

Information on the report of the top five execution venues and on quality of execution obtained

Data:

The report of the top five execution venues is based on data for the calendar year 2020. All trades done in foreign currencies were converted to euros in order to calculate proportion of volume fields. Only trades done by the clients of LHV have been taken into account. All trades done by LHV (such as market making) have been excluded.

Explanations:

- (i) 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;

Primarily, the execution of orders are based on the amount of the cost of the financial instrument and the execution costs. The trading venue for execution was chosen by the results of annual evaluation of counterparties where a primary broker is appointed for a specific market. In the event when it was not possible to route orders to primary broker due to technical reasons or the broker was not able to trade the specified instrument, the order was routed to a secondary broker.

- (ii) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;

There were no close links, conflicts of interest and common ownerships with any execution venues.

- (iii) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;

LHV has signed an agreement to participate in market making program for Nasdaq Tallinn AS, Nasdaq Riga A/S and AB Nasdaq Vilnius. According to the conditions of the program and if LHV fulfils them, LHV is eligible for a discount from the price list of exchange (instead of 0.035% the fee is 0.02% of trading volume). No other agreements with other venues or brokers have been signed.

- (iv) 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;

There were no changes in execution venues during the year.

- (v) 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;

In general (within all instruments mediated by LHV) the following parameters were considered by order of significance:

- Market price of the security
- Amount of the transaction order
- Speed of the transaction execution
- Transaction execution costs
- Likelihood of the transaction or settlement actualisation
- Other factors

In case of retail clients, the best possible result is ascertained on the basis of the total cost. Total cost consists of the price of the financial instrument and the costs of execution, comprising all costs which have been borne by the client and which are directly related to the execution of the order, e.g. trading venue, clearing and settlement fees and other fees payable to third parties participating in the execution of the order. In case of professional clients, the best possible result is ascertained on the basis of the volume of the order and speed of execution.

- (vi) 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;

In case of retail clients no other parameters were considered than market price and transaction execution costs. Unless it was specified with the client before the transaction.

- (vii) 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.

LHV has not used the output of consolidated tape provider.