INDEXO

IPAS "Indexo"
Annual Report for 2021 and the independent auditor's report

(the 5th financial year)

INDEXO RESULTS IN 2021

INDEXO

Total **value of assets** under management

464 410 702 EUR

Number of customers **acquired** in 2021

16 468

Average ESG rating of investment plans

ABOVE A

1,6

million turnover

51

employee

Total number of customers

65 k

2,25%

increase in 2021

7,74%

2nd pension pillar market share (assets)

average **customer savings** at the 2nd pension pillar

7 114 EUR

TABLE OF CONTENTS

We fight for better finance environment in Latvia.

INDEXO was established to offer Latvian public a better way to save for pension.

As a result there are many more options for everyone at significantly lower costs.

Now we are aiming to obtain also BANK license and disrupt the market again.

INFORMATION ON THE COMPANY

Name of the Company	IPAS "Indexo"
Legal status of the Company	Investment management joint-stock company
Registered and office address	Elizabetes 13- 1A, Riga, LV-1010, Latvia
Number, place, and date of registration in the Register of Enterprises	40203042988,, Riga, 10 January 2017
Licence number	06.03.07.567/478
Date of issue of the licence	16.05.2017., reregistered on 31.05.2017
Shareholder	Qualifying holding: SIA DVH (Latvia) – 22.4% Natural persons and legal entities with a shareholding of up to 10%
Members of the Council and their position	**Valdis Vancovičs –** Chairman of the Council (from 16.08.2018) **Svens Dinsdorfs –** Deputy Chairman of the Council (from 13.07.2021) **Edgars Zālītis –** a member of the Council (from 10.01.2017) **Renāts Lokomets –** a member of the Council (from 24.08.2017) **Toms Kreicbergs –** a member of the Council (from 21.09.2020) **Aleksejs Prokofjevs –** a member of the Council (from 13.07.2021) **Ieva Jansone-Buka –** a member of the Council (until 25.05.2021)
Board members and their position	**Valdis Siksnis –** Chairman of the Management Board (from 10.01.2017) **Henrik Karmo –** Member of the Management Board (from 16.08.2018) **Ilja Arefjevs –**Member of the Management Board (from 26.06.2020)
Reporting period	1 January 2021 – 31 December 2021
Auditors	"PricewaterhouseCoopers'' SIA Riga, Krišjāņa Valdemāra iela 21-21, Licence No. 5 Ilandra Lejiņa Certified auditor in charge, certificate No 168

INFORMATION ON THE COMPANY

MANAGEMENT REPORT

STATEMENT OF RESPONSIBILITY OF THE MANAGEMENT BOARD
OF THE INVESTMENT MANAGEMENT COMPANY

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR’S REPORT

Part 1 The mission of the Company and the achievements in 2021

Iļja Arefjevs
INDEXO Executive Director

Valdis Siksnis
Chairman of the Board

The mission of the investment management company "Indexo" (IPAS "Indexo", hereinafter "the Company" or "INDEXO") remains unchanged – **to offer modern, transparent investment products at low cost and to improve competition and transparency in the Latvian investment management industry.**

The proportion of stocks of the investment plan **"INDEXO Jauda 16-50" was increased from 75% to 100%** of the total plan assets. It has been statistically proven that the stock market is more profitable in the long term and is the cornerstone of long-term savings, so it will help our customers **accumulate more funds for their retirement in the long run.** The increase of the proportion of stocks from 75% to 100% will be achieved in a period of 6 months and is expected to be completed in March 2022.

INDEXO has begun offering low-cost, passively managed **3rd pillar pension plans** that **for the first time in the Baltic States** allow each customer to **choose a level of risk that is appropriate for them.** For each customer who chooses automatic distribution, the investment is automatically divided between stocks and bonds by reference to the customer's age. As retirement age approaches, the **risk level of the** customer's portfolio **is automatically reduced** by adding more bonds to the portfolio. The sole task of our customer is to set up a regular payment to save **enough for their retirement.**

New passive management products have entered the market. Since the foundation of INDEXO 4.5 years ago, **passively managed investments have outperformed** the actively managed retirement plans. Despite the fact that only 17% of pension savers choose passively managed plans, **INDEXO will consistently strive** to attract customers to passive management.

Legislative changes have been made so that young people who have not chosen their own pension manager **will be automatically enrolled in the active plans from 2022.** Long-term investment in stocks is an important foundation for a good pension. We at INDEXO are therefore pleased that in the future, **young people** will be attracted to plans with an appropriate risk profile.

Global stock markets had **a year of very strong growth**, which led to excellent results in our customer portfolios and contributed to the total Latvian second pillar pension assets reaching almost EUR 6 billion, while Pillar 3 pension assets reached EUR 730 million. **This was another year of great performance for INDEXO customers.**

INDEXO is working hard to **reduce** the **indirect asset management** ongoing cost figure (OCF) costs for its customers. We have succeeded in reducing the cost of buying securities and we are one step closer for our partner - Blackrock Investment Management (UK), Limited – to reduce the cost of our index funds for our customers. Regular **reductions** in direct and indirect **costs are an important part** of achieving our goal of providing the best service to our customers.

At the end of 2021, the average 3-year return of the "INDEXO Jauda 16-50" pension plan for our customers was 16% p.a. It is INDEXO customers who have achieved the best average return among pension plans of other pension managers since the foundation of INDEXO. It is important to emphasise that the **good performance was achieved due to the business model of passive management.** In the long term, financial markets fluctuate. As a result, there are periods of better and worse performance.

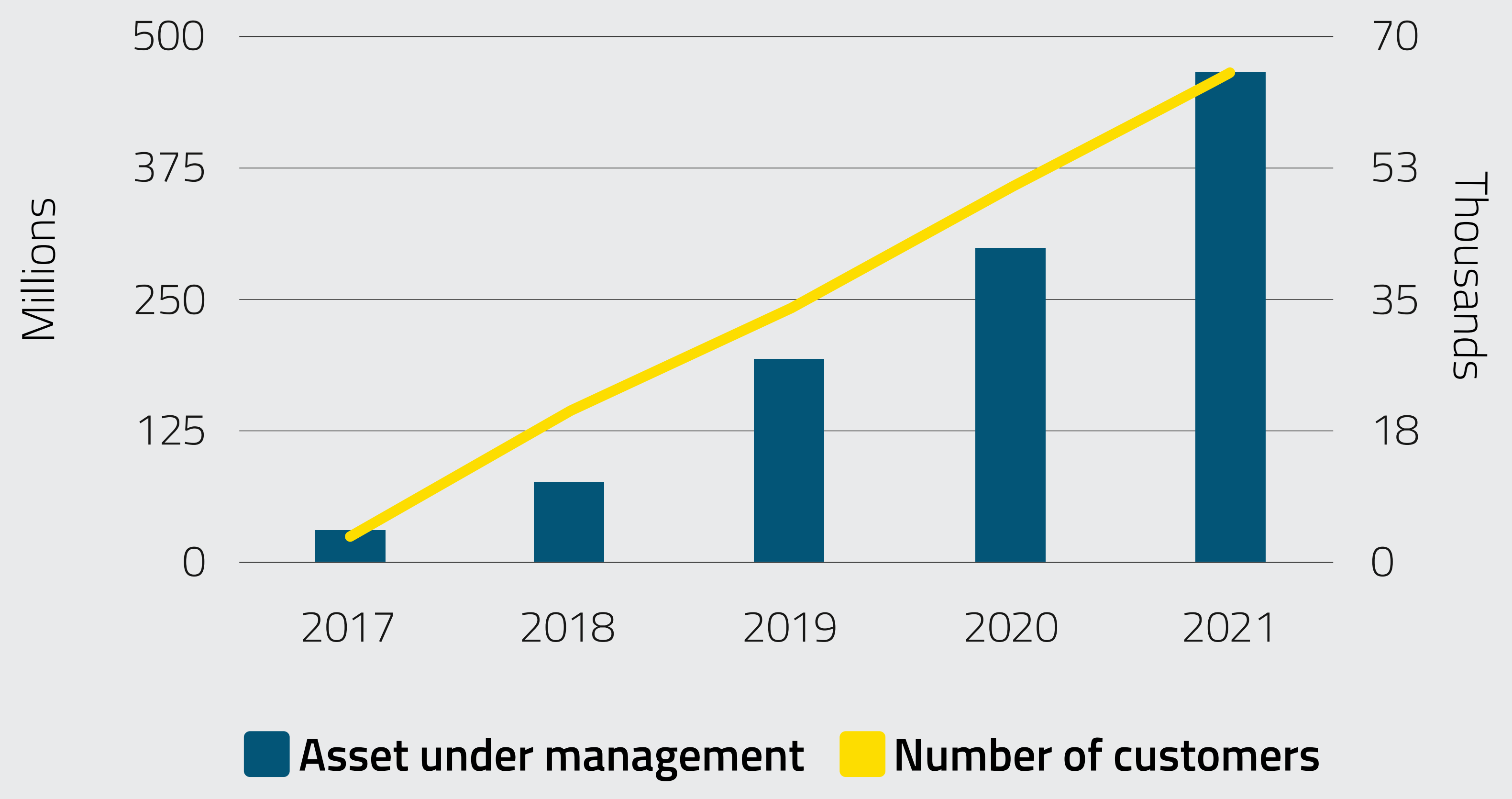
We have published news articles and blog posts to **promote financial literacy and people's understanding** of their retirement savings.

Part 1 The mission of the Company and the achievements in 2021

Business description

We are pleased to report another year of great growth in terms of assets managed by INDEXO and the number of our clients. The number of our customers reached 67.6 thousand (65 thousand in 2nd Pillar pension and 2.6 thousand in 3rd Pillar pension), which means that it increased by 39.2% during the year (48.5 thousand customers in 2nd Pillar pension and no customers in 3rd Pillar pension in 2020). At the end of 2021, our assets under management had increased by EUR 190 million to EUR 468 million, which represents an increase of 67% compared to the previous year.

INDEXO investment plan assets and the number of participants in Pillar 2 pension

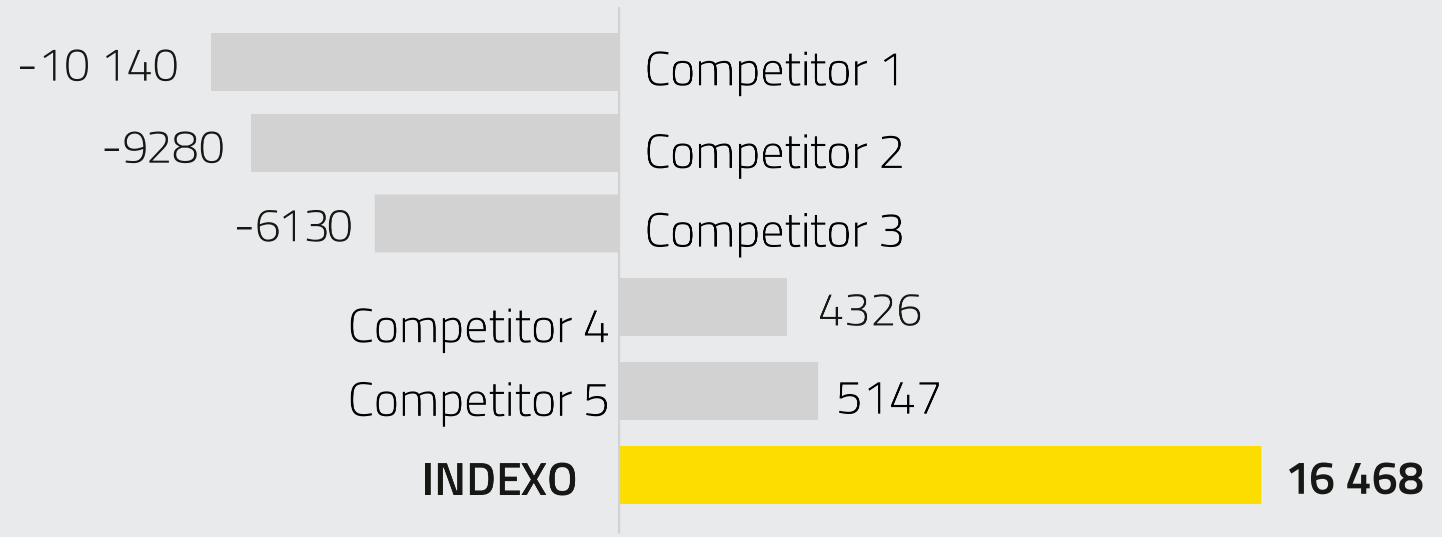


(Source: manapensija.lv)

Growth in INDEXO's assets under management is driven by monthly contributions, new client acquisition and market returns on existing clients' portfolios. Over the past year, some of our customers have decided to move to other pension managers. In 2021, our 2nd Pillar and 3rd Pillar assets under management increased by approximately EUR 41 million due to monthly contributions, by approximately EUR 85 million due to the net acquisition of new customers (excluding customers who left us), and by approximately EUR 64 million due to growth in the securities market. We are pleased to report that the number of customers who left us during the year decreased compared with previous years.

INDEXO is the fastest-growing pension manager in Latvia. The assets we manage are growing faster than those of other market participants, so we are constantly increasing our market share. At the end of 2021, the total market for 2nd Pillar and 3rd Pillar pensions amounted to EUR 6.73 billion, of which INDEXO had a 7% market share. INDEXO customers are mostly younger and have higher average savings (EUR 7,100) than the average market customer (EUR 4,630). This is partly due to INDEXO's low market share in conservative plans, but also due to the good performance of passively managed plans since INDEXO was founded.

Change in the number of cutomers



(Source: manapensija.lv)

Covid-19 restrictions have impacted customer acquisition results in 2021. To protect our business and our employees, we significantly reduced the number of customer support team shifts that are in physical contact with customers. As with all companies, many of our employees were on long-term medical leave due to Covid-19. Despite the restrictions, the strong customer engagement results in 2021 are a fantastic testament to the great work of our team and the effectiveness of our customer engagement channels. In 2021, we invested heavily in customer acquisition because we know that every customer acquired is very valuable for INDEXO shareholders in the long term.

Part 1 The mission of the Company and the achievements in 2021

As we grow, so does our brand awareness in the marketplace. The results of our brand awareness survey conducted in November 2021 show that approximately 46% of people have heard of us and 20% would be willing to consider our services. When we compare the results of the survey with our market share and the market shares of our competitors, we can see that currently, about 194 thousand more people could be interested in cooperating with INDEXO.

The year 2021 was also important for the growth of our Company. We have many new talented employees, and as of 31.12.2021, there were already 65 employees at INDEXO (at 31.12.2020: 43 employees). All our employees who deal with customers on a daily basis are thoroughly trained to provide answers to various questions related to pension plans and their administration and to provide high-quality and friendly service.

Performance of the plans

Given the strong growth of market indices, our two equity-focused plans provided excellent results for our customers. "INDEXO Jauda 16-50'' and "INDEXO Izaugsme 47-57'' pension plans outperformed the average of other pension plans in the same category in 2021, proving that the passive management strategy still works better than active management. Equity plans are the best way to protect your savings from inflation and provide funds for a solid retirement.

For customers approaching retirement age, we offer our conservative plan "INDEXO Konservatīvais 55+'', whose main task is to protect customers' savings from strong market fluctuations just before retirement. Therefore, our conservative plan invests only in investment-grade bond funds, and due to the low risk, the return of this pension plan is also lower.

Performance of the pension plans at 31 December

	Yield, % p.a.		
Pillar 2 pension plans	**1 year**	**2 years**	**3 years**
INDEXO Izaugsme 47-57	13.61 %	8.55 %	11.22 %
INDEXO Jauda 16-50	23.06 %	13.36 %	16.05 %
INDEXO Konservatīvais 55+	-2.35 %	0.01 %	1.55 %

Source: manapensija.lv

In January 2022, we publicly announced our plans to list INDEXO shares on the Riga Stock Exchange and raise new capital to build a bank. We are looking forward to the next step in our development. With a public listing, we want to give our customers the opportunity to participate in the further development of INDEXO.

We would like to thank our nearly 70,000 customers who have entrusted us with the management of their pensions. We promise to work tirelessly to improve the condition and quality of our products!

Part 2 Mandatory information

The Company was founded on 10 January 2017. The registered office of the Company is Elizabetes iela 13-1A, Riga, LV -1010, Latvia. The uniform registration number in the Commercial Register of the Republic of Latvia is 40203042988. On 16 May 2017, the Financial and Capital Market Commission (hereinafter "FCMC") issued the Company with a licence to provide investment management services, which was re-registered on 31 May 2017 under the number 06.03.07.567/478.

		Net asset value of plan assets	
Investment plan of the state-funded pension scheme	**Registration date**	**At 31.12.2021**	**At 31.12.2020**
INDEXO Izaugsme 47-57	21.06.2017	120 020 982	85 542 285
INDEXO Jauda 16-50	18.01.2018	321 257 932	178 544 650
INDEXO Konservatīvais 55+	04.04.2018	23 131 788	15 267 562
Total		**464 410 702**	**279 354 497**

The Company began managing funds in July 2017. At the beginning of the reporting year, the Company managed 5.5% of all assets of the State-Funded Pension Scheme, but at the end of the year, it managed 7.7% of all assets of the State-Funded Pension Scheme. During the reporting year, the Company was the fastest-growing manager of the State-Funded Pension Scheme in terms of the number of customers.

In the reporting year, the Company's commission income reached EUR 1,598 thousand (compared to EUR 972 thousand in 2020). The growth in commission income reflects the Company's successful acquisition of customers during the year and an increase in total assets under management from EUR 279 million in 2020 to EUR 468 million in 2021. The Company's income in the reporting year was more than sufficient to cover administrative costs, including customer acquisition costs.

In the reporting year, the Company's expenses amounted to EUR 1,378 thousand (compared with EUR 983 thousand in 2020). The level of expenses reflects the strategic decision of the Company's management to continue to actively attract customers in order to strengthen the Company's position in the market for the management

of state-funded retirement assets and to maximize the value of the Company in the long term. Considering the significant investments made during the year in the development of the Company and the acquisition of customers, the Company's performance for the reporting year was a profit of EUR 221 thousand (compared to a loss of EUR 11 thousand in 2020).

During the reporting year, the Company implemented a prudent risk management policy in accordance with the Company's current Financial risk management policy, Operational risk management policy, and Compliance risk management policy. The main risks to which the Company was exposed during the reporting year were operational risk, compliance risk, delegation risk, strategic and business risk, reputational risk, and information and technology system risk. Other risks to which the Company is exposed, such as market risk, foreign exchange risk, liquidity risk, and other risks, have been assessed and considered insignificant.

As of the date of signing this report, the Company's subscribed and paid-up share capital amounted to EUR 3,016,987 (in 2020: EUR 3,016,987).

The Company is pleased with the trust earned from its customers and its rapid growth. Growth will continue to be a priority for the Company. It is expected that in 2022, a large part of the Company's attention will continue to be focused on intensive educational work with customers. In 2022, the Company plans to list its shares on the regulated market of NASDAQ Riga Stock Exchange.

The Company's investment and pension plans are invested only in the financial markets of developed countries. Therefore, these investments are not directly exposed to the risk of war in Ukraine.

Part 3 Commentaries provided by the Council

The Council of INDEXO has reviewed the management report prepared by the Management Board and the financial statements for the financial year 2021, as well as the certified auditor's report on these financial statements and the additional information contained in the financial statements. The Council has assessed the financial position of INDEXO and the work of the Management Board during the year and has prepared this statement.

During 2021, the Council monitored INDEXO's activities by reviewing and discussing reports prepared by the Management Board on INDEXO's activities, results, and risks at regular meetings, managing INDEXO's internal audit and performing other Council duties. The members of the Council did not receive any remuneration for their supervisory activities in the Council.

In the Council's view, 2021 was a year of development and strategic decisions for INDEXO, ensuring both continued growth and responsible actions towards employees and society. The mechanisms of remote and digital customer acquisition were improved. In the second half of the year, the Management Board successfully addressed the promotion of 3rd Pillar pension products that are in line with the Company's values and ideology. In addition, as a result of discussions between the Management Board and the Council, a long-term strategy was outlined to develop the Company and increase the value of the Group. Despite the challenges, INDEXO not only maintained its position as the fastest-growing pension manager on the market but also delighted its customers with convincing returns.

The Council believes that INDEXO's financial position is stable and in line with the Company's stage of development. The Council is satisfied with the work of the Management Board, which ensures the solid development of INDEXO. It appreciates the work of the Management Board and the planned results to be achieved in 2021.

The Council thanks the shareholders of INDEXO for their support, the Management Board, the employees, and the contractors for the results achieved in 2021!

Valdis Vancovičs

Chairman of the Council

Signed for and on behalf of the Management Board of the Company:

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Valdis Siksnis
Chairman of the Management Board

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Iļja Arefjevs
Member of the Management Board

INDEXO MANAGEMENT BOARD AND COUNCIL

Iļja Arefjevs
INDEXO Executive Director

Valdis Siksnis
Chairman of the Management Board

Henrik Karmo
Member of the Management Board

Valdis Vancovičs
Chairman of the Council

Renāts Lokomets
Member of the Council

Svens Dinsdorfs
Member of the Council

Edgars Zālītis
Member of the Council

Toms Kreicbergs
Member of the Council

Aleksejs Prokofjevs
Member of the Council

INDEXO team

INFORMATION ON THE COMPANY

MANAGEMENT REPORT

STATEMENT OF RESPONSIBILITY OF THE MANAGEMENT BOARD OF THE INVESTMENT MANAGEMENT COMPANY

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

STATEMENT OF RESPONSIBILITY OF THE MANAGEMENT BOARD OF THE INVESTMENT MANAGEMENT COMPANY

The Management Board of IPAS "Indexo'' is responsible for the Company's financial statements, which provides true and fair view of the Company's financial position as at 31 December 2021, as well as its performance and cash flows for 2021, in accordance with International Financial Reporting Standards as adopted by the European Union.

In preparing the financial statements for the year ended 31 December 2021, as set out on pages 15 to 48, management has consistently applied International Financial Reporting Standards, as adopted by the European Union, and Regulation No. 113 of the Financial and Capital Markets Commission "Regulation for the Preparation of Annual Financial Statements and Consolidated Financial Statements of Credit Institutions, Investment Intermediaries and Investment Management Companies'', based on the going concern principle, management's judgments and assumptions in the preparation of these financial statements have been prudent and reasonable.

The Company's management is responsible for maintaining proper accounting records, safeguarding the Company's assets, and detecting and preventing fraud and other irregularities within the Company. The Management Board of the Company is responsible for compliance with the requirements of the legislation of the Republic of Latvia and the regulations of the Financial and Capital Market Commission applicable to the Company.

Signed for and on behalf of the Management Board of the Company:

_______________________	_______________________
Valdis Siksnis	Ilja Arefjevs
Chairman of the Management Board	Member of the Management Board

INFORMATION ON THE COMPANY

MANAGEMENT REPORT

STATEMENT OF RESPONSIBILITY OF THE MANAGEMENT BOARD OF THE INVESTMENT MANAGEMENT COMPANY

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR’S REPORT

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Notes	01.01.2021-31.12.2021 EUR	01.01.2020-31.12.2020 EUR
Commission income	2	1 598 445	972 467
Administrative expenses	3	(1 372 791)	(979 002)
Interest expense	10	(1 386)	(643)
Other operating expenses	4	(3 557)	(3 557)
Profit/(loss) before corporate income tax		**220 711**	**(10 735)**
Profit/(loss) for the year		**220 711**	**(10 735)**
Total comprehensive profit/(loss) for the year, attributable to shareholders		**220 711**	**(10 735)**

The notes on pages 21 to 48 form an integral part of these financial statements.
The financial statements were approved and signed for and on behalf of the Management Board of the Company by:

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Valdis Siksnis
Chairman of the Management Board

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Ilja Arefjevs
Member of the Management Board

SEPARATE STATEMENT OF FINANCIAL POSITION

	Notes	31.12.2021 EUR	31.12.2020 EUR
ASSETS			
Placements with financial institutions	5	798 271	941 010
Receivables	6	199 955	200 044
Prepayments	7	3 465	2 511
Contract acquisition costs	8	535 977	246 401
Other assets	9	2 828	10 707
Property, plant and equipment and right-of-use assets	10	47 712	19 615
Investments in subsidiary undertakings	11	600 000	400 000
Other securities and investments	12	11 663	-
TOTAL ASSETS		**2 199 871**	**1 820 288**

	Notes	31.12.2021 EUR	31.12.2020 EUR
EQUITY AND LIABILITIES			
Accrued liabilities	13	112 354	60 543
Trade payables	14	32 482	3 657
Taxes and national social insurance mandatory contributions	15	47 457	36 223
Lease liabilities	10	39 332	14 696
Other liabilities	16	73 956	31 590
TOTAL LIABILITIES		**305 581**	**146 709**

SEPARATE STATEMENT OF FINANCIAL POSITION

	Notes	31.12.2021 EUR	31.12.2020 EUR
Equity			
Share capital	17	3 016 987	3 016 987
Share options		5 436	5 436
Share premium		77 175	77 175
Retained losses		(1 426 019)	(1 415 284)
Profit/(loss) for the year		220 711	(10 735)
Total equity and reserves:		**1 894 290**	**1 673 579**
TOTAL EQUITY AND LIABILITIES		**2 199 871**	**1 820 288**

The notes on pages 21 to 48 form an integral part of these financial statements.
The financial statements have been approved and signed for and on behalf of the Company's Management Board by:

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Valdis Siksnis
Chairman of the Management Board

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Ilja Arefjevs
Member of the Management Board

SEPARATE STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital	Share options	Share premium	Retained losses b/f	Total
		EUR	EUR	EUR	EUR	EUR
At 31.12.2019		**2 265 000**	**5 436**	**-**	**(1 415 284)**	**855 152**
Share premium	**17**	-	-	77 175	-	77 175
Increase in share capital	**17**	751 987	-	-	-	751 987
Comprehensive loss for the reporting year		-	-	-	(10 735)	(10 735)
At 31.12.2020		**3 016 987**	**5 436**	**77 175**	**(1 426 019)**	**1 673 579**
Comprehensive income for the reporting year		-	-	-	220 711	220 711
At 31.12.2021		**3 016 987**	**5 436**	**77 175**	**(1 205 308)**	**1 894 290**

The notes on pages 21 to 48 form an integral part of these financial statements.
The financial statements have been approved and signed for and on behalf of the Company's Management Board by:

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Valdis Siksnis
Chairman of the Management Board

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Iljа Arefjevs
Member of the Management Board

SEPARATE STATEMENT OF CASH FLOWS

	Notes	01.01.2021-31.12.2021 EUR	01.01.2020-31.12.2020 EUR
Cash flow from operating activities			
Profit/(loss) before corporate income tax		220 711	(10 735)
Depreciation of PPE and amortisation of right-of-use assets	9	17 803	17 450
Amortisation of contract acquisition costs	8	65 977	19 949
Interest expense	10	1 386	643
Increase in cash and cash equivalents from operating activities before changes in assets and liabilities		**305 877**	**27 307**
Increase in receivables, prepayments, and other assets		(348 542)	(393 947)
Increase/(decrease) in accrued liabilities		51 811	(88 672)
Increase/(decrease) in trade payables and other liabilities		82 429	(7 871)
Increase/(decrease) in cash and cash equivalents from operating activities		**91 575**	**(463 183)**
Cash flow from investing activities			
PPE purchases	10	(7 836)	(1 525)
Investments in subsidiary undertakings	11	(200 000)	(400 000)
Other securities and investments	12	(11 663)	-

	Notes	01.01.2021-31.12.2021 EUR	01.01.2020-31.12.2020 EUR
Decrease in cash and cash equivalents from investing activities		**(219 499)**	**(401 525)**
Cash flow from financing activities			
Share issue		-	829 162
Lease repayments	10	(13 429)	(13 807)
Interest on lease	10	(1 386)	(643)
(Decrease)/increase in cash and cash equivalents from financing activities		**(14 815)**	**814 712**
Decrease in cash and cash equivalents		**(142 739)**	**(42 638)**
Cash and cash equivalents at the beginning of the reporting year		**941 010**	**983 648**
Cash and cash equivalents at the end of the reporting year	5	**798 271**	**941 010**

The notes on pages 21 to 48 form an integral part of these financial statements.
On 17 March 2022, these financial statements were approved and signed for and on behalf of the Company's Management Board by:

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Valdis Siksnis
Chairman of the Management Board

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Ilja Arefjevs
Member of the Management Board

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1.Accounting policies

General information

Investment management joint-stock company "Indexo" (IPAS "Indexo", hereinafter "the Company") was registered on 10 January 2017. The Company received a licence for management of the state-funded pension scheme plans and licence for investment management services on 16 May 2017.

The Company is providing asset management services to the state-funded pension scheme plans, as well as provides investment consulting services to clients.

Regulatory framework of the Company

The Company's activities are regulated by Investment management companies (hereinafter "IPS") law, Commercial law, and other legislative acts. The Company's activities are supervised by the Financial and Capital Market Commission (hereinafter "FCMC").

Compliance statement

The Company's financial statements have been prepared in accordance with the International Financial Reporting Standards (hereinafter "IFRS") as adopted by European Union and the requirements of the FCMC regulation No 113 "Regulation on preparation of the annual report and consolidated annual report of credit institutions, investment brokerage companies and investment management companies" (hereinafter "FCMC Regulation"). The Company's shareholders have the right to decline the financial statements prepared by the management and submitted by the management, and request preparation of a new set of financial statements.

Basis of preparation

Financial statements are prepared in accordance with the IFRS as adopted by European Union (IFRS), issued by the International Accounting Standards Board (IASB), as well as Interpretations of IFRS Committee. Some information is disclosed in accordance with the requirements of the FCMC Regulation.

These are separate financial statements of the Company. Consolidated financial statements that include the results of the Company and its subsidiaries are prepared by the 100% parent company – IPAS "Indexo" and these are available on the webpage www.indexo.lv.

The Company's financial statements are prepared under a historical cost convention.

Financial statements are presented in the functional currency of the Company, the official currency of the Republic of Latvia – the euro ("EUR"), unless stated otherwise.

The Company's financial statements have been prepared on a going concern basis. The Statement of cash flows has been prepared using the indirect method.

The notes include accounting policies constantly applied by the Company in preparation of its financial statements for 2020 and 2021, as well as the new accounting standards and interpretations.

New standards and interpretations

Standards and interpretations effective for the reporting year

- Amendments to IFRS 16 (effective for annual periods beginning on or after June 1, 2020). The amendments provided lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification.
- Interest rate benchmark (IBOR) reform – phase 2 amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 (effective for annual periods beginning on or after 1 January 2021). Phase 2 amendments resolve issues arising from the implementation of reforms, including the replacement of one benchmark with an alternative.

The new standards did not have any material impact on the Company's financial statements.

Standards and interpretations effective for the annual periods beginning on 1 January 2022 or later or have not been approved by the EU.

- Amendments to IFRS 4 – deferral of IFRS 9 (effective for annual periods beginning on or after 1 January 2023
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (effective for annual periods beginning on or after a date to be determined by the IASB, not yet adopted by the EU).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1.Accounting policies

- IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2021, not yet adopted by the EU).
- Amendments to IAS 1 - Classification of Liabilities as Current or Long-Term (effective for annual periods beginning on or after 1 January 2022, not yet adopted in the EU). These limited amendments clarify that liabilities are classified as current or non-current depending on the rights outstanding at the end of the reporting period.
- Revenue before the intended use of property, plant and equipment, Onerous contracts – contract performance costs, Reference to the Conceptual Framework of IFRS - Minor Amendments to IAS 16, IFRS 37 and 2018 - 2020 Annual Improvements to IFRSs - Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 (effective for annual periods beginning on or after 1 January 2021, not yet adopted by the EU).

At the time of signing the financial statements, the Company is still assessing the impact of the amendments on its financial statements.

Estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. Estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and form the basis for making judgments about carrying amounts of assets and liabilities that cannot be determined based on other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a regular basis. Changes in estimates are recognised in the period in which the estimate is revised if the change affects only that period, or in the period in which the estimate is revised and in subsequent periods if the change affects both current and future periods.

In preparing the financial statements, significant judgments and estimates are used in measuring the recoverable amount of Investments in subsidiaries and the Client acquisition costs and their amortisation period. Leases are subject to the term specified in the lease agreement, which is justified by the business planning period of IPAS "Indexo". Impairment of investments in subsidiaries is calculated based on the recoverable amount of the investment.

If the recoverable amount is less than the carrying amount, an impairment loss is recognised for the investment. Future events may affect the assumptions on which the estimates are based. Any effect of changes in estimates is reflected in the financial statements at the time they are determined.

Application of IFRS 16 to lease contracts

The Company has made judgments and estimates regarding the application of standard requirements to a lease. The lease was assumed to be valid until 30.01.2025 and an annual discount rate of 3.6% was applied to the lease payments.

Contract acquisition costs – Customer acquisition costs

The Company recognises contract acquisition cost assets if the Company expects to recover these costs. Acquisition costs are costs incurred by the Company in concluding contracts with its customers, but which the Company would not have incurred if the specific contracts had not been concluded (incremental costs). Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained are recognised as expense in profit or loss when incurred, unless these costs are explicitly chargeable to the customer regardless of whether the contract is obtained. The Company recognises incremental costs of obtaining a contract with customer as an asset in its balance sheet. If the amortization period of a potential contract cost asset is expected to be less than one year, the Company recognises the costs incurred in entering into the contracts directly in profit and loss when incurred.

A contract cost asset is carried at cost less accumulated amortisation and impairment losses. Accumulated amortisation is recognised on a systematic basis over the estimated useful lives of the services, considering the expected dynamics of revenue generation.

The Company recognises as contract cost asset variable part of compensation of its employees engaged in customer acquisition, which is being amortised over a seven-year period. The Company's management believes that the variable compensation of its customer acquisition specialists related to customer acquisition meets the definition of incremental costs od obtaining a contract under IFRS 15 "Revenue from Contracts with Customers", as these costs would not have been incurred if no customers were acquired, and the Company expects to recover those costs.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1.Accounting policies

Capitalised customer acquisition costs are recognised in the statement of financial position under "Contract acquisition costs", while amortisation costs are recognised in the statement of comprehensive income under "Administrative expenses".

Accounting for share-based payments
The Company's shareholders meeting has granted the Company's management stock options to the Company's shares. The respective stock options are classified in the Company's financial statements as a share-based payment transaction in accordance with the requirements of IFRS 2.

In determining the fair value of the stock options at the grant date, the Company's management considered information about actual direct and indirect transactions with the Company's shares that is available to the Company's management. At the end of each reporting period, the Company's management estimates the probability of exercising the stock options by individually assessing the expected performance of the terms of the Company's management's vesting period, including length of service in the Company, performance, and accordingly recognises accruals for expected personnel tax payments.

Assets under management
The Company manages and administers the assets held in the securities and cash accounts of the custodian bank on behalf of its customers (investment plans). Financial information on these assets is not included in these financial statements because the risks and rewards associated with these assets are entirely attributable to the Company's customers. Consequently, these assets are not considered assets of the Company. These financial statements include the assets under management for information purposes only.

Intangible assets and property, plant and equipment
Intangible assets and property, plant and equipment (PPE) are carried at cost less accumulated amortisation and accumulated impairment losses. Cost includes expenditure directly attributable to the acquisition of the intangible asset or PPE.
Depreciation rates of PPE used

	% p.a.
Intangible assets	33.33
Other PPE	33.33

If the carrying amount of an intangible asset or PPE exceeds its recoverable amount, the intangible asset or PPE are immediately written down to its recoverable amount. The recoverable amount is the higher of an intangible asset or item of PPE fair value less costs of disposal and its value in use.

The costs of repairs and maintenance of PPE are recognised in the income statement in the period in which they are incurred.

Gain or loss on disposal of an item of PPE is calculated as the difference between the asset's carrying amount and the proceeds on disposal and is recognised in the profit or loss in the period in which it arises.

Lease

Classification
At the time the contract is entered into, the Company considers whether the contract is a lease or includes a lease. A contract is a lease or contains a lease if the contract grants control over the use of an identifiable asset for a specified period of time in exchange for consideration.

Lessee
Leases are recognised as a right-of-use asset and the corresponding lease liability at the date when the leased asset is available for use by the Company. The cost of the right-of-use assets consists of:
- the amounts of the initial measurement of the lease liability;
- any lease payments made on or before the date of commencement of the contract, less any lease payments received;
- all initial direct costs.

Replacement costs relating to the dismantling and restoration of PPE are reported separately as provisions and related assets.

Depreciation is calculated on a straight-line basis from the inception of the lease until the end of the lease term, unless there is an intention to buy out an asset. The right-of-use asset is periodically reduced by the amount of the impairment loss, if any, and adjusted to reflect the remeasurement of the lease liability.
Lease assets and lease liabilities are measured at the present value of the remaining lease payments, discounted at the

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1.Accounting policies

Company's borrowing rate, at the date of initial application. Lease liabilities are remeasured if there is a change in the future lease payments as a result of a change in the index or rate used to determine the lease payments, a change in the Company's estimate of the amount of the expected lease payments or a change in the Company's ability to exercise, extend or terminate the lease. When a lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or recognised in profit or loss if the carrying amount of the right-of-use asset decreases to zero.

Each lease payment is apportioned between the lease liability and the interest expense on the lease liability. The interest expense on the lease liability is recognised in profit or loss over the lease term to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period.

Investments in subsidiaries

Investments in subsidiaries (i.e., companies in which the Company holds or otherwise controls more than 50% of the share capital) are stated at cost less impairment losses.

Subsequent to initial recognition, investments in subsidiaries are stated at cost less impairment losses.

If there is objective evidence that an investment in a subsidiary is impaired, the impairment loss is calculated as the difference between the carrying amount of the investment and its recoverable amount. The recoverable amount is the higher of an investment's fair value less costs to sell and its value in use. An impairment loss on an investment may be reversed if there has been a change in the estimates used to determine the impairment since the last impairment loss was recognised.

Dividends received from subsidiaries are recognised when the Company's legal right to receive the payment is established.

Revenue and expenditure accounting

All significant revenues and expense are accounted for on an accrual basis. Expenses are recognised when the corresponding service is rendered.

Commission income related to investment management is recognised in profit or loss at the time the transaction occurs. The Company sets the commission fee for managing the investment plan of each state-funded pension scheme (SFPS), considering the investment policy, regions, and complexity of each fund and/or plan. Fee for management and the procedure for calculating commission income is set forth and published in the prospectuses of the funds and SFPS approved and registered by the FCMC. In determining the amount of the SFPS investment plan commission for management, the Company shall consider the maximum amount of remuneration set forth in Cabinet Regulation 765 (Cabinet Regulation 615 until 31 December 2017).

The management fees for pension plans established by private pension funds managed by the Company are determined in the regulations of each pension plan, considering the investment policy, regions and complexity of transactions of each pension plan. The amount of remuneration for the Company as a manager of pension plan assets and the procedure for calculation are determined and published in the pension plan regulations approved and registered by the FCMC.

The Company does not apply the variable part of the commission to any of the investment plans of the state-funded pension scheme (SFPS) or the private pension fund.

The Company derives its revenue primarily from pension plan management fees. Commission revenue received by the Investment Company for managing funds is recognised until the related performance obligations are satisfied and no significant judgement is required to determine the transaction price or performance obligations. Commission income is calculated as a fixed percentage of the value of the net assets or investment portfolio of the related managed pension plan during the reporting period. The fund manager receives a fixed fee for the management of the state-funded pension plans and the private pension investment plans as set forth in the plan prospectuses, which the manager calculates daily and receives monthly.

The Company has entered into an agreement with the State Social Insurance Agency on the management of its Pillar 2 pension investment plans and an agreement with AS "Indexo Atklātais Pensiju Fonds" for the management of its Pillar 3 pension investment plans.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1.Accounting policies

Accrued income, i.e., contract assets, are reported under "Receivables" at the end of each period.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency (euro) at the euro reference rate published by the European Central Bank (ECB) on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency using the exchange rates for the euro prevailing at the reporting dates.

Foreign currency gains and losses on monetary items are the difference between the amortised cost of the item in the functional currency at the beginning of the period, adjusted for interest income/expense recognised during the period, and the amortised cost of the item in foreign currency at the end of the period, translated at the euro reference rate published by ECB at the end of the period.

Gains or losses arising from changes in exchange rates are recognised in the statement of comprehensive income. The Company has liabilities denominated in USD. At the end of the reporting period, they were translated into EUR using the exchange rates of 1.13260 USD (as of 31.12. 2021) and 1.22710 (as of 31 December 2020).

Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised in the balance sheet on the date on which the contractual provisions of the instrument become binding to the Company. All regular purchases and sales of financial assets are recognised on the settlement date, i.e., the date on which the financial asset is received.

Financial assets or financial liabilities are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset or financial liability unless the financial asset or financial liability is designated as at fair value through profit or loss. Transaction costs for financial assets or liabilities at fair value through profit or loss are recognised in the comprehensive income statement.

Subsequent to initial recognition, expected credit losses are considered for financial assets measured at amortised cost, so that the credit losses are recognised in the comprehensive income statement when the asset is just recognised.

If the fair value of financial assets and financial liabilities differs from the transaction price at initial recognition, the Company recognises the difference as follows.

- If fair value can be measured using a quoted price in an active market for an identical asset or liability (i.e., a Level 1 in the fair value hierarchy) or on the basis of a valuation technique that uses only observable market data, the difference is recognised in profit or loss.
- In all other cases, the difference is deferred and the period for recognizing the deferred first-day gain or loss is determined individually. They may be amortised over the life of the instrument, deferred until the fair value of the instrument can be determined using observable market data, or on disposal.

Classification

Financial assets are initially classified into one of the following categories:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through profit or loss.

The recognition and classification of financial assets in the above categories is based on the following two factors:

- The business model chosen by the Company for managing the financial assets;
- The characteristics of the contractual cash flows of a financial asset.

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A financial asset is measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold the financial asset to generate contractual cash flows; and
- The contractual terms of a financial asset provide for cash flows that are solely payments of principal and interest. Financial assets measured at amortised cost

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
1.Accounting policies

Placements with credit institutions and Receivables are classified as financial assets measured at amortised cost if the following criteria are met:

- They are held within a business model achieved through the collection of contractual cash flows;
- Their contractual cash flows consist of solely payments of principal and interest on the remaining principal;
- The Company does not designate them as financial assets at fair value through profit or loss upon initial recognition.

Financial assets that meet the above criteria are measured at amortised cost and are subject to the impairment model in IFRS 9.

Impairment of financial assets

The following financial instruments are subject to the impairment requirements of IFRS 9:

- Financial assets measured at amortised cost.

For financial instruments that fall within the scope of the impairment model, the allowance for expected credit losses is calculated as follows:

- Financial instruments for which there has been no significant increase in credit risk since initial recognition (or financial instruments for which credit risk is considered to be low) – expected credit losses are calculated as an amount equal to 12 months of expected credit losses,
- Financial instruments without impairment but with a significant increase in credit risk since initial recognition, expected credit losses are calculated as an amount equal to the lifetime expected credit losses,
- Impaired financial instruments – the expected credit losses are calculated at an amount equal to the lifetime expected credit losses.

Credit losses are the difference between the contractual cash flows expected to be received under the contract and the cash flows the Company expects to receive (i.e., all payment defaults), discounted at the original effective interest rate (or the credit-adjusted effective interest rate for financial assets acquired or issued with impairment). The Company estimates cash flows considering all contractual terms of a financial instrument (for example, prepayments, renewals, sales, and similar options) using the estimated useful lives of the financial instruments. These cash flows include cash flows from the sale of collateral or other credit enhancements that form an integral part of the contractual terms.

The Company is of the view that impairment losses on assets within the scope of the expected credit loss model are insignificant. This is due to the fact that the accrued income against the three managed pension plans are settled shortly after the end of the financial year, while the other financial assets are mainly receivables from credit institutions and therefore the short maturity of these receivables represents an insignificant credit risk.

Financial liabilities measured at amortised cost

All financial liabilities initially are recognised at fair value and, in the case of borrowings, less directly attributable transaction costs. Subsequent to initial recognition, interest-bearing financial liabilities are measured at amortised cost using the effective interest rate (EIR) method. Gains or losses are recognised in profit or loss when the liabilities are derecognised and using the EIR method. Amortised cost is calculated by considering any purchase discounts or premiums as well as fees or costs that are an integral part of the EIR. Depreciation of EIR is included in the comprehensive income statement as net interest income.

Liabilities measured at amortised cost include trade payables.

Derecognition

Financial assets are derecognised when the contractual rights to receive cash flows from the financial asset have expired or when the Company has transferred substantially all risks and rewards of ownership. Any consideration given or liability retained as a result of the transfer is recognised as a separate asset or liability. The Company derecognises a financial liability when it is settled, i.e., when the liability is discharged, cancelled or expired.

Offsetting

Financial assets and liabilities are offset, and the net amount recognised in the balance sheet when there is a legal right to do so and the Company intends to settle on a net basis, or to dispose of the asset and settle the liability simultaneously.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
1.Accounting policies

Fair value of financial assets and liabilities

The fair value of assets and liabilities is the price that would be received to sell an asset or paid to settle a liability in the ordinary course of business between market participants at the measurement date. The fair value of financial assets and liabilities is divided into the following fair value hierarchy:

- Level 1: Unadjusted quoted prices in an active market;
- Level 2: Adjusted quoted prices or valuation model with active market parameters used;
- Level 3: A valuation model where the material parameters used are not available in the market and are based on internal assumptions.

In the opinion of the Company's management, the fair values of financial assets and liabilities do not differ materially from their carrying amounts.
Placements with credit institutions correspond to the Level 2 fair value measurement hierarchy. Other financial assets and financial liabilities correspond to the Level 3 fair value measurement hierarchy.

Other receivables

Other receivables are accounted for in accordance with the terms of the contract, net of any allowance for doubtful accounts, and are recognised in the balance sheet. Provisions for doubtful accounts are made when it is no longer probable that the receivable will be recovered in full. Receivables are written off when their collection is considered impossible.

Cash and cash equivalents

Cash and cash equivalents are cash on hand and at bank, and other highly liquid assets with an original maturity of less than three months that are used by the Company to settle current liabilities.

Accrued liabilities

"Accrued liabilities" include clearly known amounts of payables to suppliers of goods and services received during the reporting year for which, due to delivery, purchase or contractual terms or for other reasons, no supporting payment authorisation document has yet been received as of the balance sheet date. This item also includes accrued liabilities for employees' unused annual leave and variable compensation.

Employee benefits

Employee entitlement to an annual leave is recognised when employees have accrued the appropriate annual leave days. Accruals for employees' annual leaves are estimated based on employees' unused annual leave days as of the balance sheet date. The Company makes mandatory social security contributions to the state-funded pension scheme in accordance with Latvian legislation. The state-funded pension scheme is a defined contribution pension plan to which the Company is required to make statutory payments. The Company has no legal or constructive obligation to make additional payments if the state-funded pension scheme is unable to meet its obligations owed to its employees. National social security mandatory contributions are recognised as an expense on an accrual basis and are included in employee expenses.

Share-based payments

The cost is recognised as part of employee compensation, together with a corresponding increase in equity (stock options) during the period in which the service is rendered and the performance conditions are fulfilled (vesting period). The cumulative cost recognised in respect of equity transactions at the end of each reporting period reflects the past period of the guarantee and the Company's best estimate of the number of equity instruments that will ultimately be guaranteed. The cost or income in the statement of comprehensive income for the reporting period reflects the changes in cumulative costs recognised at the beginning and end of the reporting period.

No cost is recognised for share-based payments that are not ultimately guaranteed because the related non-market obligations and/or performance conditions are not satisfied during the vesting period. Where share-based payment transactions involve market-based or non-guaranteed conditions, the transactions are accounted for as guaranteed, whether or not the non-guaranteed conditions are satisfied if all other obligations and/or performance conditions are satisfied.

When the terms of a share-based payment transaction in equity are modified, the minimum amount to be recognised is the grant-date fair value of the unmodified consideration, provided the original terms of the share-based payment are satisfied. Incremental costs determined at the date of modification are recognised as any modification that increases the total fair value of the share-based payment or otherwise provides a benefit to the employee. When the Company or an employee cancels a share-based payment, the remaining fair value of the share-based payment is not subsequently recognised in the statement of comprehensive income.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1.Accounting policies

Corporate income tax

The corporate income tax consists of an assessed tax. Income tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity or in other comprehensive income. Tax payable comprises the expected tax on the taxable income for the year using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

The Corporate Income Tax Law of the Republic of Latvia requires application of a tax rate of 20% only to distributed profits but provides for a tax rate of 0% for retained earnings. IAS 12 "Income Taxes" requires that if there is a difference between the tax rate for distributed and retained earnings, deferred tax assets and liabilities are recognised at the rate that would be applied to retained earnings. Thus, deferred tax assets and liabilities are recognised at zero.

The Corporate Income Tax Act also provides for the application of tax to the tax base consisting of contingently distributed profits (non-operating expenses, etc.). In accordance with IAS 12 "Income Taxes", income taxes include only taxes based on taxable profit, so the tax calculated in these financial statements on taxable profit, i.e., notional profit, is reported under other expenses.

Risk management

The Company has implemented a risk management policy based on which risks are managed and mitigated.

The purpose of the Company's risk management processes is to identify and manage the Company's significant operational risks, as well as to ensure their control. The Company's main tasks in the field of risk management are to:

a. protect the assets of the recipients of management services (investment plans);
b. ensure the compliance of the management of the assets of the recipients of management services (investment plans) with the regulatory enactments of the Republic of Latvia;
c. ensure compliance of the Company's operations with the regulatory enactments of the Republic of Latvia;
d. protect the Company's assets and promote the stability of financial flows;
e. regularly assess what risks may adversely affect the achievement of the Company's business objectives, incl. achievement of the planned financial results.

In these financial statements, we review the management of the risks associated with the Company's own assets, financial flows, and objectives. The Company identifies specific risk factors that it faces in the course of its business.

Due to the volatility in the global and Latvian financial markets and economy, the conditions for testing capital adequacy stress were reviewed. In the process of calculating market risk, more attention is paid to raising the confidence limits of the models.

Market risk

Market risk is the possibility of losses from the revaluation of assets and assets under management due to changes in the market price of financial instruments, commodities, and their derivatives as a result of changes in foreign exchange rates, interest rates, and other factors.

Foreign exchange risk

Foreign currency risk is the risk of potential loss resulting from the remeasurement of the Company's open currency position (the difference between assets and liabilities) for each foreign currency due to changes in the exchange rate of the reporting currency. During the reporting period, the Company did not have a significant currency position in a foreign currency that would materially affect the Company's assets or liabilities, nor did it have such a position at the end of the reporting period. The Company considers the foreign exchange risk to be immaterial and does not prepare a sensitivity analysis.

Operational risk

Operational risk is the possibility of loss due to inadequate or incomplete internal processes, the operation of people and systems, or the effects of external circumstances, including legal risk, but excluding strategic and reputational risk. Operational risk is one of the most significant risks associated with the Company's business and is managed by the Company in accordance with the Operational Risk Management Policy developed by the Company.

Reputation risk

Reputational risk is the risk that participants in the Company's investment plans, business partners, shareholders, regulators, and other stakeholders may have a negative opinion of the Company and may negatively impact the Company's ability to maintain existing business relationships or establish new business relationships with its clients or other business partners, as well as negatively impact the investment plans managed by the Company. The Company's Management Board closely monitors the Company's reputation and risk factors.

Operational compliance risk

Compliance risk is the risk that the Company will suffer losses or be subject to legal obligations or sanctions, or that its reputation will deteriorate because the Company does not comply with or violates compliance laws, regulations and standards. The Company's Management Board closely monitors changes in legal requirements and the operation of the Company's internal control processes to ensure compliance with existing legal requirements and timely preparation for necessary changes in business operations in the future.

Information technology and system risk

This risk is the possible inability of the Company to fully perform any of its obligations or functions related to the operation of information systems in a quality manner, and the associated risk that the Company may incur losses/additional costs due to inadequate information technology or information processing. The Company manages this risk in accordance with the regulations developed by the Company to protect information systems and personal data.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet legally enforceable requirements in a timely manner without incurring significant losses, and that it is unable to manage unplanned changes in the Company's resources and/or market conditions due to insufficient cash. Given the level of the Company's unrestricted cash, no liquidity risks were identified during the reporting period.

The Company manages its liquidity risk by maintaining sufficient cash and cash equivalents. To ensure sufficient cash, the Company regularly plans its cash flow and analyses actual performance indicators

Strategic and business risk

Strategic and business risk is the possibility of suffering losses due to erroneous decisions that determine the strategic operations and development of the company (strategic, business management). Management manages this risk by not making important strategic decisions on its own, but in an advisory capacity during Board of Directors' meetings and in consultation with the Company's Council when necessary.

Credit risk

Credit risk is the possibility of incurring losses if a customer fails to meet its contractual obligations. The Company is exposed to credit risk in respect of receivables, cash and cash equivalents, and other investments. The maximum credit risk for these assets as of 31 December 2021 was EUR 1,023,467 (2020: EUR 1,141,054). The Company has no assets that are impaired or past due. It should be noted that although the Company applies IFRS 9 and the expected credit loss model, the impact of expected credit losses would be insignificant in the opinion of the Company's management. In accordance with the Company's investment policy, cash is invested in term deposits depending on the credit rating of the financial institution and the interest rate offered. The Company controls credit risk by monitoring the amount of receivables and minimizing the occurrence of past due or uncollectible receivables.

Capital adequacy

The Company provides a sufficient amount of equity to compensate for losses that customers would incur due to the Company's fault. The amount of required own funds is determined in accordance with Regulation No. . 575/2013 of the European Parliament and of the Council of 26 June 2013.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

2. Commission income

	01.01.2021-31.12.2021 EUR	01.01.2020-31.12.2020 EUR
Commission fee for the management of the assets of the State Funded Pension Scheme Investment Plan "INDEXO Izaugsme 47-57"	448 589	324 495
Commission fee for the management of the assets of the State Funded Pension Scheme Investment Plan "INDEXO Jauda 16-50"	1 079 807	605 781
Commission fee for the management of the assets of the State Funded Pension Scheme Investment Plan "INDEXO Konservatīvais 55+"	67 546	42 191
Commission fee for the management of the assets of the private pension scheme investment plan "INDEXO AKCIJU PLĀNS"	2 321	-
Commission fee for managing the assets of the private pension scheme investment plan "INDEXO OBLIGĀCIJU PLĀNS"	182	-
Total	**1 598 445**	**972 467**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

3. Administrative expenses

	01.01.2021-31.12.2021 EUR	01.01.2020-31.12.2020 EUR
Sales and marketing expenses	406 686	310 666
Remuneration of staff	632 760	406 689
National social insurance mandatory contributions	145 788	97 971
Professional fees	126 190	119 755
Office maintenance costs	31 778	15 802
Amortisation of the right-of-use asset	13 183	13 538
Depreciation of property, plant and equipment	4 620	3 912
Other staff costs	6 207	2 013
Other	5 579	8 656
Total	**1 372 791**	**979 002**

	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Number of employees	51	31

In order to ensure a high long-term employee performance culture, the Investment Company determines remuneration that is competitive, differentiated, follows business logic, market practices, employee competence, and long-term performance. The total remuneration paid for a certain period of time must not jeopardize the Investment Company's ability to produce positive results over the relevant business cycle.

The remuneration structure of an investment company consists of three components:

- base salary;
- variable part of remuneration (variable part of short-term monetary and long-term non-monetary remuneration);
- other benefits.

These components of remuneration are used to achieve a competitive return on the market with a balance between fixed and variable remuneration as well as short-term and long-term remuneration. The total remuneration reflects the complexity, responsibility, and level of management of the position, as well as the individual performance of the employee.

The fixed part of the remuneration consists of a part of the salary that is independent of the employee's individual performance (salary, contributions to private pension funds, share-related instruments), the conditions for granting of which do not depend on the individual performance.

The variable part of remuneration consists of the part of remuneration depending on the individual performance of the employee, the structure of which consists of bonuses and allowances. The principles of the remuneration policy are reviewed regularly, but not less than once a year to ensure compliance of these basic principles with the Company's business plan, the strategy of the investment portfolio, results of inspections, and compliance with the approved remuneration policy and relevant internal and external regulations, results for the reporting year.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

3. Administrative expenses

There were no significant changes in the remuneration policy during the reporting year.

Breakdown of staff remuneration by type (gross amounts):	**01.01.2021-31.12.2021 EUR**	**01.01.2020-31.12.2020 EUR**
The fixed part of remuneration calculated for employees other than Management Board members	485 255	272 924
The fixed part of remuneration calculated for Management Board members	78 121	93 585
The variable part of remuneration calculated for employees other than Management Board members	272 737	215 511
The variable part of remuneration calculated for Management Board members	11 000	24 039
Capitalised remuneration costs (Note 8)	(267 737)	(215 511)
Amortisation of capitalised remuneration costs (Note 8)	53 384	16 141
Total	**632 760**	**406 689**

During the reporting year, the Company granted 16,524 employee stock options. One option gives the right to purchase one share of the Company for EUR 2.86. The last known price per share used in the purchase and sale of shares in the Company was EUR 3.19 (considering the exchange of shares). The total value of the employee options granted is EUR 5 453. The exercise period of the options begins on 1 May 2022. There are no restrictions on the use of shares.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

4. Other operating expenses

	01.01.2021-31.12.2021 EUR	01.01.2020-31.12.2020 EUR
FCMC financing fee	3 557	3 557
Total	**3 557**	**3 557**

5. Placements with credit institutions

	31.12.2021 EUR	31.12.2020. EUR
Placements with Swedbank AS	199 438	341 409
Placememnts with SEB banka AS	598 833	599 601
Total (Cash and cash equivalents)	**798 271**	**941 010**

According to IFRS 9 "Financial Instruments", the Company has assessed expected credit losses on placements with credit institutions. The Company holds cash in AS Swedbank and AS SEB bank. These banks have an S&P rating of A+, Moody's has an Aa3 rating and Fitch has an A +/AA- rating. In assessing the amount of expected credit losses, it was determined that it was insignificant and no provision for expected credit losses was recorded.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

6. Receivables

	31.12.2021 EUR	31.12.2020 EUR
Commission fee for the management of the assets of the state-funded pension scheme investment plan "INDEXO Izaugsme 47-57"	44 214	31 720
Commission fee for the management of the assets of the state-funded pension scheme investment plan "INDEXO Jauda 16-50"	116 622	65 799
Commission fee for the management of the assets of the state-funded pension scheme investment plan "INDEXO Konservatīvais 55+"	6 813	4 489
Commission fee for the management of the assets of the private pension scheme investment plan "INDEXO AKCIJU PLĀNS"	535	-
Commission fee for managing the assets of the private pension scheme investment plan "INDEXO OBLIGĀCIJU PLĀNS"	44	-
Relocated costs to ASA "Indexo Open Pension Fund"	31 727	98 036
Total	**199 955**	**200 044**

Receivables are received shortly after the end of the period, therefore provisions for impairment are assessed as insignificant.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

7. Prepayments

	31.12.2021 EUR	31.12.2020. EUR
Health insurance	3 465	676
Prepayments for the lease of premises	-	1 813
Other	-	22
Total	**3 465**	**2 511**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

8. Contract acquisition costs

	31.12.2021 EUR	31.12.2020 EUR
Customer attraction costs	535 977	246 401
Total	**535 977**	**246 401**

Customer acquisition costs	**EUR**
At 31.12.2019	**-**
Capitalised salary costs, including national social insurance mandatory contributions	266 350
Amortisation of capitalised salary costs, including national social insurance mandatory contributions	(19 949)
At 31.12.2020	**246 401**
Capitalised salary costs, including national social insurance mandatory contributions	355 553
Amortisation of capitalised salary costs, including national social insurance mandatory contributions	(65 977)
At 31.12.2021	**535 977**

The Company capitalises the variable compensation (including employer's social security contributions) of specialists involved in customer acquisition. The capitalised expenses are amortised over a period of seven years.

According to the data of the State Social Insurance Agency, in the reporting year, on average 9% of participants in the investment plans managed by the Company opted for other investment plans registered in Latvia, while 91% of participants remained in the plans managed by INDEXO. This means that if this indicator remains unchanged in the coming years, a participant of the investment plans managed by the Company will remain a client of INDEXO for about 10-11 years on average. Therefore, the Company believes that the amortisation of the variable compensation of customer acquisition specialists related to customer acquisition over a period of seven years is appropriate.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

9. Other assets

	31.12.2021. EUR	31.12.2020. EUR
Financial assets		
Security deposit	1 181	1 181
Non-financial assets		
Advance payments	1 647	9 526
Total financial and non-financial assets	**2 828**	**10 707**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

10. Property, plant and equipment and right-of-use assets

	Other PPE, EUR
Historical cost	
At 31.12.2019	**12 326**
Additions	1 525
At 31.12.2020	**13 851**
Additions	7 836
At 31.12.2021	**21 687**
Accumulated deprecation	
At 31.12.2019	**4 990**
Calculated	3 912
At 31.12.2020	**8 902**
Calculated	4 620
At 31.12.2021	**13 522**

	Other PPE, EUR
NBV at 31.12.2020	**4 949**
NBV at 31.12.2020	**8 165**

The Company applies IFRS 16 to leases. The Company leases office space. The lease is valid until 30 January 2025. Lease liabilities are calculated using a discount rate of 3.6%.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

10. Property, plant and equipment and right-of-use assets

Right-of-use assets	EUR
At 31.12.2019	**15 590**
Impact of lease changes	12 614
Amortisation	(13 538)
At 31.12.2020	**14 666**
Impact of lease changes	38 064
Amortisation	(13 183)
At 31.12.2021	**39 548**

Lease liability	EUR
At 31.12.2019	**15 888**
Calculated interest	643
Impact of lease changes	12 615
Lease payments	(14 450)
At 31.12.2020	**14 696**
Calculated interest	1 386
Impact of lease changes	38 065
Lease payments	(14 815)
At 31.12.2021	**39 332**

Right-of-use assets	At 31.12.2021 EUR	At 31.12.2020 EUR
Right-of-use assets	39 548	14 666
Lease liability	39 332	14 696

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

11. Investment in subsidiary undertakings

	Shareholding 31.12.2021	31.12.2021 EUR	Shareholding At 31.12.2020	31.12.2020 EUR
AS "Indexo Atklātais Pensiju Fonds" (Latvia)	100 %	600 000	100 %	400 000
Total	**100 %**	**600 000**	**100 %**	**400 000**

On 5 June 2020, the decision was made to establish AS "Indexo Atklātais Pensiju Fonds'' in order to provide customers with the service of Pillar 3 pension. In 2021, the share capital of AS "Indexo Atklātais Pensiju Fonds'' was increased by EUR 200,000. As of 31 December 2021, the share capital of AS Indexo Atklātais Pensiju Fonds consisted of 600,000 shares with a par value of 1 euro per share.

2021 was the first year in which AS Indexo Atklātais Pensiju Fonds offered its services. It incurred losses in the reporting year. However, as these losses were planned and were partly related to start-up costs, the Company did not recognise any impairment losses on investment in the reporting year.

Financial indicators of AS "Indexo Atklātais Pensiju Fonds'.'	2021 EUR	2020 EUR
Assets	473 511	470 900
Liabilities	113 537	99 117
Equity	359 974	371 783
Operating income	3 576	-
Loss for the reporting year	(211 809)	(28 217)

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

12. Other securities and investments

	Shareholding 31.12.2021	31.12.2021 EUR	Shareholding 31.12.2020	31.12.2020 EUR
Goindex UAB (Lithuania)	5 %	11 663	0 %	-
Total		**11 663**		**-**

Goindex UAB was established to improve the pension market in Lithuania, which is in line with the Company's mission and values. The investment will support positive changes in the Lithuanian pension market.

13. Accrued liabilities

	At 31.12.2021 EUR	At 31.12.2020 EUR
Financial liabilities		
Accrued liabilities to suppliers	37 490	4 851
Non-financial liabilities		
Accrued liabilities for unused annual leave	55 090	30 685
Provisions for variable remuneration of employees and related tax payments	19 774	25 007
Total financial and non-financial liabilities	**112 354**	**60 543**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

14. Trade payables

Financial liabilities	31.12.2021 EUR	31.12.2020 EUR
Payables for purchased goods and received services	32 482	3 657
Total	**32 482**	**3 657**

15. Taxes and national social insurance mandatory contributions

Non-financial liabilities	31.12.2021 EUR	31.12.2020 EUR
Value added tax	3 921	15 045
National social insurance mandatory contributions	23 555	13 047
Personal income tax	19 957	8 127
Risk stamp duty	24	4
Total	**47 457**	**36 223**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

16. Other liabilities

Non-financial liabilities	31.12.2021 EUR	31.12.2020 EUR
Salary liability	73 522	31 590
Other	434	-
Total	**73 956**	**31 590**

17. Share capital

The registered and fully paid-up share capital of IPAS "Indexo'' as of 31 December 2021 amounts to EUR 3,016,987 (31 December 2020: EUR 3,016,987) and consists of registered shares. The share capital of the Company consists of 3,016,987 registered shares with a nominal value of EUR 1 (one euro) per share.

In 2020, the Company's share capital was increased by EUR 751,987 through the issuance of 183,750 Class B registered shares (with a par value of EUR 735,000) and 16,987 Class A registered shares (with a nominal value of EUR 16,987). Class A and Class B shares offer equal rights to receive dividends and a liquidation dividend, as well as equal pre-emptive rights to purchase new shares in the event of a capital increase.

The increase in share capital was necessary due to the requirements of regulatory provisions, as the value of the assets of the investment plans managed by the Company exceeded EUR 200 million. The Company's Class A and Class B shares were converted into one class of shares with a par value of EUR 1 (one euro) in 2021.

	Share capital subscribed EUR	Share %	Paid-up share capital EUR
DVH SIA Reg. No. 50203040781	676 630	22.43%	676 630
Legal entities - residents with shareholding in the share capital up to 10%	717 260	23.77%	717 260
Legal entities - non-residents with shareholding in the share capital up to 10%	429 486	14.24%	429 486
Natural persons - residents with shareholding in the share capital up to 10%	919 043	30.46%	919 043
Natural persons - non-residents with shareholding in the share capital up to 10%	274 568	9.10%	274 568

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

18. Related-party transactions

	01.01.2021-31.12.2021 EUR	01.01.2020-31.12.2020 EUR
AS "Indexo Atklātais Pensiju Fonds"		
Revenue		
Services provided	110 397	81 021
Debtors		
Receivables (balance)	31 727	98 035
SIA "Callidus Capital"		
Expenses		
Services received	12 745	20 570
Liabilities		
Payables (balance)	-	1 634

Related parties include shareholders who have significant influence over the Company, members of the company they control, the Council and the Management Board, as well as other related parties, i.e., executives, their close relatives and companies controlled by them, and affiliated companies. In the period from 1 January 2021 to 31 December 2021, all transactions with related parties were conducted in accordance with free-market principles.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

19. Maturity analysis of financial assets and liabilities

31.12.2021, EUR	Total	On-demand	Up to 1 month	1 to 3 months	From 3 months to 1 year	From 1 to 5 years
Placements with credit institutions	**798 271**	798 271	-	-	-	-
Receivables	**199 955**	-	199 955	-	-	-
Other securities and investments	**11 663**	-	-	-	-	11 663
Total financial assets	**1 099 889**	**798 271**	**199 955**	-	-	**11 663**
Accrued liabilities	**(37 490)**	-	-	(37 490)	-	-
Payables to suppliers and contractors	**(32 482)**	-	(32 482)	-	-	-
Lease liability	**(39 332)**	-	-	-	(12 480)	(26 852)
Total financial liabilities	**(109 304)**	**-**	**(32 482)**	**(37 490)**	**(12 480)**	**(26 852)**
Net position	**900 585**	**798 271**	**167 473**	**(37 490)**	**(12 480)**	**(15 189)**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

19. Maturity analysis of financial assets and liabilities

31.12.2020, EUR	Total	On-demand	Up to 1 month	1 to 3 months	From 3 months to 1 year	From 1 to 5 years
Placements with credit institutions	**941 010**	**941 010**	-	-	-	-
Receivables	**200 044**	-	200 044	-	-	-
Total financial assets	**1 141 054**	**941 010**	**200 044**	-	-	**-**
Accrued liabilities	**(4 851)**	-	-	(4 851)	-	-
Payables to suppliers and contractors	**(3 656)**	-	(3 656)	-	-	-
Lease liability	**(14 696)**	-	-	-	(14 696)	-
Total financial liabilities	**(23 203)**	**-**	**(3 656)**	**(4 851)**	**(14 696)**	**-**
Net position	**1 117 851**	**941 010**	**196 388**	**(4 851)**	**(14 696)**	**-**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

20. State funded and private pension plans established and managed by the Company by net asset value

	31.12.2021 EUR	31.12.2020 EUR
State-funded pension scheme investment plan "INDEXO Izaugsme 47-57"	120 020 982	85 542 285
State-funded pension scheme investment plan "INDEXO Jauda 16-50"	321 257 932	178 544 650
State-funded pension scheme investment plan "INDEXO Konservatīvais 55+"	23 131 788	15 267 562
Private pension scheme investment plan "INDEXO AKCIJU PLĀNS"	3 639 641	-
Private pension scheme investment plan "INDEXO OBLIGĀCIJU PLĀNS"	307 847	-
Total	**468 358 190**	**279 354 497**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

21. Remuneration to a commercial company of certified auditors

	01.01.2021- 31.12.2021 EUR	01.01.2020- 31.12.2020 EUR
Audit of financial statements	13 600	14 500
	13 600	**14 500**

22. Events after the reporting period

The Company plans to raise additional funds through the stock exchange (IPO - Initial Public Offering) to become a participant in the regulated market. It is planned to use the funds to establish a bank to complement the existing pension savings management business.

The Company notes that events in Ukraine may affect the exact timing of the IPO. At the same time, these events further reinforce the need for greater independence of the Latvian financial system. A new bank fully rooted in the domestic market will strengthen it. Events in Ukraine may contribute to the volatility of financial markets, which may indirectly affect the Company's performance in 2022.

The financial statements were approved and signed for and on behalf
of the Management Board of the Company by:

____
Valdis Siksnis
Chairman of the Management Board

____
Ilja Arefjevs
Member of the Management Board

Independent Auditor's Report

To the Shareholders of Indexo IPAS

Auditor's report on the separate financial statements

Our opinion

In our opinion, the separate financial statements set out on pages 16 to 48 give a true and fair view of the financial position of IPAS "Indexo" (the Company) as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

Our opinion is consistent with our additional report to the Council dated 21 March 2022.

What we have audited

The Company's financial statements comprise:

- the separate statement pf comprehensive income for the year ended 31 December 2021,
- the separate statement of financial position as at 31 December 2021,
- the separate statement of cash flows for the year then ended,
- the separate statement of changes in equity for the year then ended, and
- the notes to the financial statements which include significant accounting policies and other explanatory information.

Basis for opinion

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Law on Audit Services that are relevant to our audit of the financial statements in the Republic of Latvia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Law on Audit Services.

We have not provided any non-audit services to the Company in the period from 1 January 2021 to 31 December 2021.

Our audit approach

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	*How our audit addressed the key audit matter*
Commission income	
Refer to Note 2 *"Commission Income"* of the financial statements. Commission income is the main source of external revenue for the Company, therefore verification of the occurrence and accuracy of the commission income was the main focus area of our audit. Commission income consists of fixed commission income calculated by applying a fixed commission rate to the net assets of the state funded pension plans and private pension plans. The prospectus of the state funded pension plans and private pension plans do not foresee variable commisison income.	We assessed whether the Company's accounting policies in relation to commission income recognition are based on IFRS requirements. We selected a sample of the transactions and verified the accuracy of commission calculation by multiplying the net assets of the plan with the commission rates specified in the prospectus of the respective plan. We reconciled the results of our testing with those recognised by the Company. We also performed substantive testing over completeness and accuracy of the net assets of the plans to ensure the underlying data used in calculation of the commission income is reliable. We also verified supporting documents to confirm the occurrence of the transaction and that the commission was recorded in the correct service period. We also verified that the state funded and private pension plans' variable fee is nil. We tested the disclosures in the financial statements in respect of commission income.

Reporting on other information including the Management Report

Management is responsible for the other information. The other information, which we obtained prior to the date of our auditor's report, comprises:

- Information on the Company, as set out on page 4 of the accompanying Annual Report,
- Management Report, as set out on pages 6 to 10 of the accompanying Annual Report;
- Statement of Responsibility of the Management Board of the Investment management company, as set out on page 14 of the accompanying Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information identified above, including the Management Report and the Statement of Responsibility of the Management Board of the Investment management company.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Management Report, we also performed the procedures required by Law on Audit Services. Those procedures include considering whether the Management Report is prepared in accordance with the requirements of the applicable legislation.

Based on the work undertaken in the course of our audit, in our opinion, in all material respects:

- the information given in the Management Report and the information on the Company for the financial year for which the financial statements are prepared is consistent with the financial statements;

- the Management Report has been prepared in accordance with the requirements of the Financial and Capital Market Commission Regulation No 113 "Regulation on preparation of the annual report and consolidated annual report of credit institutions, investment brokerage companies and investment management companies".

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the other information that we obtained prior to the date of this auditor's report. We have nothing to report in this respect.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Appointment

We were first appointed as auditors by the Company's shareholders' resolution on 15 July 2020. This is the second year of our audit.

PricewaterhouseCoopers SIA
Certified audit company
Licence No. 5

Ilandra Lejiņa
Certified auditor in charge
Certificate No. 168

Member of the Board

Riga, Latvia
22 March 2022