
IPAS INDEXO

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Board Report

on the need to cancel the pre-emptive rights of the Company's shareholders and to set the selling price of the new issue shares

To whom:

IPAS "Indexo" shareholders' meeting

The Management Board of IPAS "Indexo" (*hereinafter - the Company*) prepared this report to provide the shareholders' meeting with:

- 1) the justification for the need to cancel the shareholders' pre-emptive rights;
- 2) to set the sale price of the newly issued shares, in accordance with Article 253, Part 2 of the Commercial Law, and
- 3) to provide clarifying information about the agenda items of the shareholders' meeting.

The Board of the Company has included in the agenda of the regular meeting of shareholders the issue of making amendments to the Company's Articles of Association and approving the new version of the Company's Articles of Association.

The Board of the Company proposes to amend the Clause 3.6. of the Company's Articles of Association, expressing it in the following new wording:

"3.6 The Board of the Company, for a period of up to 5 (five) years, is authorized to increase the share capital of the Company for the amount up to 572 000 (five hundred and seventy two thousand) shares, in accordance with the provisions of Article 249(4) of the Commercial Law."

The mentioned amendments are necessary to provide the *Company* with the opportunity to increase the *Company's* capital, if necessary, by making a public offer of shares, or by making a closed (private) offer of shares, to attract capital investments.

In order, to provide the Company's Board with the opportunity to promptly decide on a public or closed share offering, to reduce the Company's costs related to the capital increase, as well as to reduce the time required for the capital increase, the Company's Board proposes to the shareholders to cancel the Company's shareholders' pre-emptive rights regarding the Company's newly issued shares, which will be issued based on the authorisation to be given to the Company's Board under the new version of the Clause 3.6. of the Company's Articles of Association, and which will be sold at a price in the range from 5 EUR (five euros) to 20 EUR (twenty euros) per share.

When issuing the new shares, the Company intends to ensure that shareholders who wish to participate in the new issue have priority share acquisition rights in proportion to the amount of the shareholders' participation in the Company's capital. Thus, by waiving the right of pre-emption, the rights of shareholders will not suffer, and the priority of shareholders will be ensured on the basis of the rules of the allocation of shares of the new issue.

Sincerely yours,

H.Karmo
Chairman of the Board

Artūrs Roze
Member of the Board

Marija Černoštana
Member of the Board

THIS DOCUMENT IS SIGNED WITH A SECURE ELECTRONIC SIGNATURE AND CONTAINS A TIME STAMP