

**INFORMATION OF THE TOP 5 VENUES AND THE QUALITY OF EXECUTION ACHIEVED**

**Top 5 markets where IP Intercapital Markets AD is a direct member**

**NON-PROFESSIONAL CLIENTS (Table No. 1)**

Class of Instrument	Equities — Shares & Depository Receipts				
Notification if < 1 average trade per business day in the previous year	NO				
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 orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
XWAR/ Warsaw Stock Exchange-Poland (EU)	52,96%	55,26%	0,00%	0,00%	100,00%
XNCO/ NewConnect	44,01%	43,23%	0,00%	0,00%	100,00%
XBUL/ БФБ София	3,03%	1,51%	54,99%	42,46%	2,56%

Class of Instrument	Debt instruments - bonds and money markets instruments				
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 orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
XWAR/ Warsaw Stock Exchange-Poland (EU)	93,77%	21,43%	0,00%	0,00%	100,00%
XBUL/ БФБ София	6,23%	78,57%	27,27%	36,36%	36,36%

**PROFESSIONAL CLIENTS (Table No. 2)**

Class of Instrument	Equities — Shares & Depository Receipts				
Notification if < 1 average trade per business day in the previous year	NO				
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 orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
XWAR/ Warsaw Stock Exchange-Poland (EU)	63,10%	72,66%	0,00%	0,00%	100,00%
XNCO/ NewConnect	22,57%	26,37%	0,00%	0,00%	100,00%
XBUL/ БФБ София	14,33%	0,97%	54,46%	43,19%	2,35%

Class of Instrument	Debt instruments - bonds and money markets instruments				
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 orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
XWAR/ Warsaw Stock Exchange-Poland (EU)	63,94%	27,27%	0,00%	0,00%	100,00%
XBUL/ БФБ София	36,06%	72,73%	37,50%	62,50%	0,00%

### **SUMMARY OF THE QUALITY OF EXECUTION OF CLIENTS ORDERS FOR ALL TYPES OF FINANCIAL INSTRUMENTS**

This document is a summary of the information and conclusions that investment firm IP Intercapital Markets AD makes from its detailed monitoring of the quality of execution of all client orders for transactions in financial instruments for 2022, as required by Commission Regulation (EU) 2017/576 of 8 June 2016.

IP Intercapital Markets AD, as an investment Broker, publishes information on the top five execution venues in terms of trading volumes for all executed client orders, depending on the class of financial instruments. The information on the top five execution venues provides information separately for Non-professional investors and for professional investors, presented in tabular form for each class of financial instruments.

This summary analysis and assessment of the quality of execution of client orders contains trading data for the period 01.01.2022 - 31.12.2022.

#### **I. General provisions and principles**

IP Intercapital Markets AD shall ensure that, in respect of investment services and activities performed on behalf of clients, the firm acts honestly, fairly and as a professional in accordance with the best interests of its clients.

In executing client orders, the firm shall use reasonable efforts to achieve the best result for the client by selecting execution venues that consistently allow for the best result.

Within the meaning of par. 18 of the Additional Provisions of MiFID, a trading venue shall be a regulated securities market, a multilateral trading facility or "MTF" and an organised trading facility or "OTF". Client orders shall be executed on a regulated market and an OTC market. When providing order execution services on behalf of retail and professional clients, IP Intercapital Markets AD acts as a direct participant of the Bulgarian Stock Exchange (BSE - Sofia) and the Warsaw Stock Exchange, of which the intermediary is also a member, executing orders according to the class of financial instrument traded (Table No. 2 for Professional clients and Table No. 1 for Nonprofessional clients).

- Client orders for transactions in shares, bonds, compensatory instruments and other financial instruments listed on a regulated market in Bulgaria are executed directly by IP Intercapital Markets AD on the Bulgarian Stock Exchange - Sofia AD.

- Client orders for transactions with shares and rights thereto listed on the Warsaw Stock Exchange, incl. The alternative trading system "New Connect" organized by the Warsaw Stock Exchange is executed directly by IP Intercapital Markets AD.

Orders for financial instruments admitted to trading on a market of which IP Intercapital Markets AD is not a member are executed on the relevant trading venues indirectly, with the intermediary transmitting the orders for execution to its partners (brokers), who directly or through another broker, are members of that market who have mechanisms, rules and procedures in place to ensure that IP Intercapital Markets AD fulfils its obligation to act in the best interests of the client.

A summary analysis pursuant to IP Intercapital Markets AD obligation under Article 3(3) of Commission Delegated Regulation (EU) 2017/576 of 8 June 2016 shall be provided through the following information:

**1. An explanation of the relative importance the firm has given to execution factors such as price, cost, speed, the likelihood of order execution or any other consideration, including qualitative factors in assessing execution quality.**

IP Intercapital Markets AD takes all reasonable steps to obtain the best possible result for its clients, taking into account price, cost, speed, likelihood of execution and settlement, size, nature and any other consideration relevant to the execution of the order. If specifically instructed by the client, IP Intercapital Markets AD will execute orders or specific aspects of orders following those instructions predominantly.

To achieve best execution of client orders, Intercapital Markets plc considers the importance of the following factors:

- Price;
- Cost;
- Order volume/size;
- Probability of execution;
- Security of settlement;
- Type and nature of order;
- Other factors related to order execution.

The particular importance that IP Intercapital Markets AD has attached to the factors of best execution of client orders can be found in detail in Article 10(1) to (5) and Article 11 and Article 12 of the Firm's Client Order Execution Policy.

**2. A description of any close relationships, conflicts of interest and common ownership with respect to any of the order execution venues;**

IP Intercapital Markets AD does not own any shares in the capital of the Bulgarian Stock Exchange AD. The Intermediary is not in close relationships, conflicts of interest and other common ownership with respect to execution venues. The investment intermediary does not discriminate, respectively does not offer different trading conditions or execution venues with regard to the categorization of clients - professional and Non-professional investors.

**3. A description of any special arrangements with any execution venue with respect to payments made or received, rebates, discounts or non-monetary benefits received;**

IP Intercapital Markets AD has no special arrangements with execution venues or executing broker with respect to payments made or received. The intermediary does not receive or provide any non-monetary benefit to any execution venue for client orders.

**4. A description of the factors that led to the change in the list of execution venues included in the firm's execution policy, if any;**

No new factors have arisen during the period that would lead to a change in the list of execution venues, including in IP Intercapital Markets AD Policy for working in the best interests of and to achieve the best results for clients. Our current contractors allow us to cover the full spectrum of demand from IP Intercapital Markets AD clients.

**5. Explanation of how the manner of execution differs depending on client categorization, where the firm treats client categories differently and where it may affect order execution arrangements;**

IP Intercapital Markets AD treats all clients equally, regardless of their categorization, in accordance with the firm's Conflicts of Interest Policy. The Investment Firm does not discriminate, respectively does not offer different trading conditions or execution venues with regard to the categorization of clients - professional and retail investors.

**6. An explanation as to whether other criteria have been preferred to immediate price and cost in the execution of retail client orders and how these other criteria have been influential in securing the best possible outcome in terms of overall costs to the client;**

IP Intercapital Markets AD did not use any other criterion to determine the best result for the period which was preferred to the immediate instrument price and the cost of executing the order.

**7. An explanation of how the Investment Broker has used any data or tools relating to execution quality, including any data published in Delegated Regulation (EU) 2017/575;**

IP Intercapital Markets AD has not identified any deviations from the best execution principles under the Order Execution Policy during the period under review.

The analysis for the period under review also used relevant data in relation to the quality of execution of client orders published in accordance with the requirements of Delegated Regulation (EU) 2017/575.

**8. A description of how the investment firm has used the results of a consolidated data provider established in accordance with Article 65 of Directive 2014/65/EU.**

In preparing the analysis of execution quality, at the time of publication of the data, only information available at IP Intercapital Markets AD (own data) was used. No information from a consolidated data provider has been used.

For the purposes of the Regulation (EU) 2017/576 reference, the following definitions are used:

- "passive order" means an order entered in the order book that has provided liquidity;
- 'aggressive order' means an order entered in the order book that has drawn liquidity;
- 'Directed order' means an order where the specific execution venue is determined by the client prior to the execution of the order.

**April, 2023.**