INDEXO

IPAS "Indexo"

Unaudited Consolidated Interim Report

January – March 2023

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Information on the group

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
Shareholders	Qualifying holding: SIA PERFECT MATCH (Latvia) – 8.4% SIA VSCAP (Latvia) – 6.5% Natural persons and legal entities with a shareholding of up to 10%

Investments in subsidiaries	Indexo Atklātais Pensiju Fonds, AS	IDX1R, AS
Shareholding (%)	100%	100%
Registered and office address	Elizabetes 13- 1A, Riga, LV-1010, Latvia	Elizabetes 13- 1A, Riga, LV-1010, Latvia
Registration number	13.06.2020	40203448611
Date of foundation	06.04.04.705/531	19.12.2022
Licence number	20.01.2021	-
Licence issue date		-

Members of the Supervisory Board and their position	Valdis Vancovičs – Chairman of the Supervisory Board (from 14.06.2022) Svens Dinsdorfs – Deputy Chairman of the Supervisory Board (from 14.06.2022) Renāts Lokomets – a member of the Supervisory Board (from 14.06.2022) Toms Kreicbergs – a member of the Supervisory Board (from 14.06.2022) Tīna Kukka – a member of the Supervisory Board (from 14.06.2022) Edgars Zālītis – a member of the Supervisory Board (until 25.04.2022) Aleksejs Prokofjevs – a member of the Supervisory Board (until 25.04.2022)
Members of the Management Board and their position	Valdis Siksnis – Chairman of the Management Board (from 25.04.2022) Henrik Karmo – Member of the Management Board (from 16.08.2018) Ieva Margeviča – Member of the Management Board (from 01.06.2022) Ilja Arefjevs - Member of the Management Board (until 01.06.2022)
Reporting period	1 January 2023– 31 March 2023
Auditors	"PricewaterhouseCoopers" SIA Riga, Krišjāņa Valdemāra iela 21-21, Licence No. 5 Ilandra Lejiņa Sworn auditor certificate No. 168

Management report

The **mission** of the investment management company "INDEXO" (IPAS "INDEXO", hereinafter "the Company" or "INDEXO") is to offer modern, transparent, and simple investment products at low cost and to improve competition and transparency in the Latvian financial services industry. **We are the fastest growing pension fund manager in Latvia in process of obtaining a banking license. We have added 6000 customers to reach 105 900 customers in 1Q 2023 (43% y-o-y) and our Assets Under Management (AUM) has grown to 655.6 million euros (32% y-o-y).**

In the 1Q of 2023 INDEXO has continued its strong growth. The environment the company is operating remains challenging:

1) High inflation has decreased the real income of the population.
2) The stock markets remain volatile as the investors and the companies are finding footing after the rapid interest rate increase in the market.
3) The economic environment in Latvia remains uncertain due to the macro environment in Europe and the ongoing war in Ukraine.

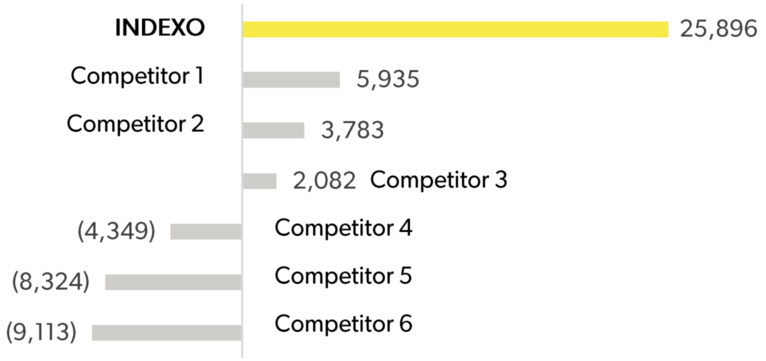
Despite the challenges, the Latvian economy has shown resilience. Metrics that matter for our pension business like employment and wage growth remain strong.

Main achievements of INDEXO in Q1 2023:

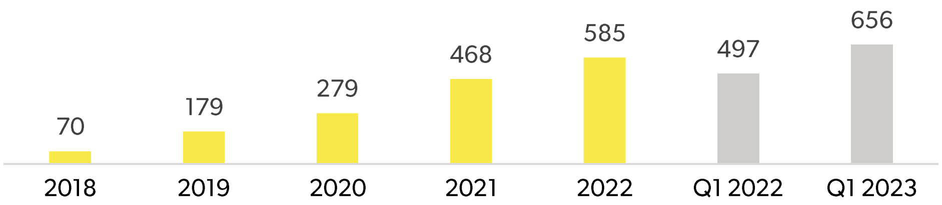
1) During the last 12 months **INDEXO customer number increased by 31 800 or 43% and reached 105 900.** Considering our client acquisition speed, we are well on track to reach 128 000 customer accounts by the end of the year.
2) Our **AUM continues to grow and reached 656 million euros, up 32%** from 495 million in Q1 2022 and 71.1 million euros or 12% from year end 2022 when the AUM stood at 585 million euros.
3) Our company continues to grow faster than the market and has reached **10.8% market share in 2nd pillar pension products** at the end of the quarter.
4) Our quarterly incoming 2nd pillar social tax **contributions grew by 57% from 12.3 million in Q1 2022 to 19.3 million** in Q1 2023, driven by higher customer numbers and growing salaries.
5) Our **customer retention figure has improved from 93.6% to 94.18% from Q1 2022.** We have changed the way we calculate churn, and the explanation of their restatement can be found below in the report.
6) INDEXO overtook Luminor as the 4th largest 2nd pillar manager during the quarter. Given our growth and expectation that our AUM will reach approximately 900 million by the end of the year, we expect to overtake Citadele during 2023 and become 3rd largest pension manager in 2nd pillar in Latvia.
7) On the March 31st, INDEXO submitted the full licensing package to the Central Bank of Latvia. During Q1 we worked closely with the Central Bank of Latvia on the licensing documentation and the European Central Bank has started the review process of our license application.
8) INDEXO has co-founded a real estate fund management company to invest into Latvian real estate. Our aim is to create a low-cost real estate fund that will be accessible also to retail investors. During Q1, we invested approximately 2 million euros into the fund.

Data highlights

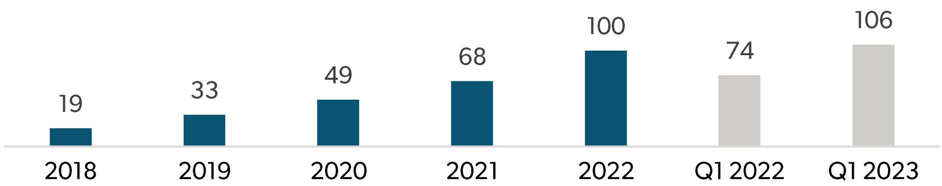
2nd pillar clients gained over a 12 month period
\# of new clients



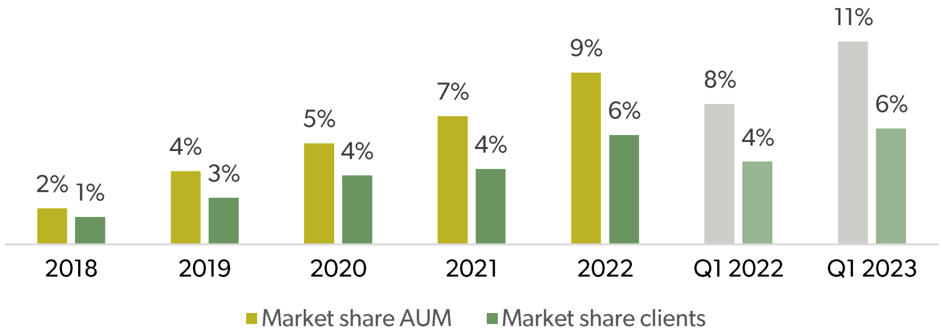
2nd and 3rd pillar pension asset development
Millions EUR



2nd and 3rd pillar pension client development
Thousands



2nd and 3rd pillar market share of INDEXO
% of AUM and % of clients



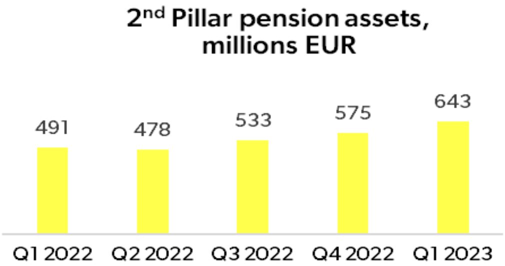
		Mar 2023	Mar 2022	Change, %
Clients	Thousands	105.9	74.1	43%
AUM	Millions, EUR	655.6	496.5	32%
Quarterly pension inflows	Millions, EUR	19.3	12.3	57%
Churn	Annualized %	5.82%	6.40%	(9%)
Commission income	Millions, EUR	0.65	0.5	29%
Operating income	Millions, EUR	0.38	0.31	19%
Net income	**Millions, EUR**	**(0.73)**	**(0.23)**	**(222%)**

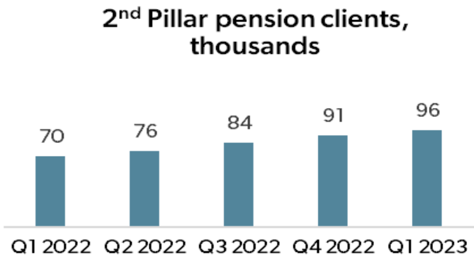
Pension Fund Management

2nd pillar plans

INDEXO long term shareholder value growth depends on our ability to grow our pension plan customer base. Each customer will on a monthly basis over time contribute to their pension account that will be invested according to INDEXO investment strategy and will compound with the world equity markets until the person retires. As these pension accounts grow, so does INDEXO revenue. INDEXO is able to attract customers at attractive cost compared to the lifetime customer value.

In Q1 2023 Indexo added 4 934 customers and over rolling 12 month period Indexo added 25 896 customers. The customer acquisition happens across different physical and online channels and given that Indexo market share is still only about 7.4% of total Latvian 2nd pillar customer base, we see a strong potential for further growth.



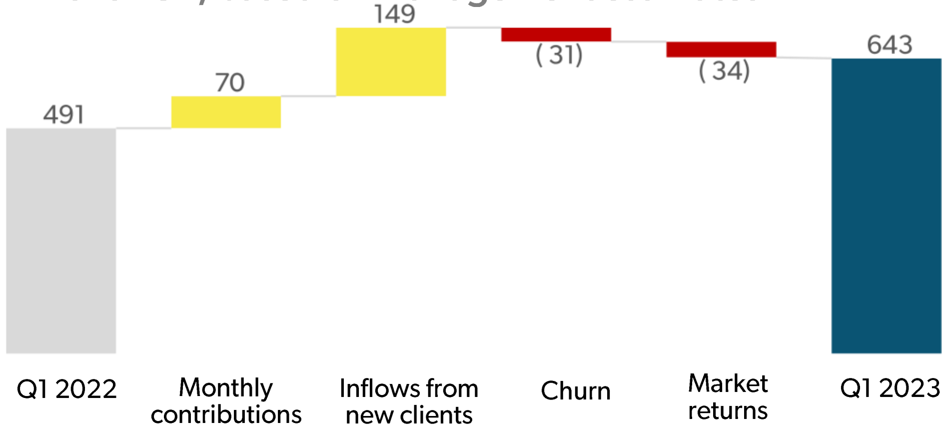


Latvian 2nd pillar pension system allows customers to change their plan only once a year. That means that normally the number of customers leaving the asset managers is higher in the first quarter that in the subsequent quarters and the net customer inflows are higher throughout the year.

Over the last 12 months, our AUM 2nd pillar AUM growth was affected by falling equity and bond markets. Indexo AUM meanwhile grew 31% to 643 million euros. This was due to new customer asset inflow and social tax contributions to our 2nd pillar customers' accounts.

2nd Pillar pension waterfall chart Q1 2022 – Q1 2023

Millions EUR, based on management estimates



As our public presence increases and our long-term results show the success of our chosen investment strategy, our customer retention improved during the year. We ended the quarter with 94.18% customer retention. We hope that once Indexo launches its banking offer, our relevance for clients will increase and less customers will choose other pension fund managers despite Indexo's strong passive management track record.

Restatement of Customer Retention

The calculation method for the 2nd pillar pension customer retention rate has been changed. Previously the churn rate would be calculated based on 1Q churn projected until the end of the year divided over end of year customer number.

New customer retention figure is the actual number of clients leaving in 12month period over the average customer number in the same period. So, the new method looks at actual churn and does not involve forecasting.

We are also happy to say that net of fees, INDEXO clients have the best long term returns in the Latvian market in comparison with other asset managers. INDEXO introduced passive index investing to Latvian market and this strategy has so far proven outperformed most competition both in times when markets grow, or when they go down. Of course, it is important to remember that financial markets are volatile and past performance is not always indicative of future results.

As of 31 March 2023, our long-term plan returns are as follows:

Pension plan	Risk Profile	3-year return (per annum	5-year return (per annum)
INDEXO Izaugsme 47-57	50% Equity	5.42%	4.31%
INDEXO Jauda 16-50	100% Equity	11.51%	7.20%
INDEXO Konservativais 55+	100% Bonds	-3.57%	-

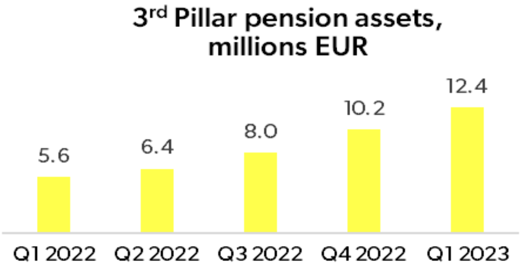
The results of our plans using passive investment strategy can be seen on www.manapensija.lv.

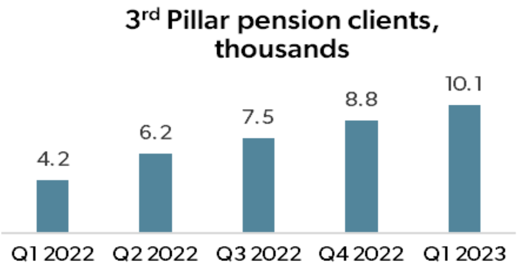
Our conservative plan investors have a disappointing year due to bond markets dropping while central banks increase interest rates. This "rate normalization" process comes at the end of a 10-year long period of low interest rates that benefited bond prices. Our aim with our conservative plan is to minimize credit risk and ensure good liquidity of the instruments in our portfolio. We will consider changes to our investment strategy to reduce interest rate volatility effect on the fund performance, by shortening the average duration of the portfolio, which currently is stands at 3-5 years.

3rd pillar plans

INDEXO has an attractive voluntary 3rd pillar pension product with personalized automatic rebalancing and low fees. It means that as a person near the pension age, INDEXO automatically starts reducing equity risk according to pre-set glide path. On the other hand, INDEXO's tool also allows our client to personally manage the risk level of their portfolio by choosing desired level of equity risk. Over 90% of our customers have chosen the automatic rebalancing strategy that we recommend.

Voluntary third pillar plans represent a small, but important part of our overall business. On March 31st 2023, 3rd pillar assets comprised 2% of total AUM managed by Indexo. INDEXO mission is to provide the best possible service to encourage people to supplement their state pension and 2nd pillar savings by voluntary savings. As the disposable income grows, we aim to convince more and more Latvians that the tax efficient 3rd pillar with automatic monthly payment is the best way to do it.





Over last 12 months, our 3rd pillar customer number increased by 6.8 thousand or 121%, and meanwhile the AUM grew from 4.2 million to 10.1 million or 140%. Our 3rd pillar OCF and fees are very competitive and low for all customers no matter their account size.
Our biggest challenge in the 3rd pillar market is to convince people that this product is great tool for people to supplement their 1st and 2nd pillar retirement savings. Whereas in Estonia and Lithuania there is significant increase in new customers opening 3rd pillar accounts and increasing the contributions into 3rd pillar plans, the Latvian market is quite dormant. But this is an opportunity as the disposable income will grow and more people will seek ways to save for future.

Bank Development

The prospect of obtaining a bank license is a new, exciting chapter in INDEXO development. Our mission is to reignite the competition in Latvian banking sector, by offering modern banking solutions and better access to financing for private customers and later also corporate customers. Indexo submitted its banking license application on 27 December 2022 and the application is in review process.

The change in European Central Bank interest rate policies has significantly improved the banking environment in the Baltics. All large banking groups have showed record profits in Q1 of 2023 and the Latvian banking market is on path to earn approximately 500 million euros of net profit this year.

In Q1 2023, INDEXO has made good progress with our own bank project:

- We submitted full and update licensing package to Central Bank of Latvia at the end of March. These documents are now reviewed by the European Central Bank.
- We have made great progress with the IT system development. We have finalised the choice of key partner and are integrating these parts to our core system.
- Our demo app, which will be the first native mobile app in the market is developing nicely. The launch version will bring a new level of UX and product innovation to the market.
- We have engaged with Indexo customers to give them a say in product development. Over 3000 people have participated in giving feedback to us on card design and insurance features of INDEXO cards.
- Our team is growing as we gear up to be ready to launch the banking service after receiving the license.

On our annual meeting the shareholders approved a new share issue to fund the bank development. INDEXO will issue 410 – 475 000 new shares in the 2023 once the management has an understanding that the licensing will be imminent.

Financials

In the reporting period, the Group's commission income reached EUR 0.65 million (compared to EUR 0.5 million in Q1 2022). The growth in commission income reflects the

Group's successful acquisition of customers during the year and an increase in total assets under management. The Group's income in the reporting period was more than sufficient to cover asset management segment costs. The Asset management segment's operating profit before client acquisition in Q1 2023 was EUR 0.38 million.

In the reporting period, the Group's expenses amounted to EUR 1.4 million (compared with EUR 0.7 million in Q1 2022). The level of expenses reflects the strategic decision of the Group's management to continue investment into developing a credit institution, as well as continue to actively attract customers in order to strengthen the Group's position in the market for the management of state-funded retirement assets and to maximise the value of the Group in the long term. Considering the significant investments made during the quarter in the development of the Group and the acquisition of customers, the Group's performance for the reporting period was a loss of EUR 0.7 million (compared to a loss of EUR 0.2 million in Q1 2022).

Of the EUR 1.4 million spent during Q1 2023, the Group invested EUR 0.5 million in banking development and 0.5 million in client acquisition. Churn of our larger client base has contributed to a slight increase in our client acquisition costs per net customer. However the growth in client acquisition expenses is more related to increased customer attraction rather than efficiency drops.

Administrative expenses related to the parent company and pension management increased by 80 000 euros to EUR 0.27 million during the period. The increase was mainly driven by public listing related costs (regular fees to Nasdaq, shareholder meeting costs, etc.), as well as increased fees to the regulator and increased salaries for our employees.

		Jan – Mar 2023	**Jan – Mar 2022**
		Unaudited	**Unaudited**
Commission income	EUR	652 090	503 618
Administrative and other expenses for pension management	EUR	(272 858)	(192 811)
Interest income / (expense)	EUR	2 298	(787)
Operating income before client acquisition and other business project expenses	EUR	**381 530**	**310 020**
Client acquisitions costs	EUR	(497 308)	(435 807)
Bank development expenses	EUR	(499 123)	(100 690)
Non-cash personnel option expenses	EUR	(114 420)	-
Comprehensive losses for the reporting period	**EUR**	**(729 321)**	**(226 477)**

An expense position which is not present in Q1 2022 results is personnel option expenses. It is a non-cash expense (similar to depreciation) related to our employee stock option schemes. In Q1 2023 we recognized an expense of EUR 114 thousand and offset the cost in our equity reserves as per IFRS 2 requirements. These expenses will accumulate over the vesting period of each option we grant our employees.

As of the date this report, the Group equity accounted to EUR 7.5 million (in Mar 2022: EUR 1.4 million). The Company's subscribed and paid-up share capital amounted to EUR 3 568 511 (in 2022: EUR 3 016 987). The Group has a balance sheet of EUR 8.2 million (in Mar 2022: 1.9 million), out of which EUR 6.0 million is held in placements with credit institutions (in Mar 2022: EUR 1.0 million). Growth in the Group's balance sheet is explained by the IPO held in 2022 which significantly increased the Group's cash and equity positions.

Events after reporting period

Following the end of the period, the following important milestones have been reached:

- As of 9 May 2023, we have EUR 686 million assets under management and 108 296 customers. We have also published our target to reach 128 000 customers and AUM of over 900 million euros by the end of 2023.

General description

IPAS "Indexo" (hereinafter "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.

Risks

During the reporting period, the Group 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. Outsourcing risk and reputational risk were the only Group risks that the Group assessed as high during the reporting period. The Group outsources multiple material functions within IT, system maintenance, accounting and HR. The following risks the Group was exposed to during the reporting period were considered medium: operational risk, compliance risk, strategic and business risk, and information and technology system risk. Other risks to which the Group is exposed, such as market risk, foreign exchange risk, liquidity risk, and other risks, have been assessed and considered insignificant.

Results of subsidiary "Indexo Atklātais Pensiju Fonds" AS

	Jan-Mar 2023	Jan- Mar 2022
	Unaudited	**Unaudited**
	EUR	**EUR**
Commission income	8,587	3,438
Profit/(loss) for the period	**(20,808)**	**(37,931)**

	Mar 2023	Mar 2022
	Unaudited	**Unaudited**
	EUR	**EUR**
Total Assets	386,266	408,363
Total Liabilities	51,209	86,321
Total Equity	335,057	322,042

During the reporting period "Indexo Atklātais Pensiju Fonds" AS (hereinafter referred to as: INDEXO APF) continued attracting clients to its innovative private pension plans. One of the key decisions while establishing long term savings, is optimal breakdown of investments between equity and debt instruments. Private pension plans offered by INDEXO APF provide their clients the possibility to split investments between equity and debt instruments, as well as revise the split on a regular basis taking into account the age of the client.

At the end of the reporting period, the number of participants of INDEXO APF administered pension plans reached 10.1 thousand, while total assets under management reached 12.4 million euro.

In Q1 2023 INDEXO APF commission income reached 8.6 thousand EUR (compared to 3.4 thousand EUR in Q1 2022). Income of INDEXO APF in this period was not sufficient to cover administrative expenses. INDEXO APF operated with a loss of 20.8 thousand EUR (compared to loss of 37.9 thousand EUR in Q1 2022).

At the date of signing of these financial statements the called and paid-up share capital of INDEXO APF is 750 000 EUR.

Results of subsidiary "IDX1R" AS

	Jan-Mar 2023	Jan- Mar 2022
	Unaudited	Unaudited
	EUR	EUR
Profit/(loss) for the period	(499,123)	-

	Mar 2023	Mar 2022
	Unaudited	Unaudited
	EUR	EUR
Total Assets	1,696,036	-
Total Liabilities	295,452	-
Total Equity	1,400,584	-

"IDX1R" AS is our subsidiary company that specializes in bank development, as discussed in greater detail in the preceding section. As shown in the table above, the company incurred a loss of -0.5 million EUR during the Q1 2023 period. It's worth noting that the subsidiary is currently not generating any revenue as we're in the process of obtaining all the necessary licenses and completing the required documentation to enable banking operations.

In addition, the balance sheet consists of 1.7 million EUR in total assets, 0.3 million EUR in total liabilities and 1.4 million EUR in total equity.

Signed on behalf of the Company by:

Valdis Siksnis, Chairman of the Management Board

Ieva Margeviča, Member of the Management Board

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Statement of responsibility of the management board of the investment management company

The Management Board of IPAS "Indexo" is responsible for the Group's financial statements, which provides true and fair view of the Group's financial position as at 31 March 2023, as well as its performance and cash flows for January - March 2023, in accordance with IAS 34 as adopted by the European Union.

In preparing the interim financial statements for the period ended 31 March 2023, as set out on pages 15 to 41, management has consistently applied IAS 34, as adopted by the European Union, 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 Group. 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 on behalf of the Company's Management Board by:

Valdis Siksnis, Chairman of the Management Board

Ieva Margeviča, Member of the Management Board

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Consolidated Statement of Comprehensive Income

	Notes	Jan-Mar 2023	Jan-Mar 2022
		Unaudited	Unaudited
		EUR	EUR
Commission income	2	652,090	503,618
Interest income/expense	4,5	2,298	(787)
Administrative expenses	3	(1,373,965)	(713,630)
Other operating expenses	6	(9,744)	(15,678)
Profit/(loss) before corporate income tax		**(729,321)**	**(226,477)**
Profit/(loss) for the period		**(729,321)**	**(226,477)**
Total comprehensive profit/(loss) for the period, attributable to shareholders for the period		**(729,321)**	**(226,477)**

Earnings per share		**(0.22)**	**(0.08)**
Diluted earnings per share		**(0.20)**	**(0.07)**

The notes on pages 19 to 41 form an integral part of these financial statements.
The financial statements have been authorised for issue on 9 May 2023 and signed on behalf of the Company's Management Board by:

Valdis Siksnis, Chairman of the Management Board

Ieva Margeviča, Member of the Management Board

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Consolidated Statements of Financial Position

	Notes	Mar 2023 Unaudited EUR	Mar 2022 Unaudited EUR	Dec 2022 Unaudited EUR
ASSETS				
Cash and cash equivalents	7	5,992,609	954,500	7,231,123
Receivables	8	229,493	176,576	220,190
Prepayments	9	200,094	2,295	24,279
Contract acquisition costs	10	1,085,153	607,343	990,417
Other assets	11	5,056	1,333	6,937
Intangible assets, property, plant and equipment, and right-of-use assets	12	587,976	156,233	259,047
Participation in the share capital of associated companies	13	49,000	-	49,000
Loans to associated companies	14	49,422	-	-
Other securities and investments	15	11,663	11,663	11,663
Total assets:		**8,210,466**	**1,909,943**	**8,792,656**
EQUITY AND LIABILITIES				
Accrued liabilities	16	199,969	299,396	193,584
Trade payables	17	101,372	33,617	89,072
Taxes and national social insurance mandatory contributions	18	150,635	15,844	95,245
Lease liabilities	12	79,901	39,332	90,468
Other liabilities	19	202,248	93,968	233,046
Total liabilities:		**734,125**	**482,157**	**701,415**
Equity				
Share capital	20	3,568,511	3,016,987	3,568,511
Share options		163,791	5,436	176,960
Share issue premium		7,062,908	77,175	7,062,908
Retained losses		(2,589,548)	(1,445,335)	(1,445,335)
Profit/(loss) for the period		(729,321)	(226,477)	(1,271,803)
Total equity and reserves:		**7,476,341**	**1,427,786**	**8,091,241**
TOTAL EQUITY AND LIABILITIES		**8,210,466**	**1,909,943**	**8,792,656**

The notes on pages 19 to 41 form an integral part of these financial statements.
The financial statements have been authorised for issue on 9 May 2023 and signed on behalf of the Company's Management Board by:

Valdis Siksnis, Chairman of the Management Board

Ieva Margeviča, Member of the Management Board

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Consolidated Statement of Changes in Equity

	Notes	Share capital	Share options	Share issue premium	Retained losses	Profit/(loss) for the period	Total
		EUR	EUR	EUR	EUR	EUR	EUR
At 31.12.2022		**3,568,511**	**49,371**	**7,062,908**	**(2,589,548)**	**-**	**8,091,242**
Increase in Share option reserves			114,420				114,420
Comprehensive income for the reporting period						(729,321)	(729,321)
At 31.03.2023		**3,568,511**	**163,791**	**7,062,908**	**(2,589,548)**	**(729,321)**	**7,476,341**
At 31.12.2021		**3,016,987**	**5,436**	**77,175**	**(1,445,335)**	**-**	**1,654,263**
Increase in Share option reserves							-
Comprehensive income for the reporting period						(226,477)	(226,477)
At 31.03.2022		**3,016,987**	**5,436**	**77,175**	**(1,445,335)**	**(226,477)**	**1,427,786**

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Ieva Margeviča, Member of the Management Board

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Consolidated Statements of Cash Flows

	Notes	Jan-Mar 2023	Jan-Mar 2022
		Unaudited	Unaudited
		EUR	EUR
Cash flow from operating activities			
Profit/(loss) before corporate income tax		(729,321)	(226,477)
Depreciation of PPE and amortisation of right-of-use assets	12	18,050	12,265
Amortisation of contract acquisition costs	10	48,957	25,192
Amortization of Share option reserves		114,420	-
Interest income	4	(2,935)	-
Interest expense	5	637	787
(Decrease)/increase in cash and cash equivalents from operating activities before changes in assets and liabilities		**(550,192)**	**(188,233)**
Increase in receivables, prepayments, and other assets		(328,328)	(102,910)
Increase/(decrease) in accrued liabilities		8,473	182,142
Increase/(decrease) in trade payables and other liabilities		35,074	(87,034)
Corporate income tax		-	-
Increase/(decrease) in cash and cash equivalents from operating activities		**(834,973)**	**(196,035)**
Cash flow from investing activities			
PPE purchases	12	(347,634)	(7,744)
Loans issued	14	(49,000)	-
Interest received		4,259	-
Other securities and investments	15	-	-
Decrease in cash and cash equivalents from investing activities		**(392,375)**	**(7,744)**
Cash flow from financing activities			
Payments for the right-of-use of assets	12	(10,529)	(3,775)
Interest on the right-of-use asset	5	(637)	(787)
(Decrease)/increase in cash and cash equivalents from financing activities		**(11,166)**	**(4,562)**
Decrease in cash and cash equivalents		**(1,238,514)**	**(208,341)**
Cash and cash equivalents at the beginning of the reporting period		**7,231,123**	**1,162,841**
Cash and cash equivalents at the end of the reporting period	7	**5,992,609**	**954,500**

The notes on pages 19 to 41 form an integral part of these financial statements.
The financial statements have been authorised for issue on 9 May 2023 and signed on behalf of the Company's Management Board by:

Valdis Siksnis, Chairman of the Management Board

Ieva Margeviča, Member of the Management Board

THIS DOCUMENT IS SIGNED WITH A SECURE DIGITAL SIGNATURE AND CONTAINS A TIMESTAMP

Notes to the Consolidated 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. In 2020 the Company established a subsidiary "Indexo Atklātais Pensiju Fonds" AS (hereinafter – "APF"), Financial and capital market commission issued licence on management of private pension funds on 21 January 2021. IPAS un APF comprises Group.

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

Regulatory framework

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 Bank of Latvia (hereinafter "LB").
APF activities are regulated by Private pensions' law and other legislative acts.

Compliance statement

The Group's financial statements have been prepared in accordance with the International Financial Reporting Standards (hereinafter "IFRS") as adopted by European Union and the requirements IAS 34 Interim Financial Reporting.

Basis of preparation

Financial statements are prepared in accordance with the IAS 34 as adopted by European Union, including standards and interpretations approved by the International Accounting Standards Board (IASB), as well as International Accounting standards approved by IASB and Interpretations of Permanent Interpretation Committee.

These are consolidated financial statements of the Group. 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 Group's financial statements are prepared under a historical cost convention.

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

The Group'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 Group in preparation of its financial statements for 3M 2022 and 3M 2023.

Estimates and judgements

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.

In preparing the financial statements, significant judgments and estimates are used in measuring the Client acquisition costs and their amortisation period. 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

Lease transactions are considered forth term as determined in the lease contract, that is supported by the planned time frame of operating activities of IPAS "Indexo".
The Group has made judgments and estimates regarding the application of standard requirements to a lease. An annual discount rate of 3.6% was applied to the lease payments.

Contract acquisition costs – Customer acquisition costs

The Group recognises contract acquisition cost assets if the Group expects to recover these costs. Acquisition costs are costs incurred by the Group in concluding contracts with its customers, but which the Group 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 Group 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 Group 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 Group 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 Group's management believes that the variable compensation of its customer acquisition specialists related to customer acquisition meets the definition of incremental costs of 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 Group expects to recover those costs.

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 Group 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 Group's customers. Consequently, these assets are not considered assets of the Group. 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 Group 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 Group. 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 Group'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 Group's estimate of the amount of the expected lease payments or a change in the Group'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.

Basis of consolidation

Subsidiaries

Subsidiaries are companies that are controlled by the Group. The company is controlled by the Group if the Group receives or the Group has the right to receive variable returns from the investment and it has the ability to influence the amount of the variable return by using its power over the company. Financial statements of the subsidiaries are included in the consolidated financial statements from the date the control is gained and are excluded when the control is lost.

Investments in subsidiaries in the separate financial statements are accounted for at cost less provision for impairment, if any.

Loss of control

When Group loses the control over subsidiary, it stops recognising subsidiary's assets and liabilities, as well as any non-controlling interests and other equity components. Profit or loss earned is recognised in profit or loss statement. If Group retains interest in the former subsidiary, such interest is accounted for at fair value at the date when control is lost.

Transactions eliminated at consolidation

In preparation of these consolidated financial statements intercompany transactions and balances, as well as unrealised profit were eliminated. Unrealised loss is eliminated similar to unrealised profit but to the extent not exceeding impairment.

United accounting policies in the Group

In preparation of the consolidated financial statements, the accounting policies of subsidiaries which differ from those used by the Group are adjusted to conform with the accounting policies of the Group.

Revenue and expenditure accounting

All significant revenues and expenses 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 Group 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 LB. In determining the amount of the SFPS investment plan commission for management, the Group 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 Group 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 Group 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 LB.

The Group 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 Group 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.

Accrued income, i.e., contract assets, are reported under "Accrued income" 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.

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 Group. 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 Group 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 Group for managing the financial assets;
- The characteristics of the contractual cash flows of a financial asset.

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.

Claims on financial institutions 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 Group 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 Group 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 Group 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 Group 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 payables.

Derecognition
Financial assets are derecognised when the contractual rights to receive cash flows from the financial asset have expired or when the Group 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 Group 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 Group intends to settle on a net basis, or to dispose of the asset and settle the liability simultaneously.

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 Group'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 Group to settle current liabilities.

Accrued liabilities

"Accrued liabilities" include clearly known amounts of payables to suppliers of goods and services received during the reporting period 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 Group 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 Group is required to make statutory payments. The Group 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 Group'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 Group 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.

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

The purpose of the Group's risk management processes is to identify and manage the Group's significant operational risks, as well as to ensure their control. The Group'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 Group's operations with the regulatory enactments of the Republic of Latvia;
d. protect the Group's assets and promote the stability of financial flows;
e. regularly assess what risks may adversely affect the achievement of the Group's business objectives, incl. achievement of the planned financial results.

In these financial statements, we review the management of the risks associated with the Group's own assets, financial flows, and objectives. The Group 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 Group'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 Group did not have a significant currency position in a foreign currency that would materially affect the Group's assets or liabilities, nor did it have such a position at the end of the reporting period. The Group 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 Group's business and is managed by the Group in accordance with the Operational Risk Management Policy developed by the Group.

Reputation risk

Reputational risk is the risk that participants in the Group's investment plans, business partners, shareholders, regulators, and other stakeholders may have a negative opinion of the Group and may negatively impact the Group'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 Group. The Company's Management Board closely monitors the Group's reputation and risk factors.

Operational compliance risk

Compliance risk is the risk that the Group will suffer losses or be subject to legal obligations or sanctions, or that its reputation will deteriorate because the Group 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 Group'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 Group 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 Group may incur losses/additional costs due to inadequate information technology or information processing. The Group manages this risk in accordance with the regulations developed by the Group to protect information systems and personal data.

Liquidity risk

Liquidity risk is the risk that the Group 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 Group's resources and/or market conditions due to insufficient cash. Given the level of the Group's unrestricted cash, no liquidity risks were identified during the reporting period.

The Group manages its liquidity risk by maintaining sufficient cash and cash equivalents. To ensure sufficient cash, the Group 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 the Management Board 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 Group is exposed to credit risk in respect of receivables, cash and cash equivalents, and other investments. The Group has no assets that are impaired or past due. It should be noted that although the Group applies IFRS 9 and the expected credit loss model, the impact of expected credit losses would be insignificant in the opinion of the Group's management. In accordance with the Group's investment policy, cash is invested in term deposits depending on the credit rating of the financial institution and the interest rate offered. The Group 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.

2. Commission and fee income

	Jan - Mar 2023	Jan - Mar 2022
	Unaudited	Unaudited
	EUR	EUR
Commission fee for the management of the assets of the State Funded Pension Scheme Investment Plan "INDEXO Izaugsme 47-57"	153,642	129,015
Commission fee for the management of the assets of the State Funded Pension Scheme Investment Plan "INDEXO Jauda 16-50"	459,898	348,494
Commission fee for the management of the assets of the State Funded Pension Scheme Investment Plan "INDEXO Konservatīvais 55+"	23,952	20,266
Commission fee for the management of the assets of the private pension scheme investment plan "INDEXO AKCIJU PLANS"	13,478	5,393
Commission fee for managing the assets of the private pension scheme investment plan "INDEXO OBLIGACIJU PLANS"	1,120	450
Total	**652,090**	**503,618**

3. Administrative expenses

	Jan - Mar 2023	Jan - Mar 2022
	Unaudited	Unaudited
	EUR	EUR
Remuneration of staff	521,279	349,351
Sales and marketing expenses	225,156	178,997
National social insurance mandatory contributions	123,072	82,412
IT costs	235,174	32,420
Employee stock option expenses	114,420	-
Professional fees	62,111	39,237
Other staff costs	32,438	14,428
Office maintenance costs	20,528	3,650
Amortisation of the right-of-use an asset	9,282	4,927
Depreciation of property, plant and equipment	8,980	7,337
Investors relations costs	5,445	-
Other	16,080	871
Total	**1,373,965**	**713,630**

	Mar 2023	Mar 2022
	Unaudited	Unaudited
Number of employees	95	79

In order to ensure a high long-term employee performance culture, the 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 Group's and the Company's ability to produce positive results over the relevant business cycle.

The remuneration structure of the Group and the 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 Group's and 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 period.

4. Interest income

	Jan - Mar 2023	Jan - Mar 2022
	Unaudited	Unaudited
	EUR	EUR
Interest on short-term deposits in credit institutions	2,513	-
Interest on loans to related parties	422	-
Total	**2,935**	-

5. Interest expenses

	Jan - Mar 2023	Jan - Mar 2022
	Unaudited	Unaudited
	EUR	EUR
Interest on lease liabilities	637	787
Total	**637**	**787**

6. Other operating expenses

	Jan - Mar 2023	Jan - Mar 2022
	Unaudited	Unaudited
	EUR	EUR
Compensated absences	1,676	4,789
FCMC financing fee	8,068	889
Donations	-	10,000
Total	**9,744**	**15,678**

7. Placements with credit institutions

	Jan - Mar 2023	Jan - Mar 2022
	Unaudited	**Unaudited**
	EUR	**EUR**
Placements with Swedbank AS	1,743,433	954,500
Placements with SEB bank AS	2,749,176	-
Swedbank short-term deposit	1,500,000	-
SEB short-term deposit	-	-
Total (Cash and cash equivalents)	**5,992,609**	**954,500**

According to IFRS 9 "Financial Instruments", the Group has assessed expected credit losses on placements with credit institutions. The Group holds cash in AS Swedbank and AS SEB bank. AS Swedbank and AS SEB bank 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.

8. Receivables

	Mar 2023	Mar 2022
	Unaudited	Unaudited
	EUR	EUR
Commission fee for the management of the assets of the state-funded pension scheme investment plan "INDEXO Izaugsme 47-57"	53,833	44,732
Commission fee for the management of the assets of the state-funded pension scheme investment plan "INDEXO Jauda 16-50"	162,088	122,540
Commission fee for the management of the assets of the state-funded pension scheme investment plan "INDEXO Konservatīvais 55+"	8,367	7,043
Commission fee for the management of the assets of the private pension scheme investment plan "INDEXO AKCIJU PLANS"	4,811	2,079
Commission fee for managing the assets of the private pension scheme investment plan "INDEXO OBLIGACIJU PLANS"	394	182
Total	**229,493**	**176,576**

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

9. Prepayments

	Mar 2023	Mar 2022
	Unaudited	Unaudited
	EUR	EUR
Software license expenses	178,857	-
Health insurance	12,840	2,295
Rent and utilities expenses	8,397	-
Total	**200,094**	**2,295**

10. Contract acquisition costs

	Mar 2023	Mar 2022
	Unaudited	Unaudited
	EUR	EUR
Customer attraction costs	1,085,153	607,343
Total	**1,085,153**	**607,343**

The Group 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 period, on average 6% of participants in the investment plans managed by the Group opted for other investment plans registered in Latvia, while 94% 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 Group will remain a client of INDEXO for about 12-14 years on average. Therefore, the Group believes that the amortisation of the variable compensation of customer acquisition specialists related to customer acquisition over a period of seven years is appropriate.

Customer acquisition costs	**EUR**
At 31.12.2021	**535 977**
Capitalised salary costs, including national social insurance mandatory contributions	96,558
Amortisation of capitalised salary costs, including national social insurance mandatory contributions	(25,192)
At 31.03.2022	**607,343**

At 31.12.2022	**990,417**
Capitalised salary costs, including national social insurance mandatory contributions	143,693
Amortisation of capitalised salary costs, including national social insurance mandatory contributions	(48,957)
At 31.03.2023	**1,085,153**

11. Other assets

	Mar 2023	Mar 2022
	Unaudited	**Unaudited**
	EUR	**EUR**
Financial assets		
Security deposit	5,001	1,181
Non-financial assets		
Advance payments	55	152
Total financial and non-financial assets	**5,056**	**1,333**

12. Intangible assets, property, plant and equipment and right-of-use assets

	Intangible assets
	EUR
Cost	
At 31.12.2021	118,973
Additions	7,744
At 31.03.2022	126,717
At 31.12.2022	216,376
Additions	342,268
At 31.03.2022	558,644
Accumulated amortisation	
At 31.12.2021	10,859
Additions	6,189
At 31.03.2022	17,048
At 31.12.2022	39,199
Additions	8,108
At 31.03.2023	47,307
Net book value at 31.03.2022	109,669
Net book value at 31.12.2022	511,337

	Other PPE
	EUR
Historical cost	
At 31.12.2021	21,687
Additions	-
At 31.03.2022	21,687
At 31.12.2022	21,687
Additions	5,366
At 31.03.2023	27,053
Accumulated deprecation	
At 31.12.2021	13,523
Additions	1,149
At 31.03.2022	14,672
At 31.12.2022	17,606
Additions	872
At 31.03.2023	18,478
Net book value at 31.03.2022	7,015
Net book value at 31.12.2022	8,575

Intangible assets include installation and configuration costs of 3rd Pillar pension funds.

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

Right-of-use assets	EUR
At 31.12.2021	**39,548**
Impact of lease changes	4,928
Amortisation	(4,927)
At 31.03.2022	**39,549**
At 31.12.2022	77,788
Impact of lease changes	**(654)**
Amortisation	**(9,070)**
At 31.03.2023	**68,064**

Lease liability	EUR
At 31.12.2021	39,332
Changes during the reporting period	-
At 31.12.2021	39,332
At 31.12.2022	**90,467**
Calculated interest	(10,566)
At 31.03.2023	**79,901**

	Mar 2023	Mar 2022
	Unaudited	Unaudited
Right-of-use assets	**EUR**	**EUR**
Right-of-use assets	68,064	39,549
Lease liability	79,901	39,332

13. Investment in associated company share capital

	Shareholding 31.03.2023	31.03.2023	Shareholding 31.03.2022	31.03.2022
		Unaudited		**Unaudited**
		EUR		**EUR**
INDEXO AIFP, SIA (Latvia)	49%	49,000	-	-
Total		**49,000**		-

INDEXO AIFP, SIA was established in 2022 with the purpose of creating a modern low-cost real estate management fund in Latvia which aligns with the mission statement and values of the Group. The investment will support positive change in the Latvian investment market.

14. Loans to associated companies

	Mar 2023	Mar 2022
	Unaudited	**Unaudited**
	EUR	**EUR**
Loan to INDEXO AIFP, SIA	49,000	-
Accrued interest	422	-
Total	**49,422**	-

15. Other securities and investments

	Shareholding 31.03.2023	31.03.2023	Shareholding 31.03.2022	31.03.2022
		Unaudited		**Unaudited**
		EUR		**EUR**
Goindex UAB (Lithuania)	5%	11 663	5%	11 663
Total		**11 663**		**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.

16. Accrued liabilities

	Mar 2023	Mar 2022
	Unaudited	**Unaudited**
	EUR	**EUR**
Financial liabilities		
Accrued liabilities to suppliers	88,036	55,178
Non-financial liabilities		
Accrued liabilities for unused annual leave	99,933	78,184
Accruals for employee contributions to the 3PL	12,000	-
Provisions for variable remuneration of employees and related tax payments	-	166,034
Total financial and non-financial liabilities	**199,969**	**299,396**

17. Trade payables

	Mar 2023	Mar 2022
	Unaudited	**Unaudited**
	EUR	**EUR**
Financial liabilities		
Payables for purchased goods and received services	101,372	33,617
Total	**101,372**	**33,617**

18. Tax liabilities

	Mar 2023	Mar 2022
	Unaudited	**Unaudited**
	EUR	**EUR**
Non-financial liabilities		
Tax liabilities	150,635	15,844
Total	**150,635**	**15,844**

19. Other liabilities

	Mar 2023	Mar 2022
	Unaudited	Unaudited
	EUR	EUR
Non-financial liabilities		
Salary liability	165,138	31,375
Liabilities to 3 Pillar pension plans	36,274	62,593
Other	836	-
Total	**202,248**	**93,968**

20. Share capital

The registered and fully paid-in share capital of IPAS "Indexo" as of 31 March 2023 amounts to EUR 3 568 511 (31 March 2022: EUR 3 016 987) and consists of bearer shares. The share capital of the Company consists of 3 568 511 bearer shares with a nominal value of EUR 1 (one euro) per share. In 2022, the Company's share capital was increased by EUR 16 524 after employee stock options were exercised and by EUR 535 000 after the IPO.

21. State funded and private pension plans established and managed by the Group by net asset value

	Mar 2023	Mar 2022
	Unaudited	Unaudited
	EUR	EUR
State-funded pension scheme investment plan "INDEXO Izaugsme 47-57"	152,919,499	122,430,983
State-funded pension scheme investment plan "INDEXO Jauda 16-50"	463,904,932	344,793,751
State-funded pension scheme investment plan "INDEXO Konservatīvais 55+"	28,582,509	23,765,650
Private pension scheme investment plan "INDEXO AKCIJU PLANS"	11,474,147	5,131,938
Private pension scheme investment plan "INDEXO OBLIGACIJU PLANS"	939,199	426,919
Total	**657,820,286**	**496,549,241**

The financial statements have been authorised for issue on 9 May 2023 and signed on behalf of the Company's Management Board by:

Valdis Siksnis, Chairman of the Management Board

Ieva Margeviča, Member of the Management Board

THIS DOCUMENT IS SIGNED WITH A SECURE DIGITAL SIGNATURE AND CONTAINS A TIMESTAMP