2020, the Company established a new Liquidity Provider Agreement with Up Trend Ltd (09.03.2020). During this business relationship The Company payed its liquidity providers a monthly fixed fee that did not create conflicts with the Company's duties to act honestly, fairly, professionally and in accordance with the best interests of its clients. The revenue generated by the Company was based on commissions paid by its Clients upon initiating a trading order.

d) An explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred

The Board of Directors of the company, in line with the implementation of the Markets in Financial Instruments Directive (MiFID) II on the 3rd of January 2018, took steps and entered into an agreement with a new execution venue, Up Trend Ltd, ensuring compliance with the best interest of the client in relation to the order execution requirements.

- e) **An explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements.**

The company provides investment services to retail clients. The company will apply Best Execution to transactions with Retail and Professional Clients dealing in Financial Instruments where it accepts an order or where it has expressly agreed to provide Best Execution. The company's [Order Execution Policy](#) does not apply to Eligible Counterparties; accordingly, we will not owe Best Execution in transactions entered into with Eligible Counterparties. However, this does not diminish the company's obligation to act honestly, fairly and professionally and to communicate in a way that is fair, clear and not misleading when dealing with Eligible Counterparties. Please read our [Client Categorization Policy](#).

- f) **An explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client.**

The relative importance that the Company attaches to the Execution Factors in any particular case may be affected by using its commercial judgment and experience in the light of the information available on the market and the circumstances of the order (i.e. Execution Criteria), such as:

- i. The characteristics of the client, including the categorization of the client as retail or professional – professional clients may have different needs than retail clients;
- ii. The characteristics of the client order – such as the potential of the order to have an impact on the market;
- iii. The characteristics of financial instruments that are the subject of that order – such as liquidity and whether there is a recognized centralized market;
- iv. The characteristics of the execution venues to which that order can be directed – particular features of the liquidity sources available to the Company.

- g) **An explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under RTS 27.**

The Company's goal is to ensure that clients are provided with the best possible results for their orders. To this end, the Company intends to conduct on ongoing basis of the fairness of the price provided to the client by gathering market data used in the estimation of the price of the products and comparing with similar or comparable products, such as:

(a) Evaluating the Company's execution venues in accordance to the following:

- Pricing Frequency (price updates in real time);
- Speed of execution;
- Frequency and duration of price freezing;

- Depth of liquidity;
- Pricing transparency;
- Slippage frequency etc.

(b) Price Fairness by comparing independent prices relayed by independent market data providers with the prices quoted by its execution venue.

(c) Technological prowess of Company systems (responsiveness of interface, lag, integration with the IT systems of the execution venues etc.).

The company also cross-checks the functionality of its trading platform and trading conditions with competitors and output of consolidated tape providers to ensure best execution for its clients.

- h) Where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.**

Not Applicable.