

Investment management joint-stock company

IPAS "Indexo"

uniform registration number 40203042988

MANAGEMENT AND SUPERVISORY BOARD REMUNERATION REPORT 2024

Prepared in accordance with the requirements of the Financial Instruments Market
Law of the Republic of Latvia

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I. INTRODUCTION

The remuneration report of the management board and supervisory board of the investment management joint-stock company "Indexo" (IPAS "Indexo", hereinafter referred to as IPAS INDEXO) for the year 2024 has been prepared in accordance with Article 59, Paragraph 4 of the Financial Instruments Market Law of the Republic of Latvia and the remuneration policy of the INDEXO Group, which is available on the company's website www.indexo.lv.

The aim of the INDEXO Group's remuneration policy is to establish the basic principles for the remuneration of the Group's officials and employees. The policy is designed to help the Group attract, retain, and develop professional and talented individuals, motivate them to act in accordance with the Group's values, ethical standards, and long-term goals, while simultaneously deterring them from taking risks beyond certain risk appetite levels and helping to avoid conflicts of interest.

II. REMUNERATION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

The subsidiary of IPAS INDEXO, INDEXO Bank, received a credit institution license in 2024, leading to several changes in the management structure within the INDEXO Group. Specifically, Valdis Siksnis and Ieva Bauma left the Management Board of the IPAS INDEXO pension management company to continue their work at INDEXO Bank. Consequently, Henriks Karmo was appointed as the Chairman of the Management Board of IPAS INDEXO, while Artūrs Roze and Marija Černoštana were appointed as Board Members.

On July 8, 2024, Ivita Asare resigned from the Supervisory Board of IPAS INDEXO, where she had been since April 19, 2023. As a result, the Supervisory Board now consists of Valdis Vancovičs, Svens Dinsdorfs, Renāts Lokomets, and Ramona Miglāne.

Table 1

The dates of appointment of the Members of the Management Board and of the Supervisory Council are the dates on which the decision of appointment or resignation of the Member of the Management Board and of the Supervisory Council is registered in the Register of Enterprises of the Republic of Latvia.

	Valdis Vancovičs – Chairman of the Supervisory Council (from 19.04.2023.)
Members of the Supervisory Council	Svens Dinsdorfs – Deputy Chairman of the Supervisory Council (from 19.04.2023.)
and their position	Renāts Lokomets – Member of the Supervisory Council (from 19.04.2023.)
	Ivita Asare - Member of the Supervisory Council (19.04.2023. - 08.07.2024.)

Ramona Miglāne – Member of the Supervisory Council
(from 19.04.2023.)

Valdis Siksnis – Chairman of the Management Board
(25.04.2022. - 03.06.2024.)

Henrik Karmo - Chairman of the Management Board
(from 03.06.2024.)

Members of the Management Board
and their position

Henrik Karmo – Member of the Management Board
(05.07.2023. 03.06.2025.)

Ieva Bauma – Member of the Management Board
(05.07.2023. - 03.06.2024.)

Artūrs Roze – Member of the Management Board (from
03.06.2024.)

Marija Černoštana – Member of the Management Board
(from 03.06.2024.)

Table 2

Total remuneration of the Management Board and the Supervisory Council, excluding national social insurance mandatory contributions, EUR.

Name, surname, position	Fixed remuneration			Variable remuneration	Total remuneration	Proportion of fixed and variable remuneration %
	Base salary*	Other benefits**	Total			
Valdis Siksnis, Chairman of the Management Board (till 03.06.2024.)	20 651	242	20 893	0	20 893	100% / 0%
Henrik Karmo, Chairman of the Management Board	52 152	2 950	55 102	0	55 102	100% / 0%
Ieva Bauma, Member of the Management Board, Marketing Manager (till 03.06.2024.)	10 501	1 495	11 996	0	11 996	100% / 0%
Artūrs Roze, Member of the Management Board (from 03.06.2024.)	34 671	2 011	36 682	0	36 682	100% / 0%

Marija Černoštana, Member of the Management Board (from 03.06.2024.)	0	0	0	0	0	0% / 0%
Valdis Vancovičs, Chairman of the Supervisory Council	9 500	0	9 500	0	9 500	100% / 0%
Svens Dinsdorfs, Member of the Supervisory Council	10 500	0	10 500	0	10 500	100% / 0%
Renāts Lokomets, Member of the Supervisory Council	10 500	0	10 500	0	10 500	100% / 0%
Ivīta Asare, Member of the Supervisory Council (till 08.07.2024.)	3 500	0	3 500	0	3 500	100% / 0%
Ramona Miglāne, Member of the Supervisory Council	9 500	0	9 500	0	9 500	100% / 0%

* The salary of the members of the Management Board includes the remuneration of a Management Board member in accordance with the board member's authorisation agreement and/or employment contract in the Company, if the relevant board member has an employment contract. A fixed remuneration for each meeting of the Council is determined for the members of the Council.

** Other benefits include contributions to employees' private pension funds, health insurance, and material benefits in exceptional cases—such as a one-time allowance in the event of a family member's death, childbirth, marriage, and other allowances. Additionally, IPAS INDEXO covers employees' expenses related to mobile communication services.

In accordance with the INDEXO Group Remuneration Policy, variable remuneration is only granted to employees in sales and customer service roles who do not hold positions that influence the risk profile. Therefore, in 2024, no variable remuneration was paid to Management and Supervisory Board members.

In 2024, some Management Board members received remuneration from both IPAS INDEXO and the Group company AS INDEXO Bank (hereinafter referred to as INDEXO Bank). Table 3 presents the remuneration received from the Group company INDEXO Bank.

Table 3

Remuneration received from INDEXO Group company INDEXO Banka, excluding employer's social insurance contributions, EUR.

Name, surname, position	Fixed remuneration			Variable remuneration	Total remuneration	Proportion of fixed and variable remuneration %
	Base salary*	Other benefits**	Total			
Valdis Siksnis, Chairman of the Management Board (till 03.06.2024.)	50 602	4 652	55 254	0	55 254	100% / 0%
Henrik Karmo, Chairman of the Management Board	19 986	0	19 986	0	19 986	100% / 0%
Ieva Bauma, Member of the Management Board, Marketing Manager (till 03.06.2024.)	12 453	315	12 768	0	12 768	100% / 0%
Marija Černoštana, Member of the Management Board (from 03.06.2024.)	38 442	2 174	40 616	0	40 616	100% / 0%

The remuneration received from INDEXO Group company INDEXO Banka is indicated for the period of time during which the person held the position of a member of the Board of IPAS INDEXO. In 2024, all members of the Council received remuneration from IPAS INDEXO and did not receive any remuneration from other Group companies within the meaning of the Law on Annual Reports and Consolidated Annual Reports of the Republic of Latvia.

In addition to remuneration, the Company may offer its employees and officials the opportunity to participate in the Option Program. Options are granted in accordance with the Group's Option Issuance Rules. This is a long-term incentive plan for the management board and employees in the form of shares, aimed at motivating employees and management board members to focus on the long-term development of operations and to foster interest in the effective management of IPAS INDEXO.

The Company's shareholders' meeting has approved two share purchase right (option) schemes that were in force during the reporting period and within which one option gives the right to purchase one share of the company. The first staff option scheme is hereinafter referred to as the employee stock option scheme, while the second option scheme is hereinafter referred to as the management stock option scheme.

The Employee options are not considered as variable or fixed remuneration, as the terms of issue stipulate that the option holder may purchase Employee options at a price not lower than the nominal value of the shares, and the option holder must cover the purchase from his own funds. Options may be granted to Members of the Management Board by the Supervisory Council, in accordance with the Group's Option Issuance Rules.

Employee stock option scheme

The terms of the Employee stock option scheme were approved at the Company's shareholders' meeting on March 29, 2021. The updated terms were approved at the Company's shareholders' meeting on March 24, 2022, the current version of the terms was approved on March 25, 2024. One option gives the right to purchase one share of the Company for EUR 2.86 with a holding period of 1 year. The management Board determines the effective date of the exercise right each year, provided that at least two dates are determined in a calendar year. The option holder is entitled to exercise the employee stock option granted to him/her no later than the nearest exercise date of the options after the end of the holding period; unused options are annulled.

Management stock option scheme

The terms of the Stage I Management stock option scheme were approved by the Company's shareholders' meeting on March 24, 2022, the current version of the terms was approved on March 25, 2024. According to the terms of stage I of the management option stock scheme, one option gives the right to purchase one share of the Company for EUR 1.00 with a holding period of 1 year. According to the terms of stage II of the management stock option scheme, one option gives the right to purchase one share of the Company for EUR 27.48 with a minimum holding period of 1 year. The Management board determines the exercise dates of the options each year, provided that at least two dates are determined in a calendar year. The holder of options issued under Stage I is entitled to exercise the options granted to him/her no later than the nearest option exercise date after the end of the holding period, unused Stage I options are annulled. The holder of options issued under Stage II may start exercising the options granted to him/her in the relevant proportional amount on the nearest option exercise date after the end of the holding period and may continue to exercise them on any subsequent option conversion date.

The Company has certain clawback rights in relation to Stage I options if on the exercise date (the date being Company's Management Board meeting which is no later than 4 months after the publication of the Company's 2026 annual financial statements) the value of the Company's share does not exceed the amounts specified in the management stock option scheme regulations. Holders of options issued under Stage I may derive material benefit from the Sage I management stock option only if the market price of the share on the exercise date exceeds

EUR 16.51 per share. The number of shares to be returned depends on the market value of the Company's shares and is determined in accordance with the terms of the option scheme.

Table 4

Number of options granted and exercised, price, grant date in 2024.

Main terms of the share option plan					Information about the financial year					
Name, surname, position	Type of option scheme	Option grant date	Effective date of the conversion right	Conversion price of the share	Opening balance	During the year			Ending balance	
					Share option at the beginning of the year	Share options granted	Share options converted	Forfeited	Number of performance-linked share options granted	Share options granted but not converted
Ieva Bauma, Member of the Management Board, Chief Marketing Officer	Employee option scheme	4/17/2023	4/18/2024	2.86	2500	0	2500	0	0	0
Ieva Bauma, Member of the Management Board, Chief Marketing Officer	Stage I management option scheme	2/3/2023	2/4/2024	1	1000	0	1000	0	0	0
Ieva Bauma, Member of the Management Board, Chief Marketing Officer	Stage II management option scheme	10/16/2023	10/17/2024	27.48	8000	0	0	0	0	8000
Artūrs Roze, Member of the Management Board	Employee option scheme	5/31/2022	6/1/2023	2.86	2000	0	2000	0	0	0

Artūrs Roze, Member of the Management Board	Employee option scheme	4/17/2023	4/18/2024	2.86	2500	0	2500	0	0	0
Artūrs Roze, Member of the Management Board	Stage I management option scheme	4/17/2023	4/18/2024	1	1000	0	1000	0	0	0
Artūrs Roze, Member of the Management Board	Stage II management option scheme	10/9/2023	10/10/2024	27.48	8000	0	0	0	0	8000
Marija Černoštana, Member of the Management Board	Employee option scheme	12/18/2023	12/19/2024	2.86	500	0	500	0	0	0
Marija Černoštana, Member of the Management Board	Stage I management option scheme	7/17/2023	7/18/2024	1	500	0	0	500	0	0
Marija Černoštana, Member of the Management Board	Stage II management option scheme	10/9/2023	10/10/2024	27.48	5000	0	0	0	0	5000

III. COMPLIANCE OF REMUNERATION WITH THE REMUNERATION POLICY

The remuneration of the Board and the Council complies with the INDEXO Group remuneration policy approved by the shareholders' meeting. The internal audit function regularly performs checks on compliance with the basic principles of remuneration and compliance. In the last audit conducted for 2024, no significant violations were detected.

IV. CHANGES IN REMUNERATION AND COMPANY PERFORMANCE RESULTS

The comparative data summarizes the remuneration of the Management Board and Supervisory Council, the company's performance indicators (all performance indicators of the Company and the Group can be found in the annual financial report), and the average full-time remuneration of the Company's employees, excluding members of the Board and Council.

IPAS "Indexo" is the fastest growing pension manager in Latvia in terms of clients. In 2024, the Company acquired a significant number of new clients – 14 701. By the end of the year, the Company's number of clients reached 141 914 which is a 12% increase. In the last 5 years, we have increased our number of clients by 34.7% per annum. The Company's Assets Under Management grew by 46%, reaching EUR 1 399 million, meanwhile Latvian 2nd pillar pension market increased from EUR 7.06 billion euros to EUR 8.78 billion euros over the same period. The market has grown mainly due to high increases in all the top equity and bond indices. At the end of 2024, INDEXO market share was nearly 15% of the 2nd pillar pension savings market.

In 2024, the pension fund "INDEXO Jauda 16-55" had a return of 25.45%, whereas the 5-year return exceeded 10.8% per annum. Since the inception of the "INDEXO Jauda 16-55" pension fund on 5 February 2018, the value of EUR 1 invested at that date has grown to EUR 1.98 at the end of 2024. Other INDEXO pension funds also delivered strong returns in the market. INDEXO management team continues to work hard on reducing the costs associated with investment services in order to further improve the returns of INDEXO pension plans. The growing number of clients and the growing volume of assets under management have led to an increase in the revenue of the pension fund management business segment to EUR 4.45 million.

The total income of IPAS "Indexo" during the reporting period was more than sufficient to cover the administrative expenses of pension fund management. Profit before client acquisition cost reached EUR 2.77 million, and net profit – 0.87 million.

Table 5

Remuneration for the financial reporting year, excluding national social insurance mandatory contributions, and Company performance EUR.

Remuneration of the IPAS "Indexo" management, EUR	2023	2024
Management Board fixed remuneration	123 839	117 975
Management Board variable remuneration	6 600	0
Management Board total remuneration	130 439	117 975
Supervisory Council fixed remuneration	17 258	43 500
Supervisory Council variable remuneration	0	0
Supervisory Council total remuneration	17 258	43 500
Company performance, EUR		
Revenue	3 148 438	4 358 622
Profit before tax	(326 301)	880 623
Net profit	(331 527)	873 235
The average salary of equivalent employees for full-time work, EUR		
Remuneration of heads of functions	44188	59570

Information on cases when the variable part of the remuneration has been reclaimed

None.

The applied temporary derogations, inter alia, an explanation of the exceptional case and a reference to specific components of the remuneration policy to which temporary derogation has been applied.

None.