
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" Extraordinary Meeting of shareholders

IPAS "Indexo" (hereinafter – the Company) the Management Board has prepared this report in order, pursuant to Section 253(2) of the Commercial Law, to provide the Shareholders' Meeting with justification regarding:

1. the necessity of waiving shareholders' pre-emptive rights;
2. the determination of the sale price of the new issue shares; and
3. to provide clarifying information on the items included in the agenda of the Shareholders' Meeting.

The agenda of the Shareholders' Meeting includes draft resolutions on new share issues of the Company. In implementing the share buyback transaction of AS DelfinGroup (hereinafter – DelfinGroup), DelfinGroup shareholders will be given the opportunity either to exchange their shares for shares of the Company or to dispose of their shares. In order to ensure the exchange of shares for shares of the Company, the Shareholders' Meeting must approve the increase of the Company's share capital by way of a non-monetary contribution to enable settlement of the share exchange transaction within the framework of the voluntary share buyback offer and, where necessary, within the mandatory share buyback offer.

At the same time, to ensure the exercise of DelfinGroup shareholders' rights, which include the possibility to dispose of their shares for cash consideration, as well as to finance the operations of AS INDEXO Banka, the Company will carry out share issues for capital raising. In total, across all issues where the Company's shares are to be paid up in cash, the volume shall not exceed 6 905 719 shares of the Company.

Since only the Shareholders' Meeting has the right to approve a share capital increase by way of a non-monetary contribution, the agenda of this meeting also includes the item regarding the share issue of the Company for the implementation of the IPAS VAIRO transaction.

I. Share issue in connection with the voluntary share buyback offer for the acquisition of AS "DelfinGroup" shares, with the purpose of carrying out a share exchange transaction

The Company plans to make a voluntary share buyback offer for the acquisition of 45,428,611 DelfinGroup shares, by preparing a voluntary buyback offer prospectus which, following its approval by the Bank of Latvia, will be published on the INDEXO website (www.indexo.lv/investoriem) and on the Nasdaq Riga website. The transaction provides DelfinGroup shareholders with the opportunity to participate in a share exchange transaction, within which shareholders may exchange their DelfinGroup shares for newly issued shares of the Company. To ensure the execution of this transaction, the Company plans to issue up to 6,223,097 new shares, which will be paid up with DelfinGroup shares as a non-monetary contribution.

The price of the Company's new shares will be determined according to the following formula:

The average weighted price of one DelfinGroup share on the regulated market over the six-month period preceding the date of valuation of the non-monetary contribution × the share exchange ratio specified in the rules on the Company's share capital increase.

Considering that the planned share issue of the Company will be carried out within the framework of the share buyback offer and that the new shares are intended for the execution of the exchange transaction, whereby they will be exchanged for the DelfinGroup shares held by DelfinGroup shareholders, the exercise of pre-emptive rights by the existing shareholders of the Company in this transaction is not possible, as such rights would be incompatible with the structure of the transaction.

II. Share issue in connection with the mandatory share buyback offer for the acquisition of AS DelfinGroup shares, with the purpose of carrying out a share exchange transaction.

In the cases prescribed by law, the Company may be required to make a mandatory share buyback offer and prepare a mandatory buyback offer prospectus which, following its approval by the Bank of Latvia, will be published on the INDEXO website (www.indexo.lv/investoriem) and on the Nasdaq Riga website. In order to enable the Company, within the framework of the mandatory buyback offer, to provide the remaining DelfinGroup shareholders with the opportunity to participate in a share exchange transaction (as an alternative to the sale of shares), the Company requires authorization from the Shareholders' Meeting to carry out a share issue by issuing new shares for settlement within the framework of the mandatory buyback offer. Considering that in the voluntary share buyback offer the Company plans to acquire at least 50% of the DelfinGroup shares, the maximum number of shares of the Company that may be offered for exchange within the framework of the mandatory buyback offer is 3,111,548. To ensure the execution of the share exchange within the mandatory buyback offer, the Company plans to issue up to 3,111,548 new shares, which will be paid up with DelfinGroup shares as a non-monetary contribution.

The issue price of the new shares of the Company will be determined according to the following formula:

The average weighted price of one DelfinGroup share on the regulated market during the six-month period prior to the date of valuation of the non-monetary contribution × the share exchange ratio specified in the rules for the Company's share capital increase.

Considering that the planned share issue of the Company is carried out within the framework of the buyback offer and that the new shares are intended for exchange with shares held by DelfinGroup shareholders, the exercise of pre-emptive rights by the existing shareholders of the Company is not applicable in this case, as such rights would be incompatible with the structure of the transaction.

III. Share issue for the purpose of financing the share purchase transaction within the framework of the voluntary share buyback offer for the acquisition of AS DelfinGroup shares, as well as in connection with the financing of the operations of AS INDEXO Banka.

To finance the voluntary share buyback offer for DelfinGroup shares, as well as to provide financing for the operations of AS INDEXO Banka, the Company plans to carry out a share issue, increasing the Company's share capital by EUR 6,905,719, by issuing up to 6,905,719 new dematerialized shares, with the sale price of one new issue share ranging between EUR 5 and EUR 30, including the nominal value of EUR 1 per share and a share premium ranging between EUR 4 and EUR 29.

In order to reduce the Company's costs related to the implementation of the share issue, as well as to shorten the time required for the capital increase, the Management Board of the Company proposes to the shareholders to waive the pre-emptive rights of the shareholders in respect of the new issue shares of the Company."

IV. Share issue for the purpose of financing the share purchase in the mandatory share buyback offer for the acquisition of AS DelfinGroup shares.

The Company does not exclude the possibility that, for the purpose of making a mandatory buyback offer, it may be necessary to raise additional capital to finance the acquisition of DelfinGroup shares. To finance the mandatory buyback offer for DelfinGroup shares, the Company may carry out an additional share issue, increasing the Company's share capital by EUR 5,905,719, by issuing up to 5,905,719 new dematerialized shares, with the sale price of one new issue share ranging between EUR 5 and EUR 30, including the nominal value of EUR 1 per share and a share premium ranging between EUR 4 and EUR 29.

In order to reduce the Company's costs related to the implementation of the share issue, as well as to shorten the time required for the capital increase, the Management Board of the Company proposes to the shareholders to waive their pre-emptive rights in respect of the new issue shares of the Company.

V. IPAS VAIRO Transaction

On 10 July 2025, the Company entered into a share purchase agreement with IPAS VAIRO (hereinafter – VAIRO) for the acquisition of 100% of the shares of VAIRO. Pursuant to the terms of the agreement, the Company will carry out a new share issue, which will be paid up by the shareholders of VAIRO through a non-monetary contribution – the shares of VAIRO.

To implement this exchange transaction, the Company plans to increase its share capital by issuing 85,714 new shares, which will be paid up by a non-monetary contribution – 1,850,000 shares of VAIRO. The price of the new issue shares has been determined in accordance with the terms of the agreement and is set at EUR 10.15 per share of the Company, corresponding to the share price of the Company in its most recent public share issue.

Considering that the share issue will be carried out within the framework of a transaction under which the Company's shares are allocated to the shareholders of VAIRO in exchange for VAIRO shares, the exercise of pre-emptive rights by the existing shareholders of the Company is not possible, as such rights would be incompatible with the structure of the transaction.

VI. Amendments to the Articles of Association – Clause 3.6

The Management Board of the Company has proposed amendments to the Articles of Association, granting the Management Board the right, within the next five years and pursuant to Section 249(4) of the Commercial Law, to increase the share capital of the Company by issuing up to 1,518,367 shares, which shall be disposed of at a price ranging between EUR 5 and EUR 30 per share.

Such authorization for the Management Board is necessary to:

- ensure financing flexibility within the framework of the voluntary and mandatory buyback offers for DelfinGroup shares, as well as to respond to changes in market and financial conditions by carrying out additional share issues if necessary;
- save time and costs by avoiding the need to convene additional Shareholders' Meetings of the Company.

In order to reduce the Company's costs related to the implementation of public and private offerings, as well as to shorten the time required for capital increases, the Management Board of the Company proposes to the shareholders to waive their pre-emptive rights with respect to the new issue shares of the Company to be issued pursuant to the authorization of the Management Board provided for in Clause 3.6 of the Articles of Association of the Company.

Pursuant to Section 253(2) of the Commercial Law, shareholders' pre-emptive rights may be waived if this is objectively justified and in the interests of the Company. In the above-mentioned cases, the waiver of pre-emptive rights is necessary:

- in issues where the shares are paid up by a non-monetary contribution (shares of other companies);
- in public offerings and private placements where the shares are paid up in cash, in order to facilitate the execution of the offering and the settlement process.

In issues where the shares are paid up by a non-monetary contribution (shares of other companies), the exercise of pre-emptive rights by the existing shareholders is not possible due to the structure of the transaction. When planning public offerings, the Company foresees that existing shareholders will be granted priority rights to participate in the offering proportionally to their shareholding in the Company, based on the allocation rules set out in the prospectus. In turn, in private placements it is not possible to ensure participation for all existing shareholders, as such offers are addressed to specific investors.

In all of the above-mentioned cases, the waiver of pre-emptive rights in respect of the new issue shares of the Company will assist the Company in raising additional capital and implementing planned transactions at lower cost and within a shorter timeframe.

Accordingly, the waiver of shareholders' pre-emptive rights in all of the above-mentioned cases is legally justified and practically necessary to enable the Company to successfully implement its capital raising and development strategy.

Sincerely yours,

Henrik Karmo
Chairman of the Board

Marija Černoštana
Member of the Board

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