

2018 REPORT ON THE QUALITY OF EXECUTION

In compliance with the provisions set forth under article 27, sections 6 and 10, letter b) of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (hereinafter, “**MiFID II**”), and article 3.3 of the Commission Delegated Regulation (EU) 2017/576, of 8 June 2016, supplementing MiFID II with regard to regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution (hereinafter, the “**Delegated Regulation**”), this document is hereby published, consisting of a summary of the analysis and conclusions drawn from the monitoring of the quality of execution obtained on the execution venues where JB Capital Markets, S.V., S.A.U. (hereinafter, “**JB Capital Markets**” or the “**Company**”) has executed client orders in the previous year.

Explanation of the relative importance the Company gave to the execution factors of price, costs, speed, likelihood of execution, or any other factor, including qualitative ones, when assessing the quality of execution.

In accordance with the Order Execution Policy of the Company in force during 2018, and taking into account the list of execution venues included therein, and of which the Company is a member, for all categories of shares with respect to which, the Company has executed orders in execution venues, usually the price has had the highest relative importance when obtaining the best quality of execution, although in certain circumstances, for certain clients, orders, financial instruments or markets, the Company has determined that other execution factors had been more important than price in the quality of execution.

Description of any close links, conflicts of interest and common ownerships with respect of any execution venues used to execute orders.

The Company does not have any close link, conflicts of interest nor any common ownership with respect of any execution venues used to execute orders, apart from its condition of member of such execution venues and other execution venues within the same group, as well as commercial relations maintained with other entities belonging to the same group that the execution venues.

Likewise, the Company does not have any close link, conflicts of interest nor any common ownership with the financial intermediaries included in the top financial intermediaries report, to which the Company transmits orders for their execution, apart from the commercial conditions applicable to this service and other financial services agreements subscribed with the same.

Description of any specific arrangement with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.

The Company does not have any specific arrangement with any execution venue that may imply making or receiving payments, discounts or rebates, or receiving any non-monetary benefits. The Company is subject to the general fees applicable by the execution venues in which it executes orders.

Explanation of the factors that led to a change in the list of execution venues listed in the Company's execution policy, if such a change has occurred.

There has been no change to the list of execution venues included in the Order Execution Policy of the Company in force during 2018.

Explanation of how the execution of orders differs according to the client categorization when the Company treats categories of clients differently, and where this may affect the order execution arrangements.

This is not applicable to the extent that the Company does not provide services to retail clients. Consequently, the Company can only execute orders applying the Order Execution Policy to professional clients.

Explanation of whether other criteria were given precedence over immediate price and cost criteria 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.

This is not applicable to the extent that the Company does not provide services to retail clients.

Explanation of how the Company has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575.

JB Capital Markets, in order to analyze the result of the quality of the best execution obtained in the orders of its professional clients with respect to each transaction carried out by instrument type and distinguishing those transactions carried out both as executor and intermediary has obtained the "Transaction Cost Analysis" (hereinafter, "**TCA**") report, drafted by BME InnTech, which allows the Company to verify the results of the same in an objective manner.

BME InnTech extracts the information of what would be the best possible scenario with respect to each transaction carried out by instrument type and distinguishing those transactions carried out both as executor and intermediary, this being the benchmark and taking the same as a reference, compares it with the real execution that has been carried out in all of the orders and obtains two results:

1. Achievement of the best result.
This data is binary. Achieved (yes / no) the best result.
2. Deviation from the benchmark.
It calculates the % deviation in price from the best possible result. Its result is expressed in basis points of deviation from the result actually obtained from the benchmark.

The conclusions of said results for the transactions on equity instruments covered in this document, in which JB Capital has acted as executor and as intermediary, are the same, without it being considered appropriate to highlight any differentiating aspect with respect to each of them.

BME InnTech also made a measure of the quality of the main markets available. Market quality measures include price spread, liquidity in the order books and probability of execution in order to ensure that we execute in the best available markets.

Also, taking into account the above, the TCA report represents an aggregate of the results of each of the orders so that it expresses the % of orders of the total on which the best execution has been achieved and the weighted average of the basis points deviation.

These data are those that have been taken into consideration for the analysis.

Explanation of how the Company has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

JB Capital Markets has not used information arising from a consolidated tape provider.