



# Webinar on the audited consolidated financial results of 2022



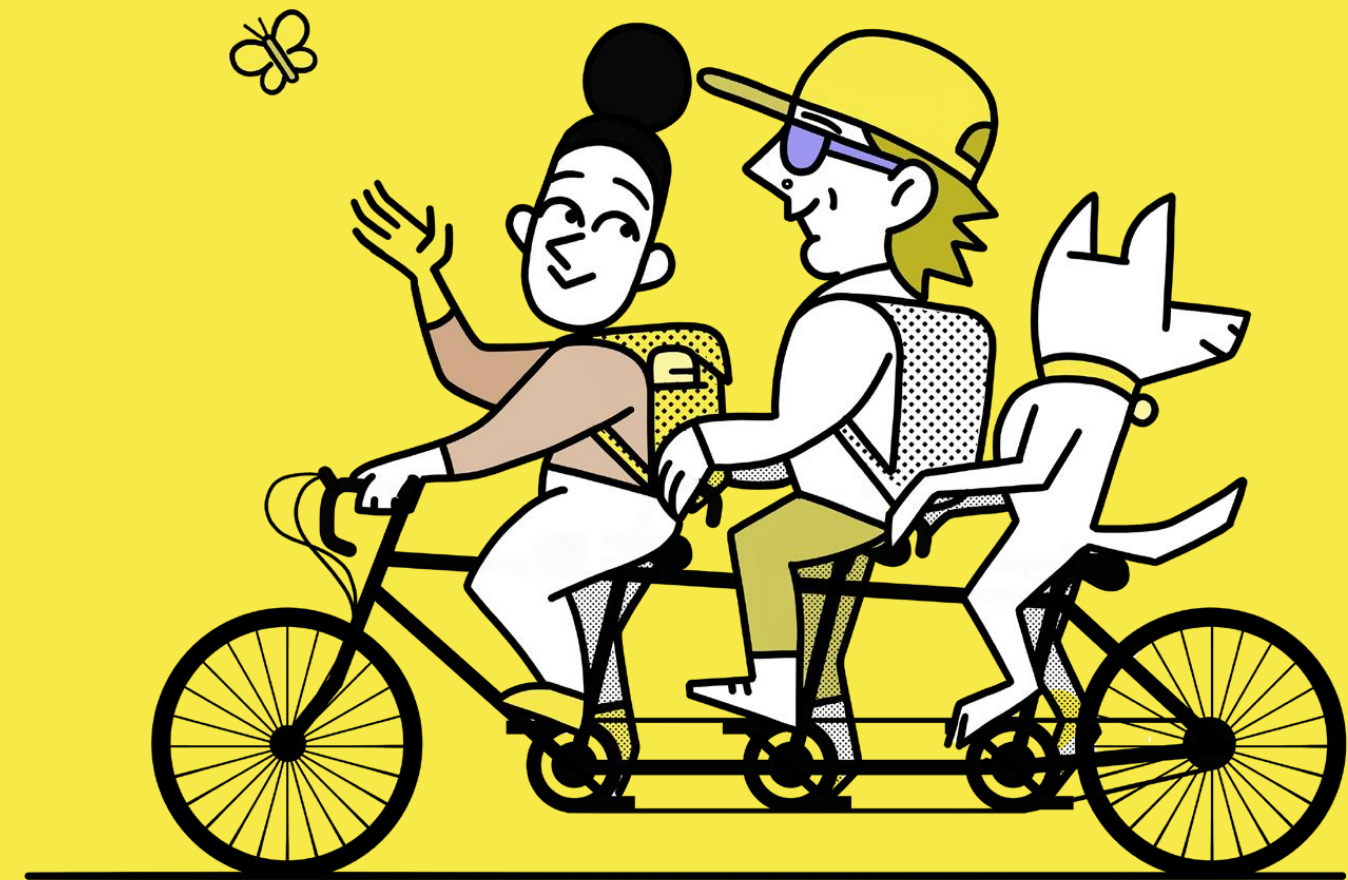
**Valdis Siksnis**  
Chairman of the Board



**Henrik Karmo**  
Board Member

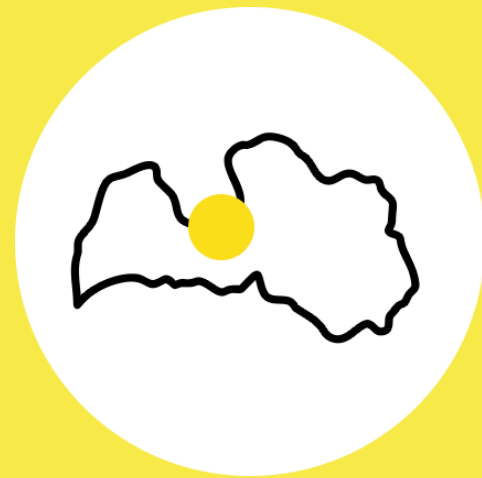
*March 1, 2023*

**40% annual  
growth in the last 5  
years**

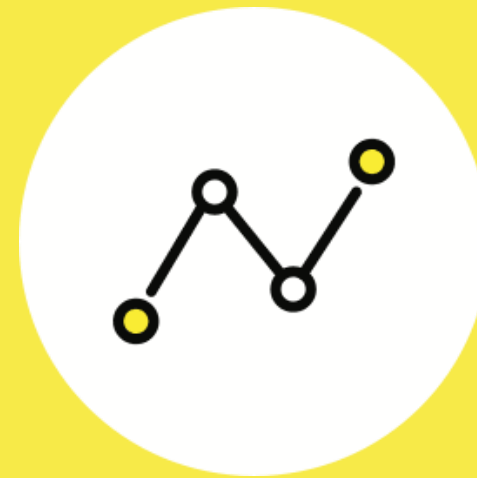


# INDEXO Story

INDEXO<sup>1</sup>



*Launched in 2017  
as a **challenger brand**  
and the **first passive  
pension manager in  
Latvia***

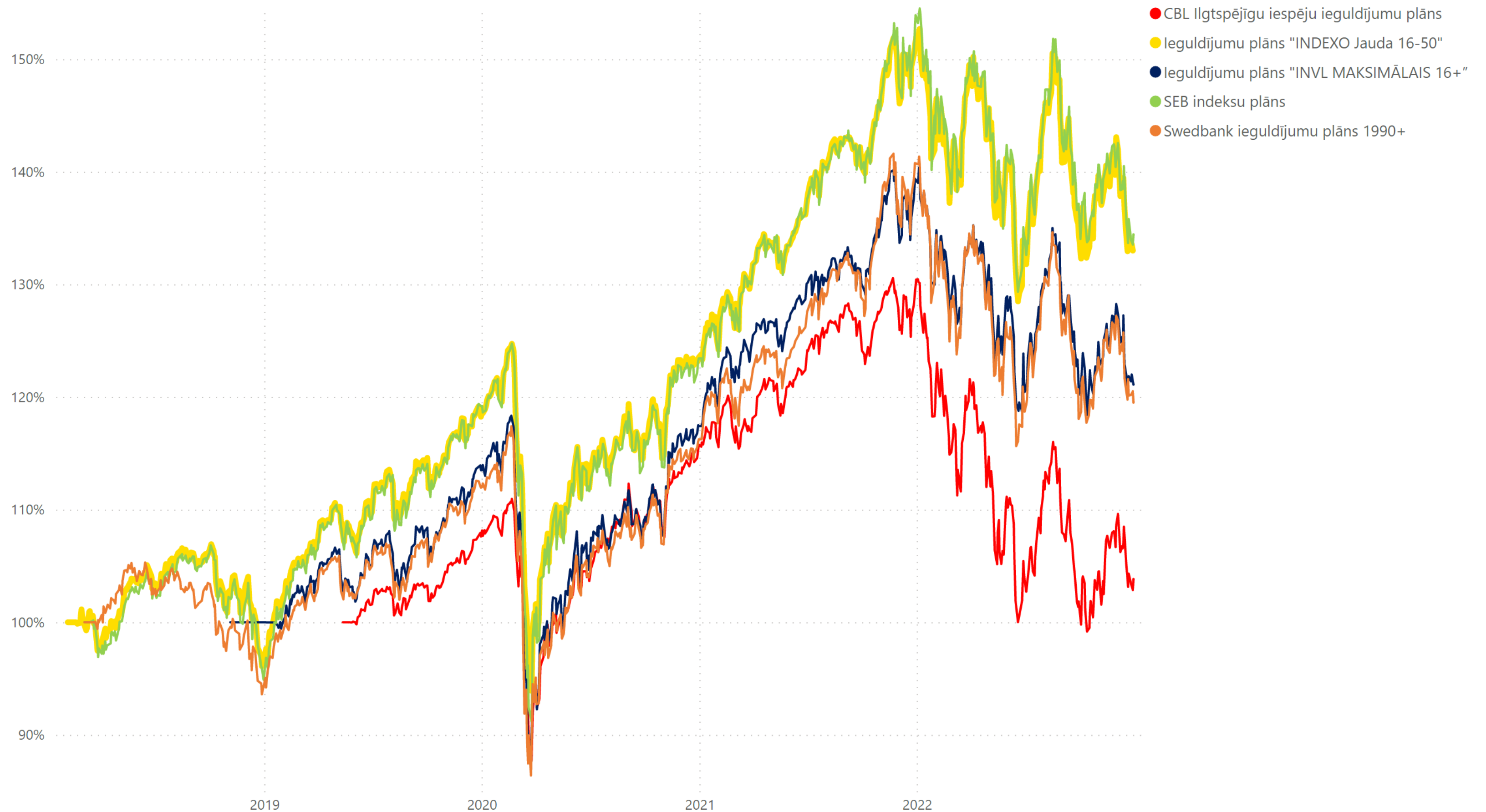


*In April 2021 launched the  
**first 3<sup>rd</sup> Pillar  
robo-advisory product**  
with **automated investment  
decisions in index funds***



*In July 2022 held a  
**successful IPO by raising  
7.49 million EUR for Bank  
business development***

# Passive asset management delivers results



# Decreasing OCF to improve customer long-term performance

All-in cost for our 2nd pillar pension clients	Jan-23	Dec-21	OCF improvement for clients
State-funded pension scheme investment plan “INDEXO Izaugsme 47-57”	0.576%	0.651%	7.5 bps
State-funded pension scheme investment plan “INDEXO Jauda 16-50”	0.600%	0.648%	4.8 bps
State-funded pension scheme investment plan “INDEXO Konservatīvais 55+”	0.523%	0.557%	3.4 bps

OCF = ongoing cost figure, which represents all costs related to INDEXO and third-party fund manager costs

# Key 2022 Highlights

INDEXO<sup>1</sup>



584,9 million EUR  
Total value of AUM

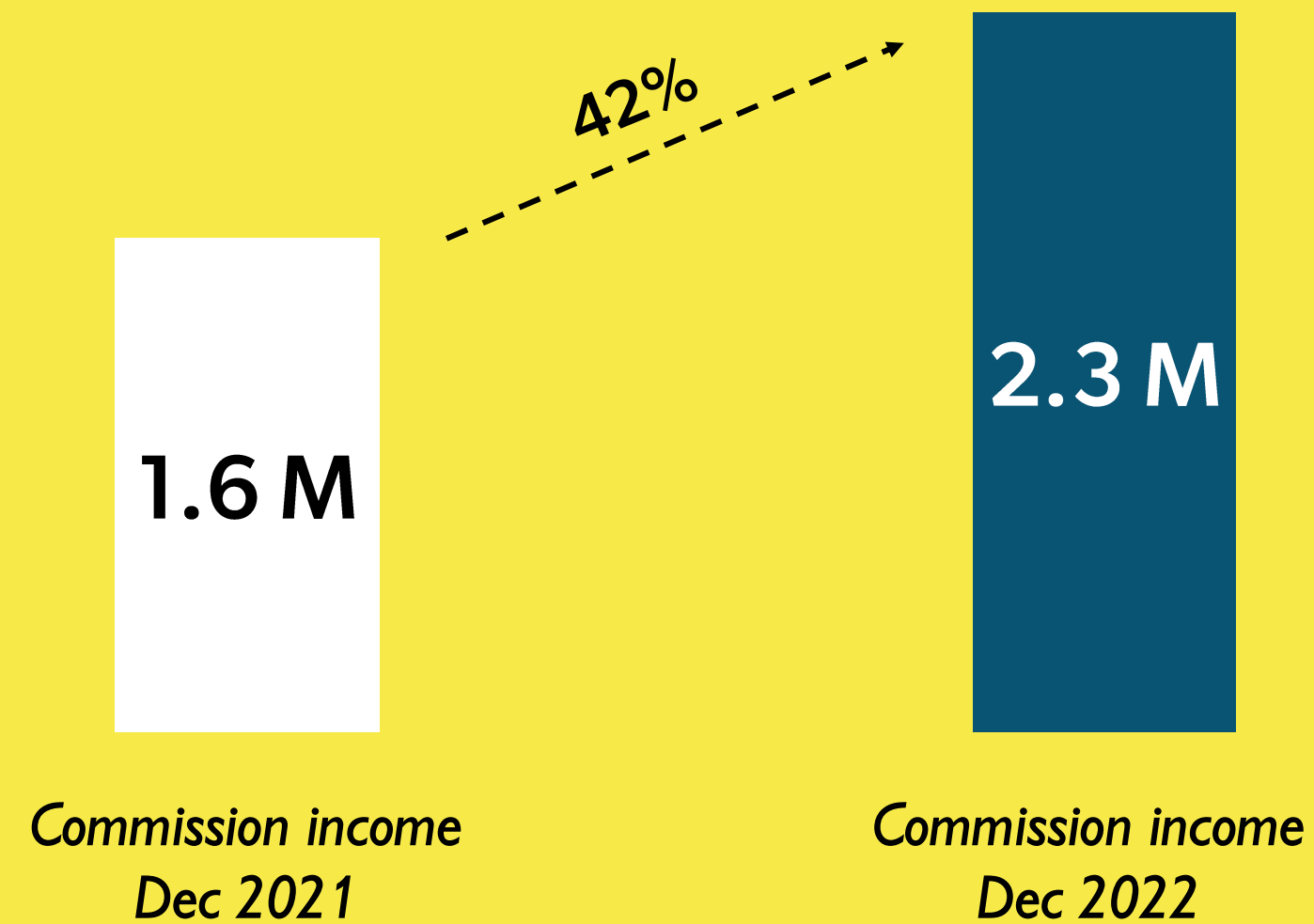
99,7 k  
Total number of customers

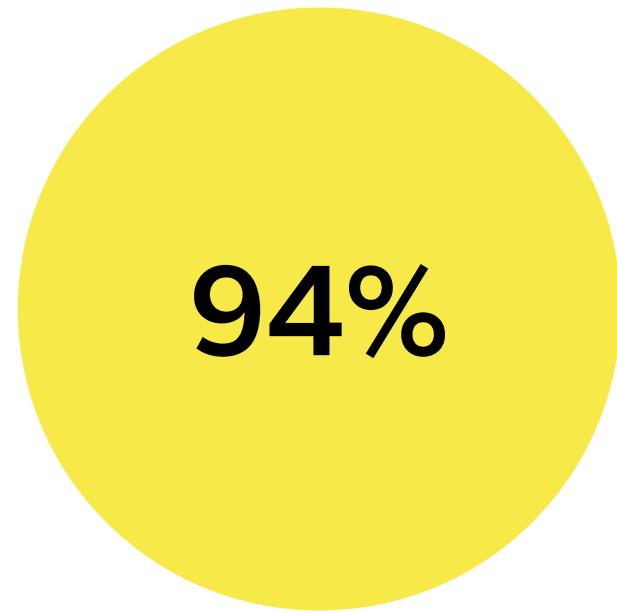
Up to 7.5 bps  
OCF decrease

2,3 million EUR  
Commission income generated

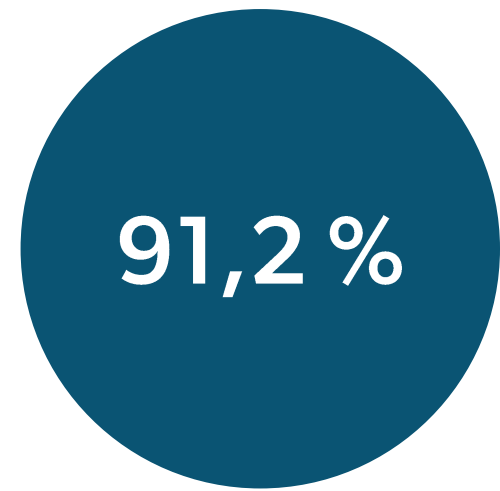
32,2 k  
Number of new customers

# Our revenues also keep growing quickly





*Dec 2022 customer retention*

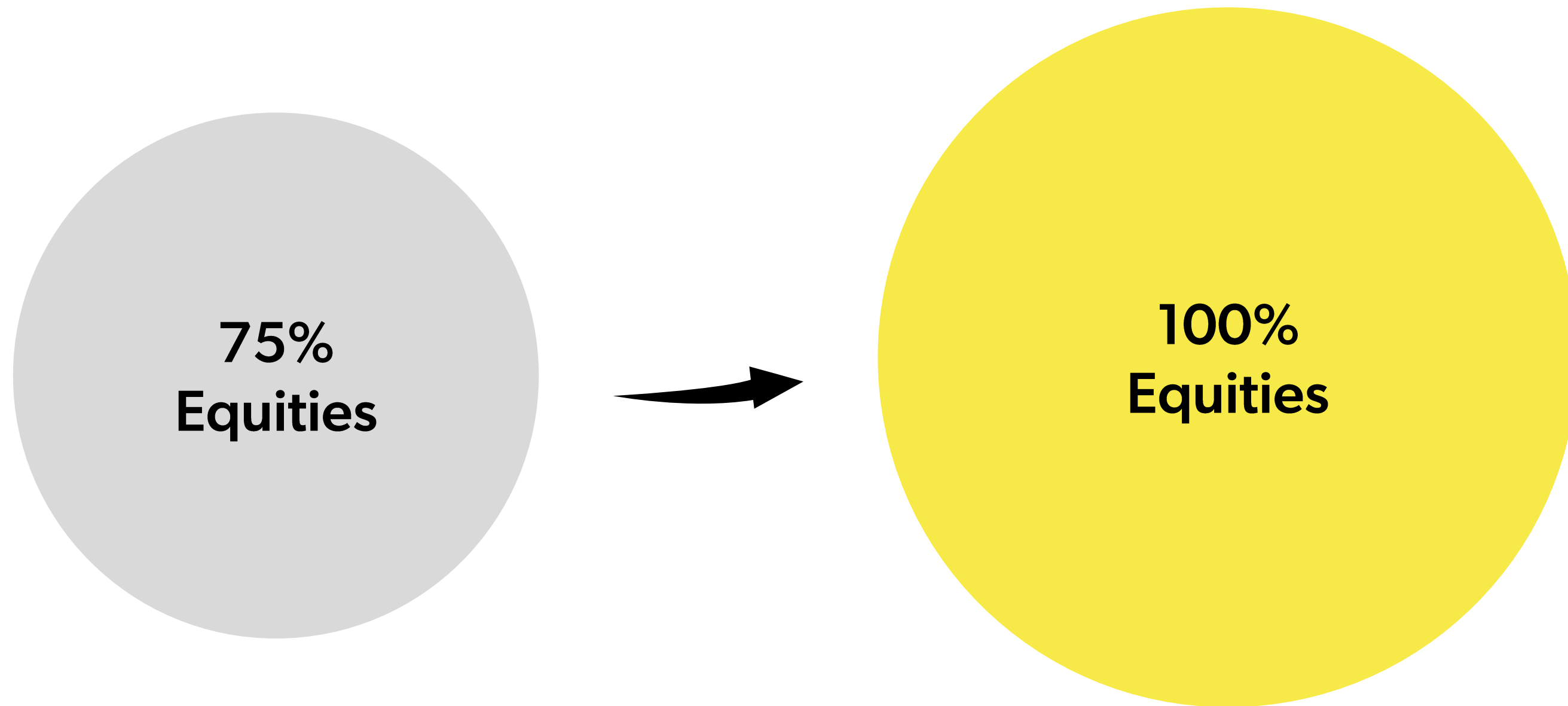


*Dec 2021 customer retention*

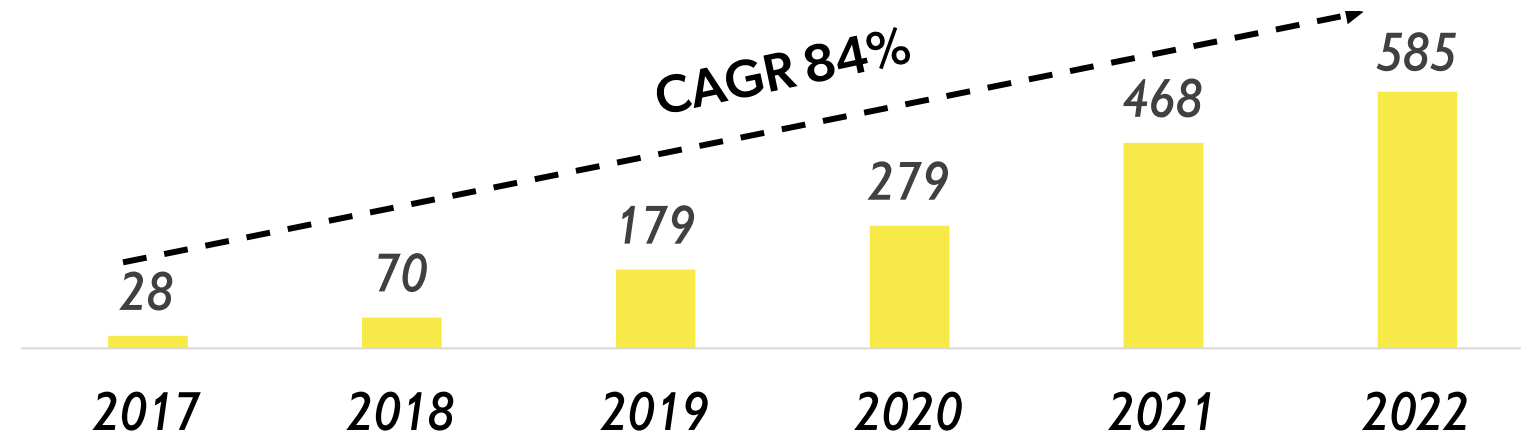
**Less clients chose to leave INDEXO than in the previous year**



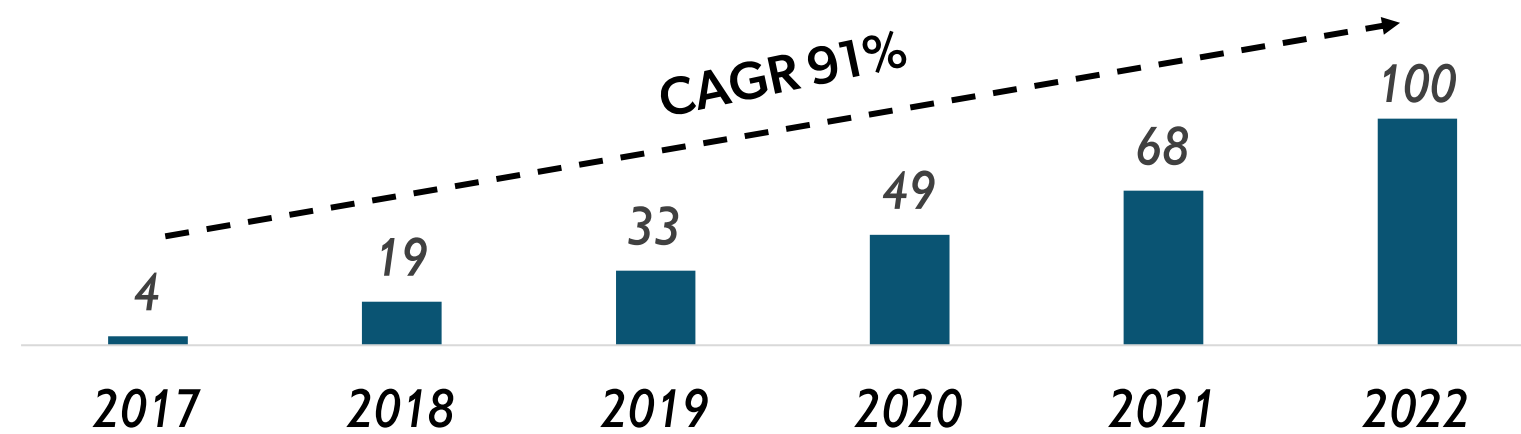
# Jauda pension plan switch to 100% equities was completed



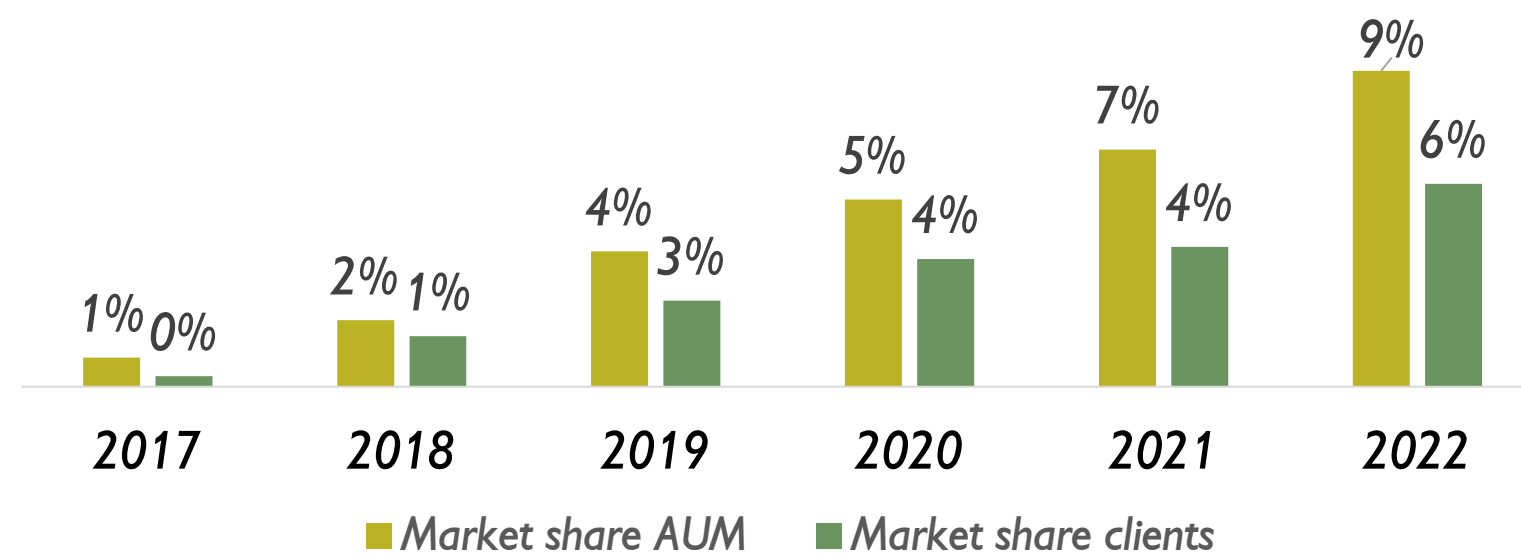
# Total asset management growth since inception has been excellent despite market turmoil



**Total AUM**  
In millions EUR



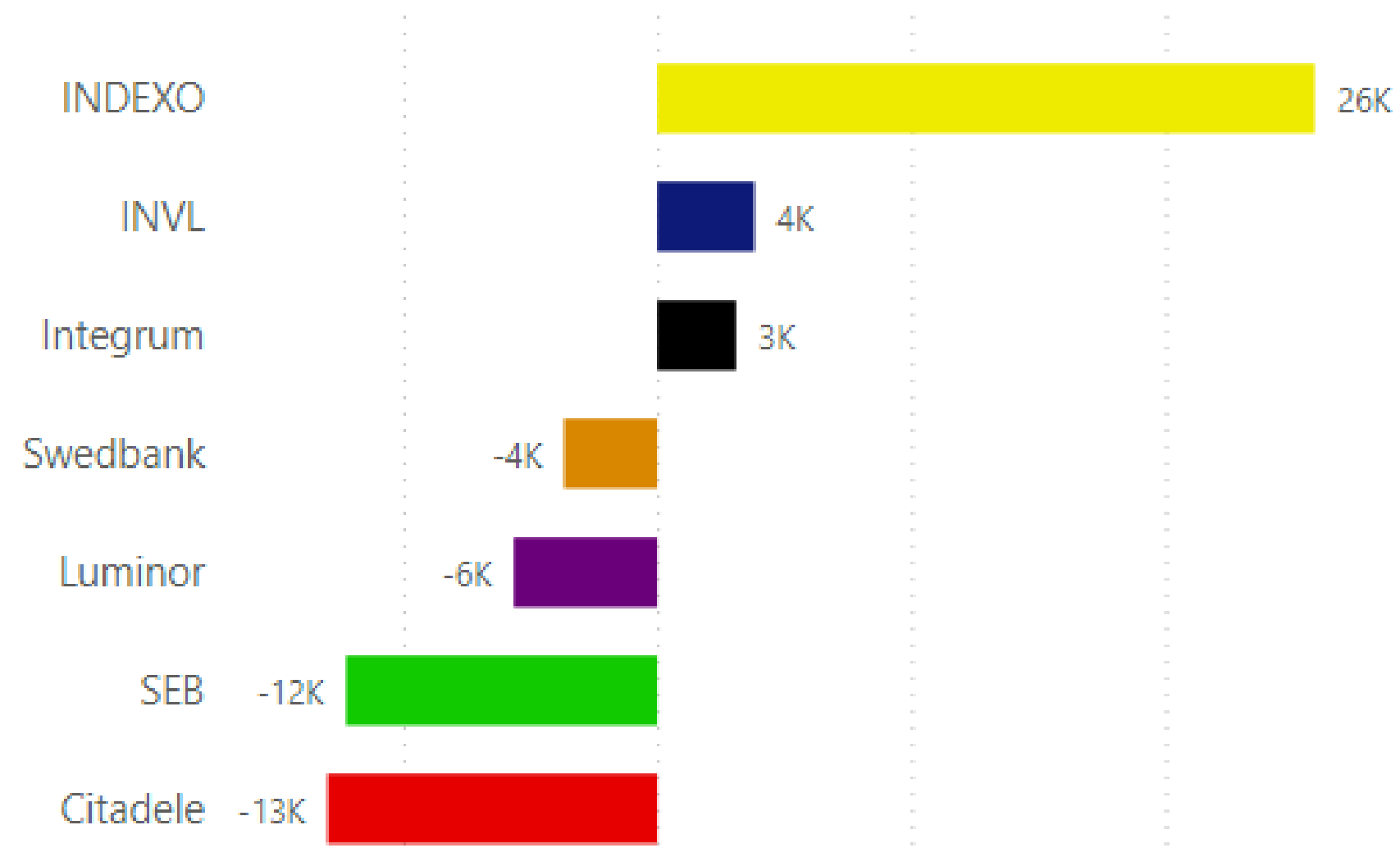
**Total Clients**  
thousands



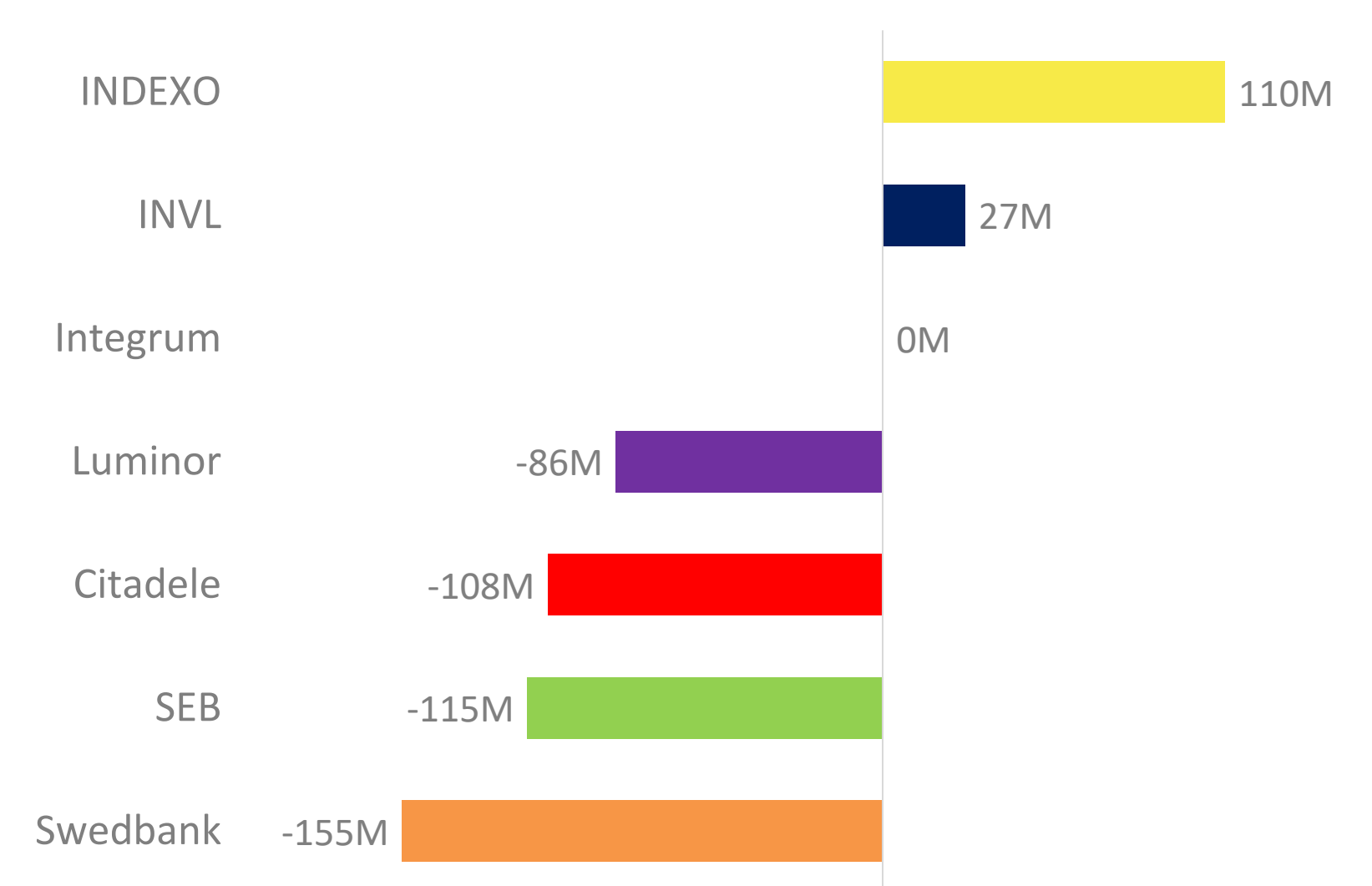
**Total Market shares**

# INDEXO: The fastest growing 2<sup>nd</sup> Pillar Pension Manager in Latvia

Change in number of 2<sup>nd</sup> Pillar clients during 2022

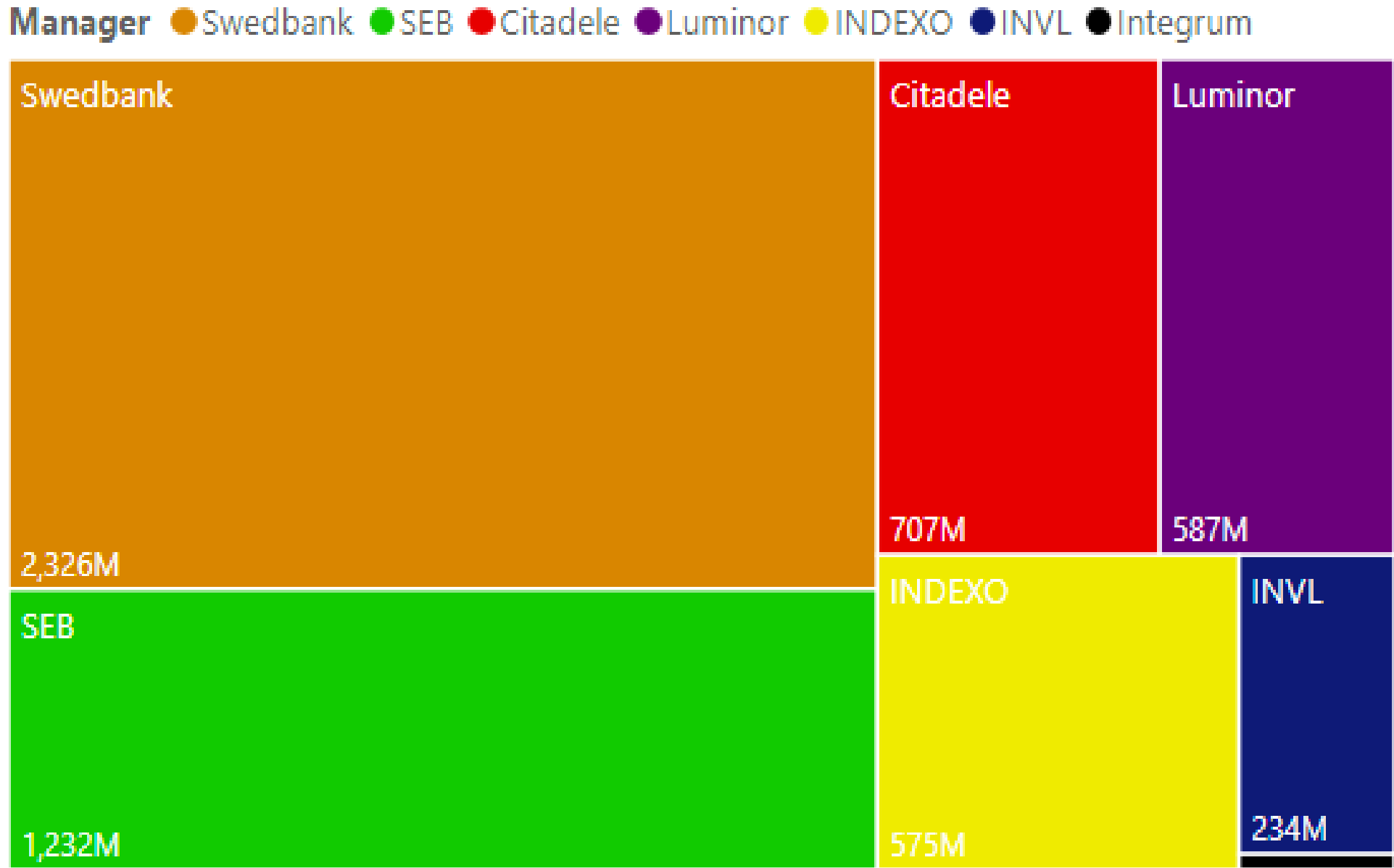
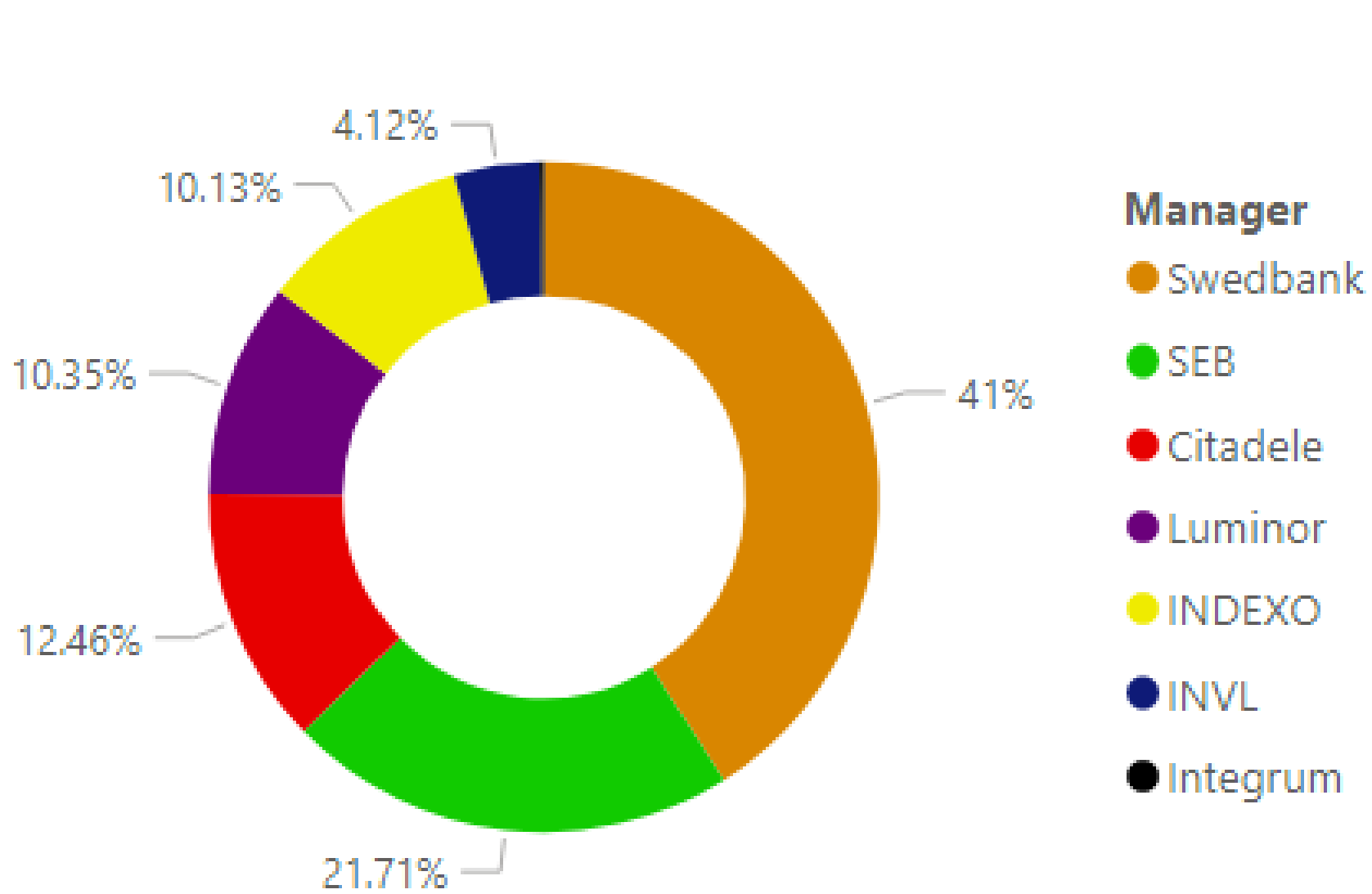


Change in 2<sup>nd</sup> Pillar AUM during 2022



Data source: manapensija.lv

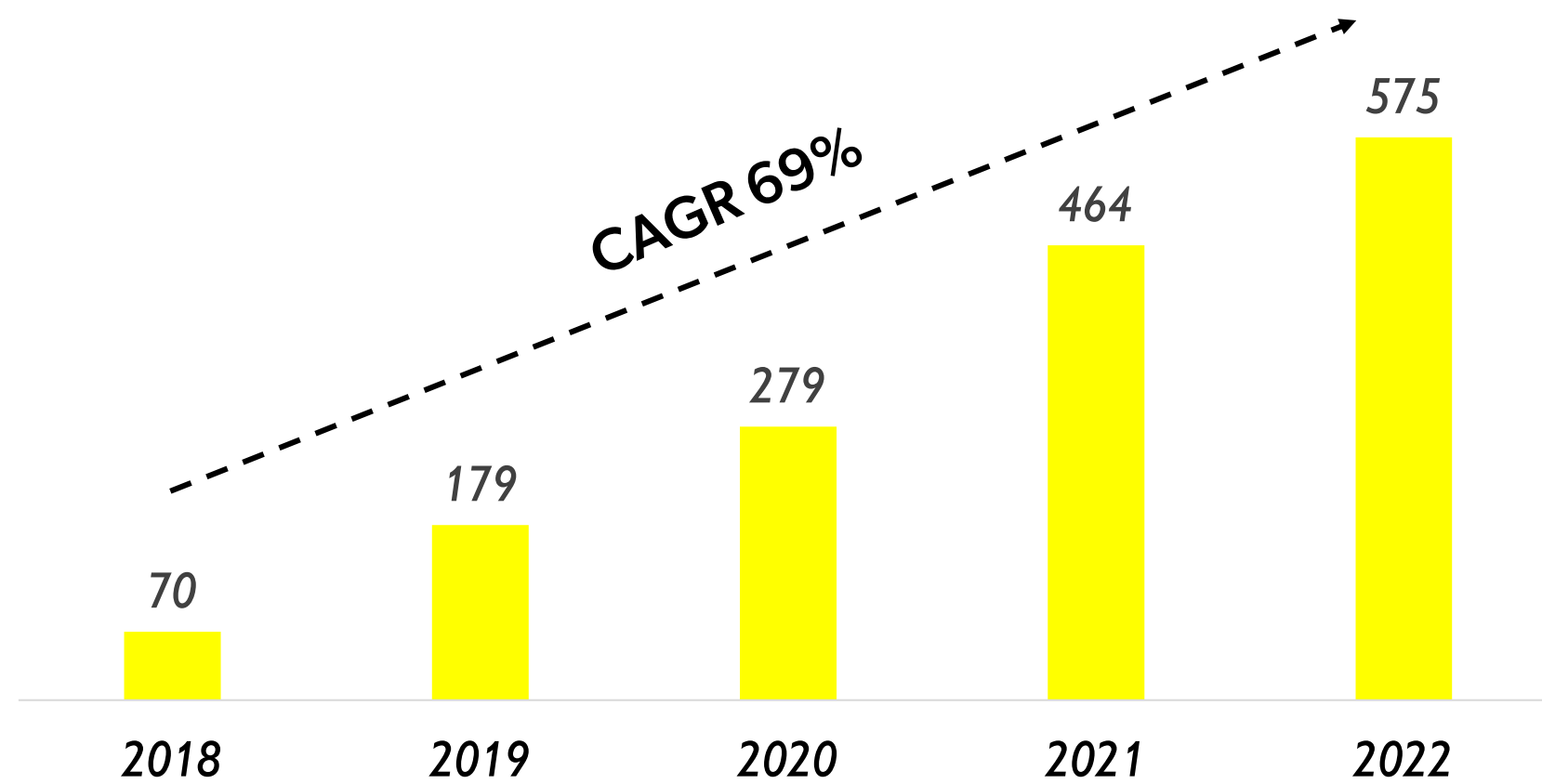
# 2<sup>nd</sup> pillar pension market share AUM



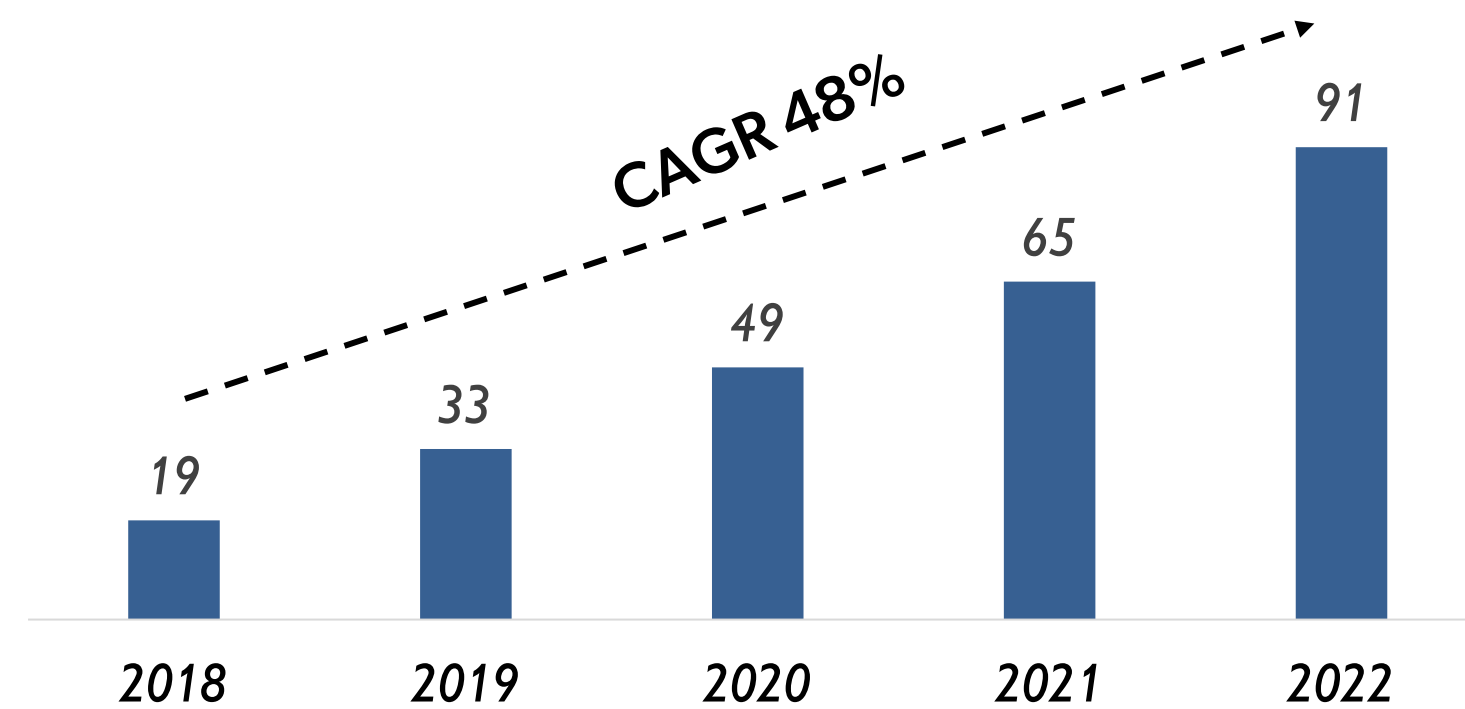
Data source: manapensija.lv

# 2<sup>nd</sup> pillar pension asset and client 5-year growth

2<sup>nd</sup> Pillar pension assets,  
millions EUR

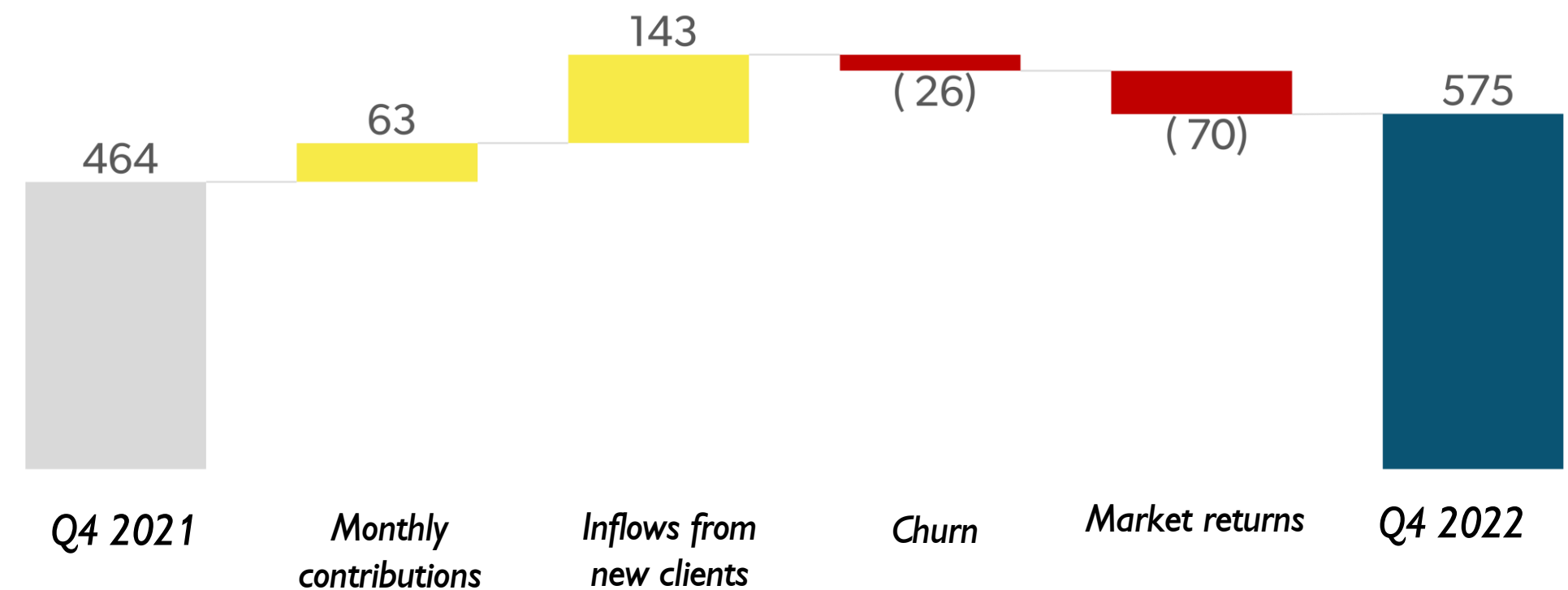


2<sup>nd</sup> Pillar pension clients,  
thousands



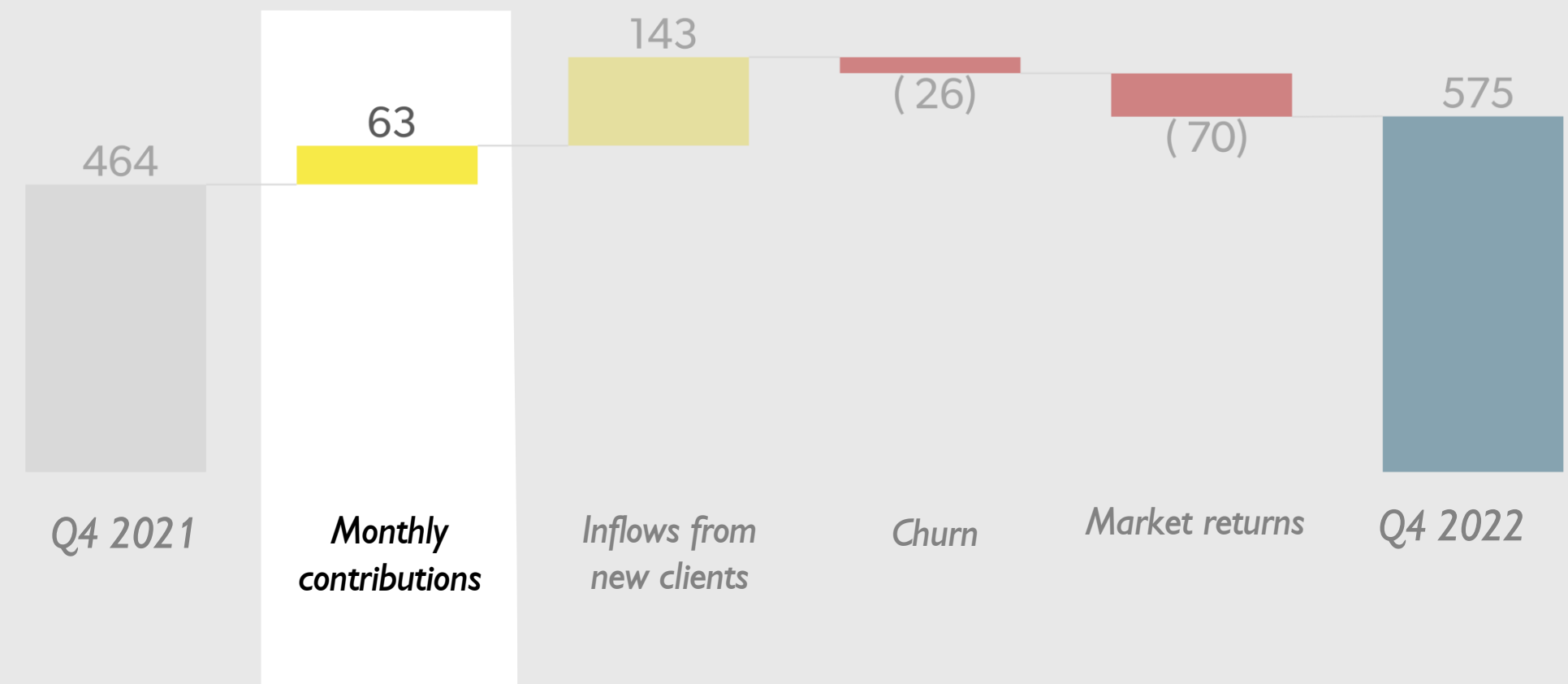
**Our business growth in 2<sup>nd</sup> pillar can be attributed to growing monthly contributions and new customers joining INDEXO**

**2<sup>nd</sup> Pillar pension waterfall chart Q4 2021 – Q4 2022**  
Millions EUR, based on management estimates



Our business growth in 2<sup>nd</sup> pillar can be attributed to **growing monthly contributions** and new customers joining INDEXO

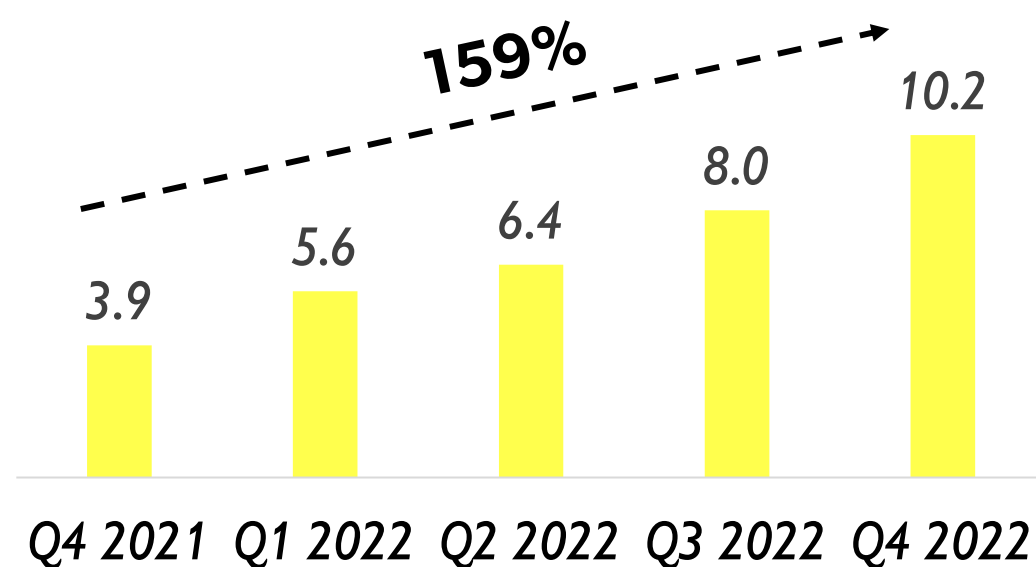
2<sup>nd</sup> Pillar pension waterfall chart Q4 2021 – Q4 2022  
Millions EUR, based on management estimates



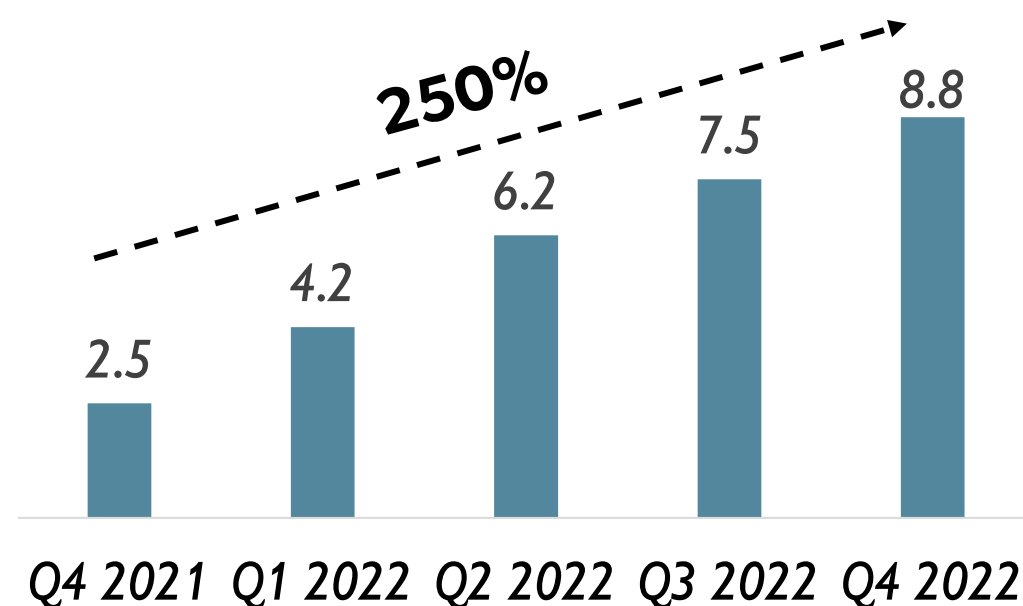
*From: 4.2 million euro in Dec 2021*  
*To: 6.5 million euro in Dec 2022*  
**55% increase**

# Our 3<sup>rd</sup> pillar pension plans have had 1 full year of operations

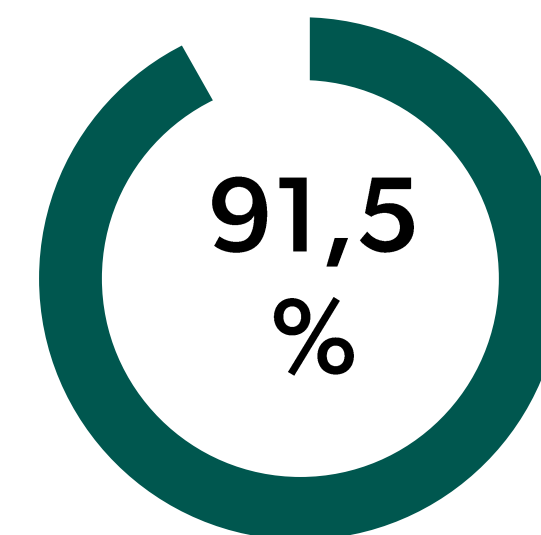
3<sup>rd</sup> pillar pension assets, millions EUR



3<sup>rd</sup> pillar pension clients, thousands



Clients with automatic equity/bond allocation



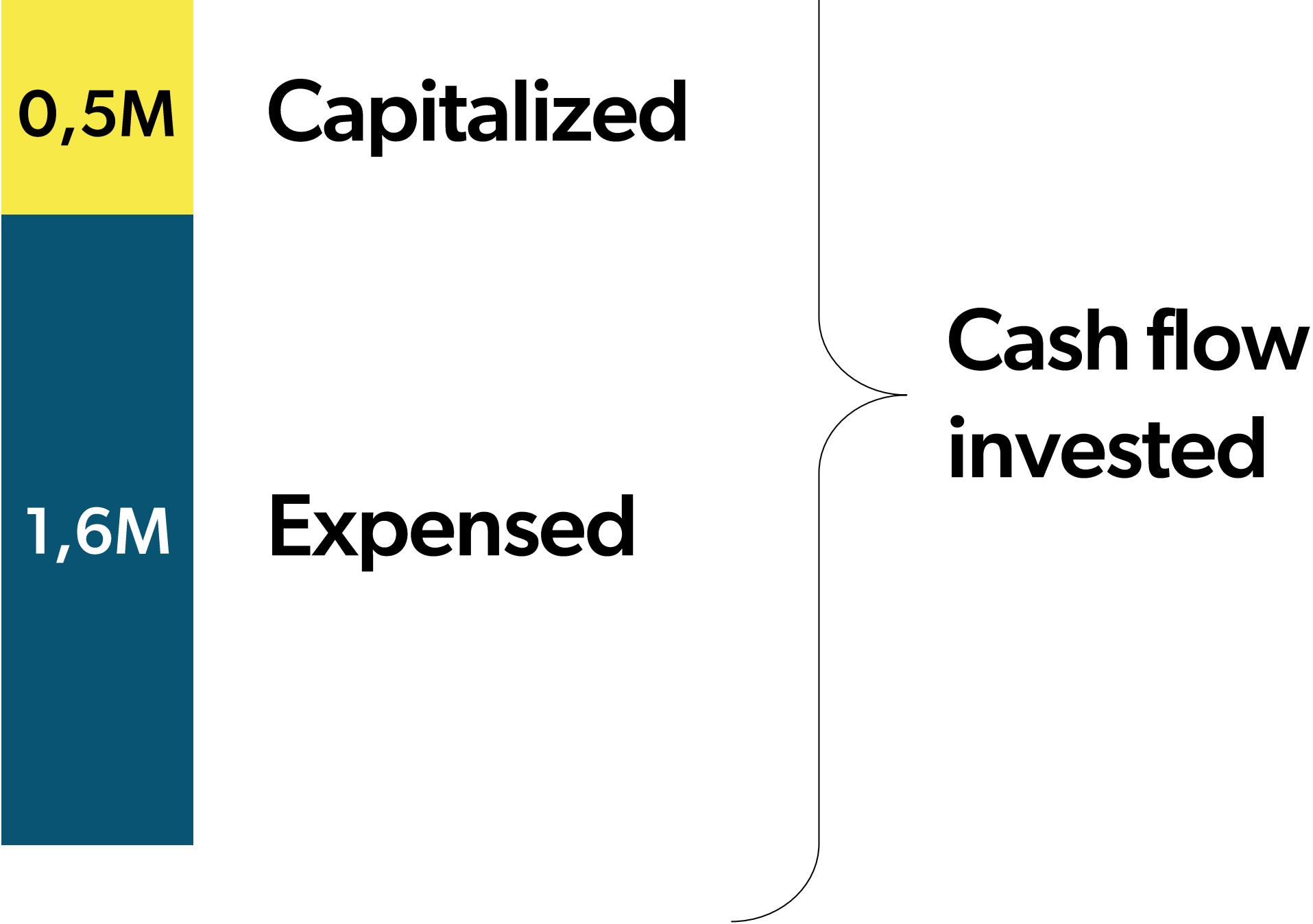


**INDEXO keeps investing in future growth by acquiring new clients**

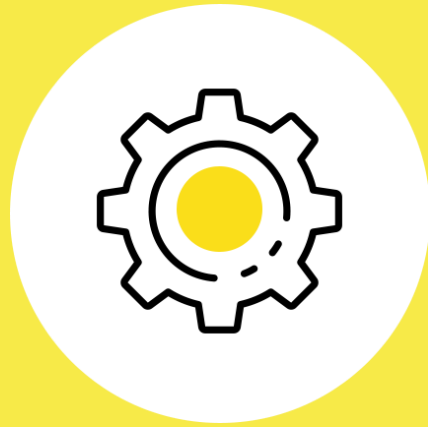
**IPO total expenses 235 thousands in year 2022**

		<i>Jan – Dec 2022</i>
<i>Commission and other income</i>	<i>EUR</i>	<i>2 277 620</i>
<i>Administrative and other expenses allocation</i>	<i>EUR</i>	<i>(783 893)</i>
<b>Operating income before client acquisition and other business project expenses</b>	<b>EUR</b>	<b>1 493 727</b>
<i>Client acquisition</i>	<i>EUR</i>	<i>(1 579 333)</i>
<b>Pension management operating result</b>	<b>EUR</b>	<b>(85 606)</b>
<i>Bank development expenses</i>	<i>EUR</i>	<i>(1 186 197)</i>
<b>Net income</b>	<b>EUR</b>	<b>(1 271 803)</b>

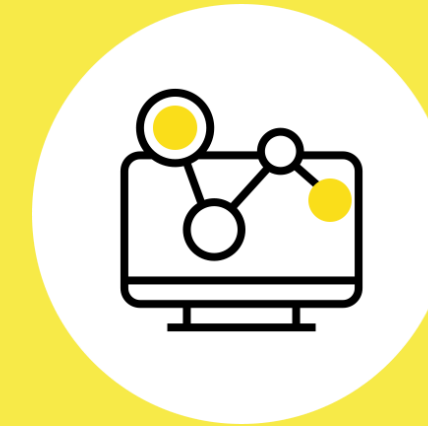
**Client acquisition is partially capitalized and should be viewed on a cash flow basis**



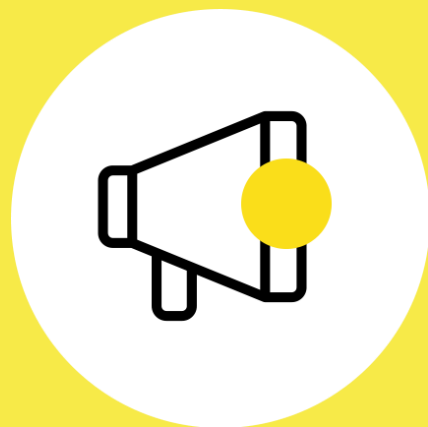
# We have invested 1,2 million EUR in bank development



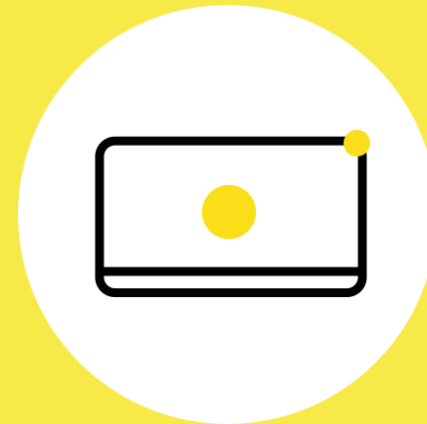
**Selected key systems**  
(Mambu core banking, Nets card Processing,  
Microsoft Dynamics CRM and ERP)



**Actively engaging customers in bank  
product design**



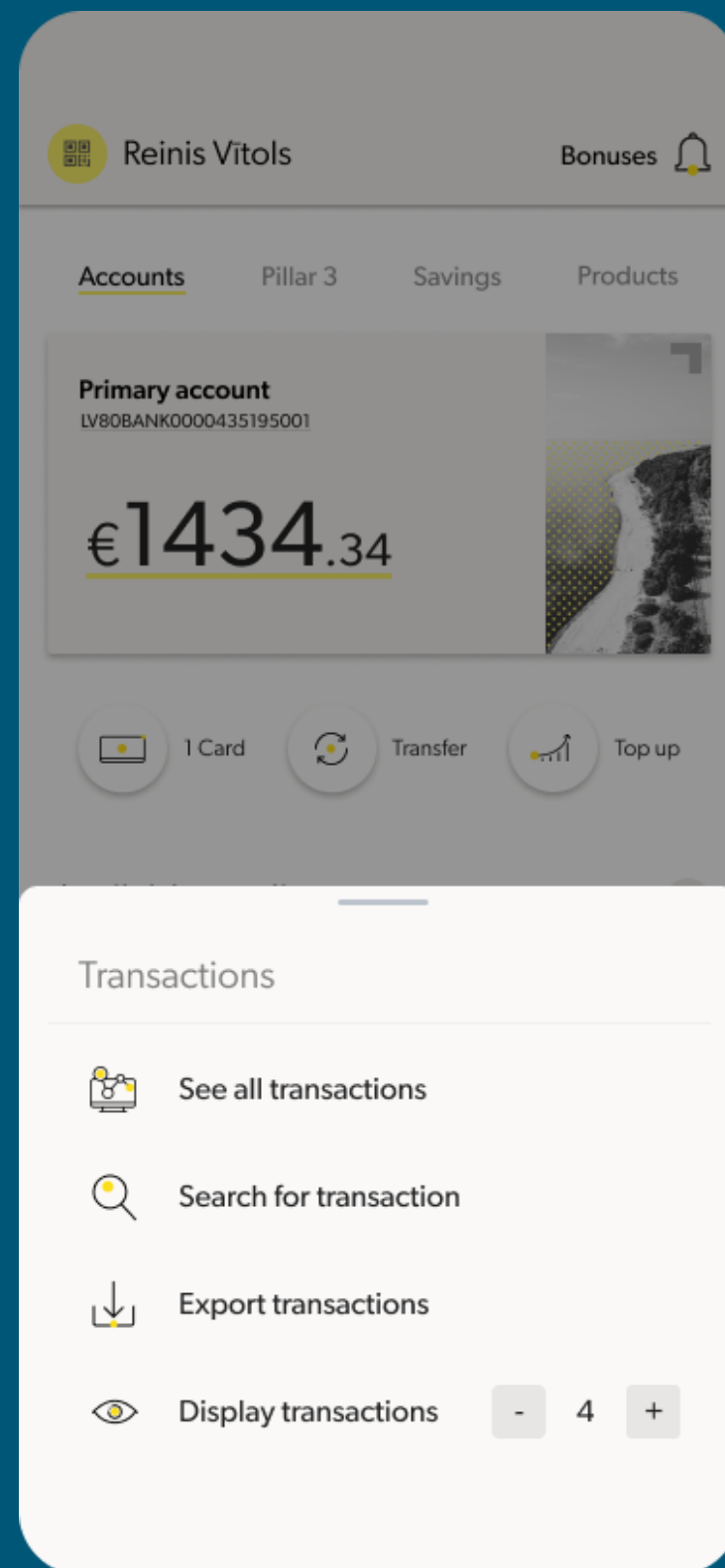
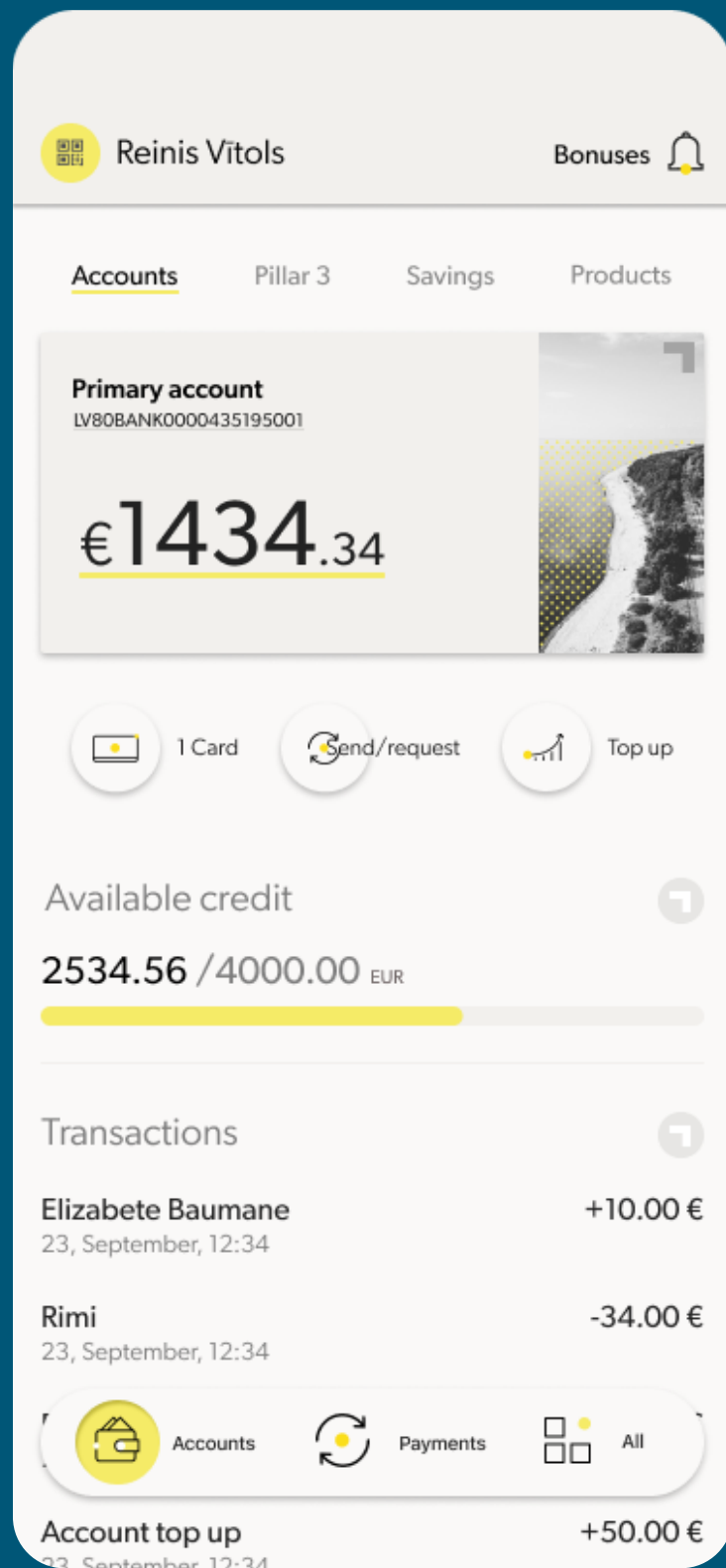
**Key staff members recruited**



**Mobile app development  
in progress**



**Licensing applications submitted to  
Bank of Latvia**



*Simple for everyday user, customizable for power users*

*Potential INDEXXO credit card design*

# Consolidated Statement of Comprehensive Income

	Notes	Jan – Dec 2022	Jan – Dec 2021
		Group	Group
		EUR	EUR
<i>Commission and fee income</i>	2	2 277 620	1 602 021
<i>Administrative expenses</i>	10	(3 514 964)	(1 581 787)
<i>Interest income calculated using the effective interest rate</i>	3	2 495	-
<i>Interest expense</i>	4	(3 147)	(1 386)
<i>Other operating expenses</i>		(32 738)	(9 947)
<b>Profit/(loss) before corporate income tax</b>		<b>(1 270 734)</b>	<b>8 901</b>
<i>Corporate income tax</i>		(1 069)	-
<b>Profit/(loss) for the period</b>		<b>(1 271 803)</b>	<b>8 901</b>
<b>Total comprehensive profit/(loss) for the period, attributable to shareholders for the period</b>		<b>(1 271 803)</b>	<b>8 901</b>
<b>Basic earnings per share</b>	23	(0.36)	(0.00)
<b>Diluted earnings per share</b>	23	(0.33)	(0.00)

# Consolidated Statements of Financial Position

	Notes	Dec 2022	Dec 2021
		<b>Group</b>	<b>Group</b>
		EUR	EUR
<b>ASSETS</b>			
<i>Placements with financial institutions</i>	6	7 231 123	1 162 841
<i>Receivables</i>	7	220 190	169 055
<i>Prepayments</i>	8	24 279	3 465
<i>Contract acquisition costs</i>	9	990 417	535 977
<i>Other assets</i>		6 937	2 828
<i>Intangible assets</i>	10	177 177	108 114
<i>Property, plant and equipment and right-of-use of assets</i>	10	81 870	47 713
<i>Investments in subsidiaries</i>	11	-	-
<i>Investments in associates</i>	12	49 000	-
<i>Other securities and investments</i>	13	11 663	11 663
<b>TOTAL ASSETS</b>		<b>8 792 656</b>	<b>2 041 656</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Accrued liabilities</i>	14	193 584	120 962
<i>Trade payables</i>	15	89 072	35 049
<i>Taxes and national social insurance mandatory contributions</i>	16	95 245	48 151
<i>Lease liabilities</i>	10	90 468	39 332
<i>Other liabilities</i>	17	233 046	143 899
<b>Total liabilities:</b>		<b>701 415</b>	<b>387 393</b>
<b>Equity</b>			
<i>Share capital</i>	18	3 568 511	3 016 987
<i>Share options</i>		176 960	5 436
<i>Share premium</i>		7 062 908	77 175
<i>Retained losses</i>		(2 717 138)	(1 445 335)
<b>Total equity</b>		<b>8 091 241</b>	<b>1 654 263</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8 792 656</b>	<b>2 041 656</b>

# Consolidated Statement of Changes in Equity

	Notes	Share capital EUR	Share options EUR	Share premium EUR	Retained losses EUR	Total EUR
<b>At 31.12.2020</b>		<b>3 016 987</b>	<b>5 436</b>	<b>77 175</b>	<b>(1 454 236)</b>	<b>1 645 362</b>
<b>Total comprehensive profit/(loss) for the period</b>		-	-	-	8 901	<b>8 901</b>
<b>At 31.12.2021</b>		<b>3 016 987</b>	<b>5 436</b>	<b>77 175</b>	<b>(1 445 335)</b>	<b>1 654 263</b>
<b>Increase in Share option reserves</b>		-	171 524	-	-	<b>171 524</b>
<b>Increase in Share capital after public listing</b>	<b>18</b>	535 000	-	6 955 000	-	7 490 000
<b>Increase in Share capital after share option exercise</b>	<b>3</b>	16 524	-	30 733	-	47 257
<b>Total comprehensive profit/(loss) for the period</b>		-	-	-	(1 271 803)	<b>(1 271 803)</b>
<b>At 31.12.2022</b>		<b>3 568 511</b>	<b>176 960</b>	<b>7 062 908</b>	<b>(2 717 138)</b>	<b>8 091 241</b>

# Consolidated Statement of Cash Flows

	Notes	Jan – Dec 2022	Jan – Dec 2021
		Group	Group
		EUR	EUR
<b>Cash flow from operating activities</b>			
Profit/(loss) before corporate income tax		(1 270 734)	8 901
Depreciation of PPE and amortisation of right-of-use assets	10	69 760	28 662
Amortisation of contract acquisition costs	9	139 277	65 977
Amortization of Share option reserves		171 524	-
Interest income		(2 495)	-
Interest expense	10	3 147	1 386
<b>(Decrease)/increase in cash and cash equivalents from operating activities before changes in assets and liabilities</b>		<b>(889 521)</b>	<b>104 926</b>
Increase in receivables, prepayments, and other assets		(670 111)	(400 266)
Increase in accrued liabilities		76 330	60 419
Increase in trade payables and other liabilities		192 001	155 934
Corporate income tax		(1 069)	-
<b>Increase/(decrease) in cash and cash equivalents from operating activities</b>		<b>(1 292 370)</b>	<b>(78 987)</b>
<b>Cash flow from investing activities</b>			
PPE purchases	10	(97 402)	(60 737)
Investments in subsidiaries	11	-	-
Investments in associated company share capital	12	(49 000)	-
Interest income received		750	
Other securities and investments	13	-	(11 663)
<b>Decrease in cash and cash equivalents from investing activities</b>		<b>(145 652)</b>	<b>(72 400)</b>
<b>Cash flow from financing activities</b>			
Share issue		7 537 257	-
Payment of principal of lease liabilities	10	(27 806)	(14 815)
Interest paid on lease liabilities	10	(3 147)	(1 386)
<b>(Decrease)/increase in cash and cash equivalents from financing activities</b>		<b>7 506 304</b>	<b>(16 201)</b>
<b>(Decrease)/increase in cash and cash equivalents</b>		<b>6 068 282</b>	<b>(167 588)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>1 162 841</b>	<b>1 330 429</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	6	<b>7 231 123</b>	<b>1 162 841</b>



# INDEXO<sup>7</sup>

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