

# Remuneration report

This remuneration report has been prepared in accordance with the Estonian Securities Market Act and provides an overview of the remuneration paid to the Management Board of AS LHV Group (LHV Group) according to the remuneration principles approved by the 2022 General Meeting. In the context of the Estonian Securities Market Act, the managers of LHV Group are Madis Toomsalu, the chairman of the Management Board, and Meelis Paakspuu, Kadri Haldre and Jüri Heero, the members of the Management Board. Until 18 November 2024, Martti Singi served in place of Kadri Haldre. The remuneration principles of LHV Group are described in the internal remuneration policy of LHV Group, in the section Corporate governance report above and in the remuneration principles approved by the General Meeting.

## 1. Remuneration of members of Management Board

### 1.1 Overview

Under the terms of the contract of Management Board member concluded with LHV Group, Madis Toomsalu, the Chairman of the Management Board, was paid a monthly basic remuneration of EUR 16 thousand in January and February 2024 and EUR 19 thousand from March 2024. The Management Board member Meelis Paakspuu was paid a monthly basic remuneration of EUR 13 thousand in January and February 2024 and EUR 15 thousand from March 2024 under his contract of Management Board member concluded with LHV Pank. The Management Board member Jüri Heero was paid a monthly basic remuneration of EUR 13 thousand in January and February 2024 and EUR 14 thousand from March 2024 under his contract of Management Board member concluded with LHV Pank. Martti Singi was paid a monthly remuneration of EUR 13 thousand in January and February 2024 and EUR 14 thousand from March 2024 until his recall on 18 November 2024 under his Management Board member contract concluded with LHV Pank. Kadri Haldre was paid a monthly remuneration of EUR 12 thousand starting from her appointment on 18 November 2024 under her Management Board member contract concluded with LHV Pank.

The amounts and payment procedure of the basic remuneration to the members of the Management Board were determined by resolutions of the Supervisory Board of LHV Group. According to the Management Board member contracts concluded with LHV Group and Meelis Paakspuu, Kadri Haldre and Jüri Heero (and until 18 November 2024 Martti Singi), they do not receive any basic remuneration for the performance of duties of the Management

Board members of LHV Group, as their performance is remunerated at the level of LHV Pank and when evaluating the performance of the members of the Management Board, the Remuneration Committee, which makes the associated suggestions to the Supervisory Board, considers among other factors the tasks and activities of each member of the Management Board as a whole on the entire LHV Group level on a consolidated basis.

LHV Group implements a long-term incentive plan (LTI plan) for the payment of performance fees, i.e., the option programme, which has been approved by the Annual General Meeting of the shareholders. Madis Toomsalu, Meelis Paakspuu, Kadri Haldre and Jüri Heero (and until 18 November 2024 Martti Singi) are subject to the option programme approved by the resolution of the General Meeting of LHV Group of 13 March 2020. This option programme also sets out the conditions for reducing or cancelling options. In accordance with the resolutions of the Supervisory Board adopted on the basis of the above-mentioned option programme and the option contracts concluded with the Management Board members the Management Board members are entitled to subscribe shares of LHV Group.

As a result of the option programme, the Management Board members are subject to a retention period of at least one year from the date of exercise of the options, during which all of them undertake to hold the shares of LHV Group underlying the options in their ownership and not to transfer or encumber them in any form.

As options are granted for the results of the previous financial year, in 2024 options were granted for the results of 2023. Since the vesting period of options is at least three years from the grant date, the options granted in 2021 for the 2020 results were exercised in 2024. In 2024, the right to reduce or cancel options granted to the Management Board members under the option programme established by the shareholders was not exercised.

An overview of the key performance indicators, the remuneration paid to Madis Toomsalu, Meelis Paakspuu, Jüri Heero, Kadri Haldre and Martti Singi on a consolidated basis and the performance indicators of LHV Group over the last five financial years is presented in the table below, while other performance indicators are disclosed in the consolidated accounts of LHV Group:

Remuneration of the Management Board and employees of LHV Group		2020	2021	2022	2023	2024
Annual basic remuneration of the Management Board (gross, EUR thousand)	Madis Toomsalu	144	156	189	192	222
	Meelis Paakspuu	108	120	153	156	176
	Martti Singi (until 18 November 2024)	108	120	153	156	320**
	Kadri Haldre (from 18 November 2024)	-	-	-	-	18
	Jüri Heero	108	120	153	156	166
Remuneration of full-time employees (gross, EUR thousand)		-	-	-	30	102
Annual performance pay granted to the Management Board	Madis Toomsalu	370,600 shares (EUR 200 thousand)	340,540 shares (EUR 288 thousand)	149,170 shares (EUR 312 thousand)	219,948 shares (EUR 384 thousand)	238,088 shares (EUR 384 thousand)
	Meelis Paakspuu	200,120 shares (EUR 108 thousand)	212,840 shares (EUR 180 thousand)	114,740 shares (EUR 240 thousand)	178,708 shares (EUR 312 thousand)	193,446 shares (EUR 324 thousand)
	Martti Singi (until 18 November 2024)	200,120 shares (EUR 108 thousand)	191,550 shares (EUR 162 thousand)	114,740 shares (EUR 240 thousand)	178,708 shares (EUR 312 thousand)	96,723 shares (EUR 156 thousand)
	Kadri Haldre (from 18 November 2024)	22,240 shares (EUR 12 thousand)*	47,300 shares (EUR 40 thousand)*	30,600 shares (EUR 64 thousand)*	34,367 shares (EUR 60 thousand)*	37,201 shares (EUR 60 thousand)*
	Jüri Heero	200,120 shares (EUR 108 thousand)	191,550 shares (EUR 162 thousand)	114,740 shares (EUR 240 thousand)	178,708 shares (EUR 312 thousand)	96,723 shares (EUR 156 thousand)
Consolidated profit of LHV Group (EUR thousand)		39,846	60,263	61,432	140,938	150,304
Return on equity (ROE)		17.3%	22.1%	16.4%	29.0%	24.5%

\*related to results achieved in the previous role prior to becoming a Management Board member

\*\*includes one-off severance bonus

LHV Group has signed one employment contract in September 2023 and one employment contract in August 2024. Other persons are performing official duties in LHV Group under their Management Board member contracts.

Madis Toomsalu, Meelis Paakspuu, Jüri Heero and Kadri Haldre (and until 18 November 2024 Martti Singi) were not granted any exceptions to, or exemptions from, the remuneration principles in 2024. Martti Singi was awarded a bonus equal to 12 months' salary upon the termination of his contract. In addition, a service contract was signed with Martti Singi for 7 thousand euros. They are not eligible to any financial benefits other than those described in this section for performing their duties in LHV Group and its subsidiaries.

## 1.2 Compatibility of remuneration with remuneration principles

According to the Management Board member contract concluded between LHV Group and the Chairman of the Management Board of LHV Group, Madis Toomsalu, was paid an average monthly remuneration of EUR 18.5

thousand in 2024 as the basic remuneration, which amounts to an annual basic remuneration of EUR 222 thousand. As a performance fee, Madis Toomsalu was granted the right to subscribe to a total of 238,088 shares of LHV Group in the amount of EUR 384 thousand in 2024. In 2024, Madis Toomsalu exercised his right for a performance fee for the results of the 2020 financial year according to the LTI plan and share option agreement concluded with him in 2021. He subscribed to all 340,540 shares granted to him as options in 2021 for the results of the previous financial year in the amount of EUR 288 thousand.

According to the Management Board member contracts concluded with the other members of the Management Board of LHV Group, Meelis Paakspuu was paid an average monthly remuneration of about EUR 14.7 thousand in 2024 as the basic remuneration, which amounts to an annual basic remuneration of EUR 176 thousand on a consolidated basis, Martti Singi received a lump-sum payment equivalent to 12 months' remuneration upon the termination of his contract, in addition to a remuneration of EUR 7 thousand for a service contract, which results in an annual base remuneration on a consolidated basis of EUR 176 thousand. Both Jüri Heero and Martti Singi was paid an average remuneration of about

EUR 13.8 thousand, therefore annual base remuneration on a consolidated basis amounted to EUR 166 thousand for Jüri Heero and EUR 320 thousand for Martti Singi (Martti Singi's term ended before the end of the year). According to the Management Board member contract concluded with Kadri Haldre from 18 November 2024, she was paid an average monthly remuneration of EUR 12 thousand in 2024 as the basic remuneration, which amounts to an annual basic remuneration of about EUR 18 thousand on a consolidated basis. As a performance fee, the Management Board members were granted the right to subscribe to the shares of LHV Group in 2024, Meelis Paakspuu to 193,446 shares in the amount of EUR 312 thousand, Jüri Heero and Martti Singi each to 96,723 shares in the amount of EUR 156 thousand. In 2024, they all exercised their rights for performance fees for the results of the 2020 financial year according to the LTI plan and share option agreements concluded with them in 2021. Meelis Paakspuu subscribed to all 212,840 shares granted to him as options in 2021 for the results of the previous financial year in the amount of EUR 180 thousand. Jüri Heero and Martti Singi each subscribed to all 191,550 shares granted to them as options in 2021 for the results of the previous financial year in the amount of EUR 162 thousand. Considering Kadri Haldre's previous position as the Head of Treasury at LHV Pank, she was eligible, as a beneficiary of the share LTI program, to acquire shares of LHV Group. As part of her performance fee, she was granted the right to subscribe to a total of 37,201 shares of LHV Group, amounting to EUR 60 thousand in 2024. In 2024, she exercised her right to a performance fee for the results of the 2020 financial year under the LTI plan and the share option agreement concluded with her in 2021. She subscribed to all 4,730 shares granted to her as options in 2021 for her performance as the Head of Treasury at LHV Pank during the previous financial year, amounting to EUR 40 thousand.

According to the proposal of the Remuneration Committee, the Supervisory Board of LHV Group amended the monthly basic remuneration of Management Board members and set the monthly basic remuneration of Madis Toomsalu at EUR 19 thousand, the monthly basic remuneration of Meelis Paakspuu at EUR 15 thousand, the monthly basic remuneration of Jüri Heero at EUR 14 thousand (all from March 2024) and the monthly basic remuneration of Kadri Haldre at EUR 12 thousand (from the start of her term), while taking into account, among other things, the dedication and performance, the entrepreneurial spirit, the scope, responsibility, and intensity of each duties, the situation on the labour market, the remuneration level and importance of the position in the geographical location, the economic situation of LHV Group and LHV Pank, the current and future business performance and trends in comparison with the companies in the same economic sector, as well as the changed and continuously changing environment. The establishment of the basic remuneration also reflects the principle that basic remuneration should represent a sufficiently large part of the total remuneration to allow, where appropriate, not assigning or paying the performance fee in accordance with the option programme established by the shareholders. Further, considering the fact that LHV

Group is the largest domestic financial group and capital provider in Estonia, and in view of the strategic trends and long-term objectives of LHV Group, the Supervisory Boards deemed the monthly remunerations set to be such as to motivate the members of the Management Board to act in the best interests of LHV Group and to refrain from acting in personal or other persons' interests, and to act in a way that is fair, transparent, and in compliance with the law.

At the beginning of 2024, the Remuneration Committee, established at the level of the Supervisory Board of LHV Group, discussed and set the objectives for the Chairman and other members of the Management Board of LHV Group for 2024, assessed the performance of them in 2023 and determined their performance fee accordingly. As a result of the achievement of the previously agreed objectives set for the Management Board members on an individual basis and their performance in 2023, the Supervisory Board of LHV Group, on the proposal of the Remuneration Committee, decided to use the approval of the shareholders of LHV Group to set the performance fee at the maximum amount and to approve the amount of the performance fees for members of Management Board in 2024 at 200% of their annual remuneration in 2023.

The Remuneration Committee also discussed and found, in connection with the exercise of the options granted in 2024, that there had been no subsequent changes to the 2020 financial results and no subsequent material weaknesses had been identified that would indicate that the members of the Management Board had been compromised in the proper performance of their duties in meeting their objectives. As there were no such additional details on their contribution to the 2020 accrual period which would make it necessary to revise the estimate of the number of options to be exercised in 2024 and reduce the number of instruments granted, the Supervisory Board of LHV Group approved the performance bonuses of the members of the Management Board in 2024 for the results of the 2020 financial year and the rights of the Management Board members to subscribe to all options granted to them in 2021 for the results of the previous financial year. Each of the Management Board members exercised their rights.

In 2024, the implementation of the remuneration principles was also reviewed by the Remuneration Committee of LHV Group, whose members have sufficient knowledge, expertise and experience in the areas of remuneration policies and practices, risk management and control activities. In addition, LHV Group Internal Audit and Compliance Control monitored the compliance of the internal remuneration policy with the legislation on remuneration and other internal rules of LHV Group. There were no observations about non-compliance in 2024.

In the light of the above, in 2024 the remuneration of Madis Toomsalu, Meelis Paakspuu, Jüri Heero, from 18 November 2024 Kadri Haldre and until 18 November 2024 Martti Singi complies with the remuneration principles of LHV Group, which are described in the internal remuneration policy of LHV Group, in the section Corporate governance report above and in the remuneration principles approved by the General Meeting.