IPAS "Indexo"

Unaudited Consolidated Interim Report

January – September 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) – 7.94% SIA VSCAP (Latvia) – 5.41% 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	40203248944	40203448611
Date of foundation	13.06.2020	19.12.2022
Licence number	06.04.04.705/531	-
Licence issue date	20.01.2021	-
Members of the Supervisory Board and their position	Valdis Vancovičs – Chairman of the Supervisory Board (from 21.09.2017) Svens Dinsdorfs – Deputy Chairman of the Supervisory Board (from 21.09.2017) Renāts Lokomets – a member of the Supervisory Board (from 21.09.2017) Ivita Asare – a member of the Supervisory Board (from 19.04.2023) Ramona Miglāne – a member of the Supervisory Board (from 19.04.2023) Toms Kreicbergs – a member of the Supervisory Board (until 19.04.2023)	
Members of the Management Board and their position	Valdis Siksnis – Chairman of the Management Board (from 10.01.2017) Henrik Karmo – Member of the Management Board (from 16.08.2018) Ieva Bauma – Member of the Management Board (from 01.06.2022)	
Reporting period	1 January 2023 – 30 September 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 savings manager in the Baltics, in process of obtaining a banking license. We have added 20.5 thousand customers to reach 120.2 thousand customers in 9M 2023 (32% y-o-y) and our Assets Under Management (AUM) has grown to 812 million euros (50% y-o-y).**

During Q3 of 2023, the pension business of IPAS INDEXO was profitable after investment into client growth. The profit from pension business accounted for 57.8 thousand euros. Given our growth rates, the management expects the profit from pension business increase rapidly over the coming years.

The 9 months of 2023 have been very successful for INDEXO. We have had very strong growth both in customer numbers and also in Assets Under Management. The latter has been supported by the growth of world stock markets, but also the monthly contributions from our clients continue to grow due to strong labour market participation and significant increase in the average salary of Latvia.

For us 2023 is the year of significant investment into the bank project, which we hope to launch in early 2024. This means that the financial results of the company should be viewed in two parts. First is our pension business that maintains high growth path and is on a run rate basis profitable after investment into new customer acquisition. This profit will keep growing as our AUM will grow.

The second part of the financial results is related to the ongoing development activity of the banking business, where we are making significant progress. Our aim is to have the IT system and organization ready for soft launch to limited customers for testing at the beginning of the year. This part of the business is not yet generating revenues and is therefore loss making. Part of these expenses related to setting up the banking business, we are capitalizing.

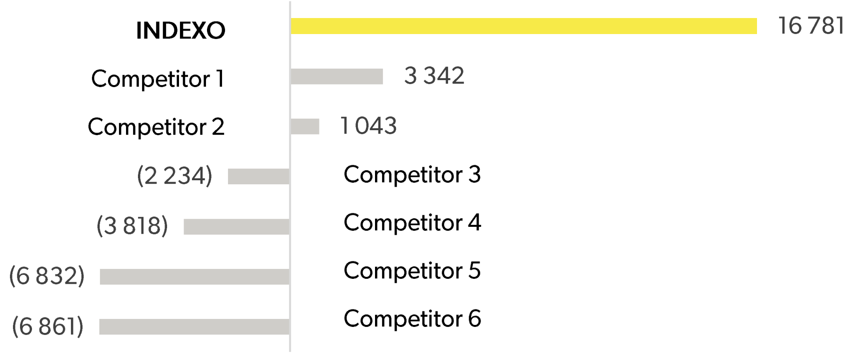
Main achievements of INDEXO in 9M 2023:

1) During the last 9 months **INDEXO customer number increased by 20 493 or 21% and reached 120 193.** Thanks to our fantastic sales team, the client acquisitions are developing according to our plan for this year. We are also proud to say that the training we provide our team means that vast number of our customers are satisfied with the interaction with our representatives. We are committed to high quality of service and constantly seek to improve our interactions with clients.
2) Our **AUM has grown significantly to reach 812 million euros, up 50%** from 541 million in 9M 2022 and 227 million euros or 39% from year end 2022 when the AUM stood at 585 million euros. Biggest drivers of growth have been the transfer of funds by clients joining us, followed by monthly contributions and also the positive returns of the markets.
3) Our company continues to grow faster than the market and has reached **12.2% market share in 2nd pillar pension products** at the end of the quarter. Year ago, our market share in 2nd pillar was 9.8%. In 100% Equity plans segment, we are the 2nd largest asset manager in Latvia.

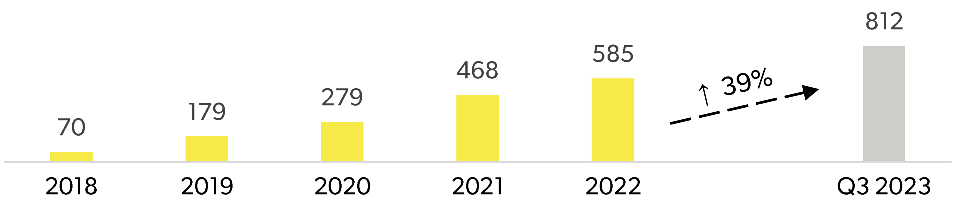
4) Our 2nd and 3rd pillar pension business during **Q3 in 2023 was profitable** after investment into client growth. **The profit from pension business accounted for 57.8 thousand euros.**
5) Our monthly incoming 2nd pillar social tax **contributions grew by 49% from 44.1 million euros in 9M 2022 to 65.6 million** in 9M 2023, driven by higher customer numbers and growing salaries. On a run rate monthly basis, we have broken the 100M annual inflow mark for 2nd pillar contributions.
6) Our 2nd pillar **customer retention figure has slightly worsened from 94.48% to 93.58% from 9M 2022.** As INDEXO does not have personalized client data, it is difficult for us to assess the exact reason of this slight decrease. Our sales team is doing their best to explain to customers joining us the benefits of index investing and being an INDEXO customer, but there will always be customers that reconsider their choice.
7) We are on the final stages of preparations of the IT systems and mobile app for the bank. License permitting, we would be able to start testing systems with limited number of customers at the end of December 2023.
8) This quarterly announcement has been preceded by our invitation to the Extraordinary Shareholder meeting where the management of the company will propose to amend the terms of the share issue that was approved by the AGM in spring. We have received feedback from the Latvian Central Bank about the final expected capital that ECB is expecting Indexo Bank to have for the next 36 months. The announcement with details about the amount and the capital raise process will follow shortly this announcement.
9) We have finalised our negotiations with Blackrock and have lowered the OCF of our Blackrock funds in 3Q. The additional annual saving for our clients exceeds EUR 20k at current AUM volumes.
10) The real estate fund co-founded by INDEXO has signed first larger acquisition of Retail properties in Latvia with expected closing in early November. That acquisition brings the gross assets of the fund to 50 million euros. INDEXO invested pro rata in the new equity issue of GoIndex, Lithuanian passive pension fund manager, keeping a 5% share in the company.

Data highlights

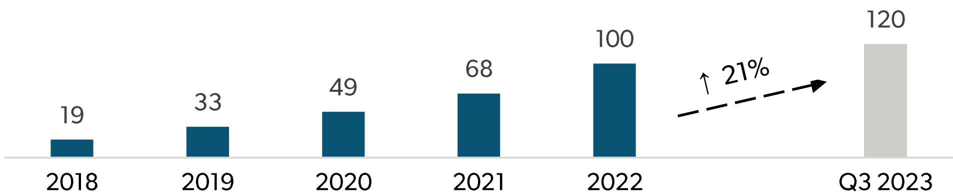
2nd pillar clients acquired since beginning of 2023
# of new clients



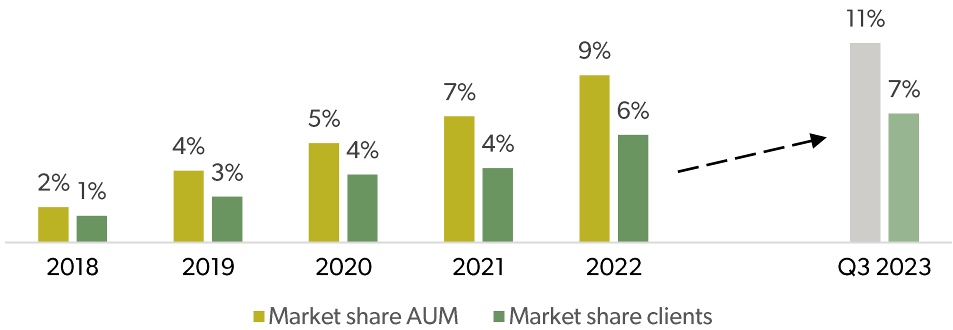
2nd and 3rd pillar pension AUM
Millions EUR



2nd and 3rd pillar pension clients
Thousands



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



Pension Savings Management key operating results

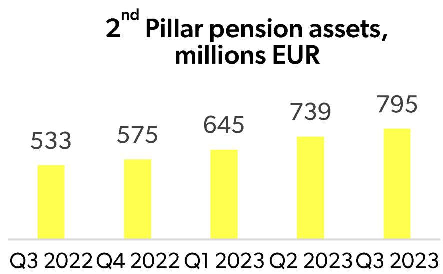
		Jan - Sep 2023	Jan – Sep 2022	Change
9-month contribution inflows	Millions, EUR	65.6	44.1	48.8%
Churn, end of period	Annualized %	6.4	5.5	16.3%
Commission income, 9 months	Millions, EUR	2.2	1.6	37.5%
Operating income, 9 months	Millions, EUR	1.35	1.0	35.0%
Net income, 9 months	**Millions, EUR**	**(0.33)**	**(0.84)**	**(60.7)%**

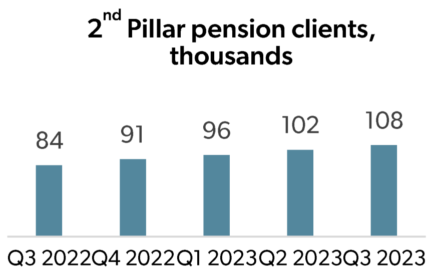
Pension Savings Management

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 an attractive cost compared to the lifetime customer value.

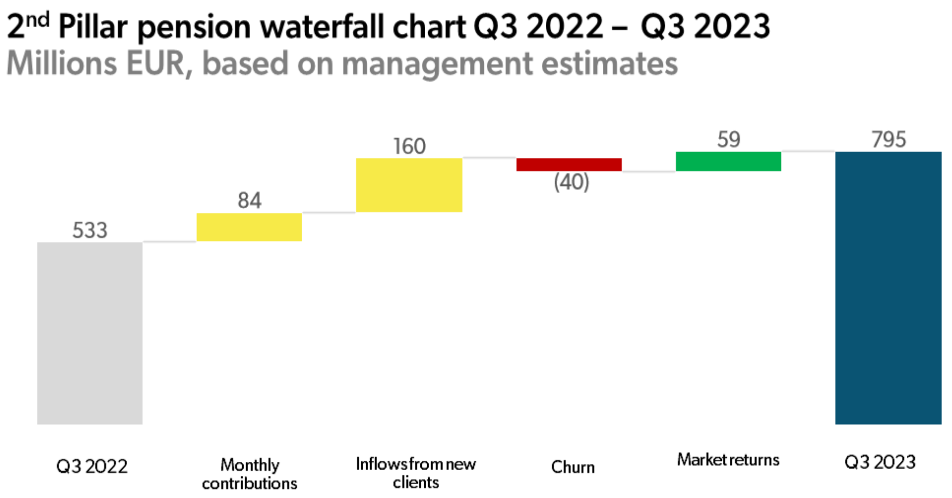
In Q3 2023 INDEXO added 5 683 customers and over rolling 12-month period INDEXO added 23 919 customers. The customer acquisition happens across different physical and online channels and given that INDEXO market share is still only about 12.2% of total Latvian 2nd pillar AUM (or 8.3% in terms of clients), 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 than in the subsequent quarters and the net customer inflows are higher throughout the year.

Over the last 9 months, Latvian 2nd pillar AUM grew from 5.67 billion to 6.49 billion or by 14%. INDEXO AUM meanwhile grew 38% from 575 million to 795 million euros. This was due to new customer asset inflow and social tax contributions to our 2nd pillar customers' accounts as well as positive return from the equity markets.



Our customer retention rate during the period has slightly dropped to 93.58%. 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.

As of 30 September 2023, our long-term plan returns are as follows:

Pension plan	Risk Profile	YTD return	3-year return (per annum)	5-year return (per annum)	Return since inception (per annum)
INDEXO Izaugsme 47-57	50% Equity	5.14%	2.62%	3.48%	3.61%
INDEXO Jauda 16-50	100% Equity	12.10%	8.61%*	6.89%*	7.32%*
INDEXO Konservativais 55+	100% Bonds	0.29%	-5.38%	-2.19%	-2.11%

* Jauda started as 75% Equity fund and was converted to 100% equity fund in 1H 2022

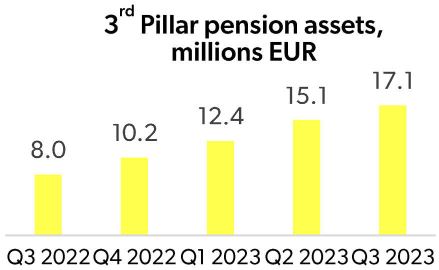
The results of our plans using passive investment strategy can be accessed on www.manapensija.lv.

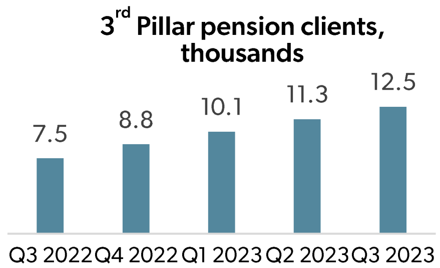
3rd pillar plans

INDEXO has an attractive voluntary 3rd pillar pension product with personalized automatic rebalancing and low fees. It means that as a person nears the pension age, INDEXO automatically starts reducing equity risk according to a 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.

Significant tax incentives are in place to encourage saving in the third pillar. Client contributing up to 10% of their gross salary to 3rd pillar funds will receive back the income tax. The tax rebate is limited to annual contributions of 4000 euros.

Voluntary third pillar plans represent a small, but important part of our overall business. On September 30th, 2023, 3rd pillar assets comprised 2.1% 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 an automatic monthly payment is the best way to do it.





During preceding 9 months our 3rd pillar customer number increased by 3.7 thousand or 42%, and the AUM grew from 10.2 million to 17.1 million or 66%. Our 3rd pillar OCF and fees are very competitive and low for all customers no matter their account size.

Comparing to Q3 2022, more of our customers have started to contribute regularly. As of end of end of September 2022, 58.1% of our 3rd pillar customers made regular contributions vs 63.7% in 2023. On a run rate basis, the existing customers add approximately 6.0 million euros annually to their existing savings. While we are happy with the increased number customers who do regular contributions, there is still a lot of room to grow the average contribution that each customer is making as a percentage of their salary.

As of 30 September 2023, our plan returns are as follows:

Pension plan	Risk Profile	YTD return	1-year return (per annum)	2-year return (per annum)	Return since inception (per annum)
INDEXO Akciju plāns	100% Equity	12.06%	11.27%	2.86%	4.89%
INDEXO Obligāciju plāns	100% Bonds	0.16%	0.48%	-7.03%	-5.61%

Real Estate Fund

INDEXO co-founded a real estate fund management company to create a low-cost real estate fund in the market and invest in local economies. INDEXO pension plans Jauda and Izaugsme will over time invest 5% of the assets into local real estate.

At the end of Q3 of 2023, INDEXO investment into the real estate fund stood at 7.3 million euros with the net assets of the fund standing at approximately 15.5 million euros. After the closing already signed acquisitions in 3Q, the gross assets of the Fund will grow to approximately 50 million. INDEXO investment will be 13.2 million euros after closing.

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 banking opportunity is a very exciting challenge for INDEXO. Half year results of the large banking groups in the Baltics show that the sector is significantly profitable and projected profit for the whole banking sector by the end of 2023 is expected to be 700 million euros, according to the Latvian Ministry of Finance. Interest rate increases have not led to a fast deterioration of the existing loan portfolios. The market opportunity is significant, and we work hard to get our license as soon as possible.

By the end of Q3 2023, our main achievements in bank project have been:

- We are building the core team for the bank. As of September 30, 2023, we have approximately 30 people working on the banking project.
- Our IT solution to support the bank launch is under development and will reach production readiness by the end of the year. It will deliver an agile foundation for the initial bank launch and continuous product improvements.
- Our mobile app, which will be the first fully native mobile app in the market is developing nicely with core functionality for account, payment, card, savings and consumer loans products getting integrated and tested. The launch version will bring a new level of UX and product innovation to the market.
- We have completed implementation and Visa certification of card management solution.
- We have implemented a new CRM system for our pension fund client management. The same system is prepared to manage our bank customers.
- We have implemented an ERP system for group financial management and finalizing bank's AML and regulatory reporting solution.

Financials

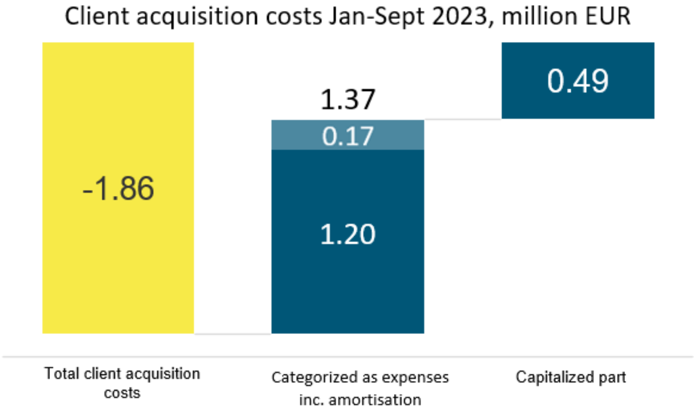
Results of IPAS "Indexo" 2nd pillar and 3rd pillar pension management

		Q1 2023	Q2 2023	Q3 2023	Jan – Sept 2023	Jan – Sept 2022
		Unaudited	**Unaudited**	**Unaudited**	**Unaudited**	**Unaudited**
Commission income	EUR	652,089	733,935	824,610	2,210,634	1,640,775
Interest income/expense	EUR	2,299	4,895	9,378	16,572	(2,436)
Administrative and other expenses for pension management	EUR	(310,940)	(322,481)	(243,546)	(876,967)	(602,181)
Operating income before client acquisition and other business project expenses	**EUR**	**343,448**	**416,349**	**590,442**	**1,350,239**	**1,036,158**
Client acquisitions costs	EUR	(459,226)	(456,896)	(451,056)	(1,367,178)	(1,251,702)
Pension management operating result	**EUR**	**(115,778)**	**(40,547)**	**139,386**	**(16,939)**	**(215,544)**
Bank development expenses	EUR	-	-	-	-	(369,985)
IPO expenses	EUR	-	-	-	-	(235,321)
Non-cash personnel option expenses	EUR	(114,420)	(116,156)	(79,933)	(310,509)	(23,845)
Corporate income tax	EUR	-	(1,680)	(1,687)	(3,367)	-
Comprehensive losses for the reporting period	**EUR**	**(230,198)**	**(158,383)**	**57,766**	**(330,815)**	**(844,695)**

In the reporting period, the 2nd and 3rd pillar pension management commission income reached EUR 2.21 million (compared to EUR 1.64 million in the corresponding reporting period in 2022). The growth in commission income reflects the successful acquisition of customers during the period and an increase in total Assets Under Management. The Asset management segment's operating profit before client acquisition at the end of Q3 2023 was EUR 1.35 million.

In the reporting period, the 2nd and 3rd pillar pension management expenses amounted to EUR 2.56 million (compared to EUR 2.49 million in the corresponding reporting period in 2022). Administrative expenses comparing to previous year 9 month period has been increased by EUR 0.27 million to EUR 0.88 million. 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.

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.
By the end of Q3 2023, we have spent EUR 1.86 million on client acquisition out of which EUR 1.37 million were recognized as expenses including EUR 0.17 million of amortisation of capitalized acquisition costs on our Statement of Comprehensive income and EUR 0.49 million were capitalized on our Statement of Financial Position. The capitalized part of client acquisition costs is depreciated over a 7 year period.



In the first 9 months of 2023, we acquired 0.9% more customers than during the same period in 2022. Last year we were not billed for around 50 000 euros of sales channel expenses. The unbilled amount has increased our sales costs for the second half of this year and partially explains the cost increase we have experienced this year while being billed correctly.

In the first 9 months of 2023 EUR 0.23 million were personnel options which are accumulated over the vesting period and are recognized an expense. These costs offsets our equity reserves as per IFRS 2 requirements.
As of the date of this report, the Group equity accounted to EUR 6.57 million (in the same period of 2022: EUR 8.37 million). The Company's subscribed and paid-up share capital amounted to EUR 3 795 407 (in the same period of 2022EUR 3 568 511). During the reporting period the Company's share capital was increased by EUR 226 896. The Group has a balance sheet of EUR 7.23 million (in the same period of 2022 8.88 million), out of which EUR 3.85 million is held in placements with credit institutions (in the same period of 2022 2022: EUR 7.51 million).

Events after reporting period

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

- This quarterly announcement has been preceded by our invitation to the Extraordinary Shareholder meeting where the management of the company will propose to amend the terms of the share issue that was approved by the AGM in spring. We have received feedback from the Latvian Central Bank about the final expected capital that ECB is expecting Indexo Bank to have for the next 36 months. The announcement with details about the amount and the capital raise process will follow shortly this announcement.

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. There were no risks Group assessed as high during the reporting period. The following risks the Group was exposed to during the reporting period were considered medium: outsourcing risk, operational risk, compliance risk, strategic and business risk, and information technology and system risk. Other risks to which the Group is exposed, such as market risk, foreign exchange risk, liquidity risk, reputational risk and other risks, have been assessed and considered insignificant.

Results of subsidiary "IDX1R" AS

		Jan – Sept 2023	Jan – Sept 2022
		Unaudited	Unaudited
Interest income/expense	EUR	13,324	-
Administrative and other expenses	EUR	(1,773,253)	-
Operating result	**EUR**	**(1,759,929)**	-
Corporate income tax	EUR	(784)	-
Comprehensive losses for the reporting period	**EUR**	**(1,760,713)**	-

"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 EUR 1.76 million during the period of Jan-Sept 2023. 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.

"Indexo" Group results:

In the reporting period, the Group's expenses amounted to EUR 4.32 million (compared to EUR 2.49 million in the corresponding reporting period in 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 reporting period in the development of the

Group and the acquisition of customers, the Group's performance for the reporting period was a loss of EUR 2.1 million (compared to a loss of EUR 0.84 million in the corresponding reporting period in 2022).

Of the EUR 4.32 million spent during period of Jan-Sept 2023, 1.76 million of expense is attributable to bank development. The Group overall has invested in Bank development 2.92 million during period of Jan-Sept 2023 out of which 1.76 million is reflected as an expense and the remaining has been capitalized (related to IT investments).

Signed on behalf of the Company by:

Valdis Siksnis, Chairman of the Management Board
Ieva Bauma, Member of the Management Board

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

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 of 30 September 2023, as well as its performance and cash flows for January - September 2023, in accordance with IAS 34 as adopted by the European Union.

In preparing the interim financial statements for the period ended 30 September 2023, as set out on pages 16 to 40, 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 Bauma, Member of the Management Board

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Consolidated Statement of Comprehensive Income

	Notes	Q1 2023	Q2 2023	Q3 2023	Jan-Sept 2023	Jan-Sept 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
		EUR	EUR	EUR	EUR	EUR
Commission income	2	652,089	733,935	824,610	2,210,634	1,640,775
Interest income/expense	4,5	2,299	5,556	22,041	29,896	(2,436)
Administrative expenses	3	(1,373,964)	(1,430,228)	(1,482,038)	(4,286,230)	(2,452,696)
Other operating expenses	6	(9,744)	(13,579)	(18,354)	(41,677)	(30,338)
Profit/(loss) before corporate income tax		**(729,320)**	**(704,316)**	**(653,741)**	**(2,087,377)**	**(844,695)**
Corporate income tax		-	(2,298)	(1,853)	(4,151)	-
Profit/(loss) for the period		**(729,320)**	**(706,614)**	**(655,594)**	**(2,091,528)**	**(844,695)**
Total comprehensive profit/(loss) for the period, attributable to shareholders for the period		**(729,320)**	**(706,614)**	**(655,594)**	**(2,091,528)**	**(844,695)**
Earnings per share		**(0.20)**	**(0.40)**	**(0.55)**	**(0.55)**	**(0.24)**
Diluted earnings per share		**(0.19)**	**(0.38)**	**(0.53)**	**(0.53)**	**(0.23)**

The notes on pages 20 to 40 form an integral part of these financial statements.
The financial statements have been authorised for issue on 7 November 2023 and signed on behalf of the Company's Management Board by:

Valdis Siksnis, Chairman of the Management Board

Ieva Bauma, Member of the Management Board

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Consolidated Statements of Financial Position

	Notes	Sept 2023	Sept 2022	Dec 2022
		Unaudited	Unaudited	Audited
		EUR	EUR	EUR
ASSETS				
Cash and cash equivalents	7	3,848,531	7,509,691	7,231,123
Receivables	8	271,477	199,752	220,190
Prepayments	9	92,932	49,170	24,279
Contract acquisition costs	10	1,313,664	897,622	990,417
Other assets	11	82,111	3,169	6,937
Intangible assets, property, plant and equipment, and right-of-use assets	12	1,453,755	206,414	259,047
Participation in the share capital of associated companies	13	78,400	-	49,000
Loans to associated companies	14	80,813	-	-
Other securities and investments	15	11,663	11,663	11,663
Total assets:		**7,233,346**	**8,877,481**	**8,792,656**
EQUITY AND LIABILITIES				
Accrued liabilities	16	352,089	299,143	193,584
Trade payables	17	67,824	23,513	89,072
Taxes and national social insurance mandatory contributions	18	85,151	33,419	95,245
Lease liabilities	12	58,535	99,885	90,468
Other liabilities	19	101,202	50,851	233,046
Total liabilities:		**664,801**	**506,811**	**701,415**
Equity				
Share capital	20	3,795,407	3,568,511	3,568,511
Share options		487,469	29,281	176,960
Share issue premium		7,094,334	7,062,908	7,062,908
Retained losses		(2,717,137)	(1,445,335)	(1,445,335)
Profit/(loss) for the period		(2,091,528)	(844,695)	(1,271,803)
Total equity and reserves:		**6,568,545**	**8,370,670**	**8,091,241**
TOTAL EQUITY AND LIABILITIES		**7,233,346**	**8,877,481**	**8,792,656**

The notes on pages 20 to 40 form an integral part of these financial statements.
The financial statements have been authorised for issue on 7 November 2023 and signed on behalf of the Company's Management Board by:

Valdis Siksnis, Chairman of the Management Board

Ieva Bauma, Member of the Management Board

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

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**	**176,960**	**7,062,908**	**(2,717,137)**	**-**	**8,091,244**
Increase in Share capital	20	226,896	-	-	-	-	**226,896**
Increase in Share option reserves		-	310,509	31,426	-	-	**341,935**
Comprehensive income for the reporting period		-	-	-	-	(2,091,528)	**(2,091,528)**
At 30.09.2023		**3,795,407**	**487,469**	**7,094,334**	**(2,717,137)**	**(2,091,528)**	**6,568,547**
At 31.12.2021		**3,016,987**	**5,436**	**77,175**	**(1,445,335)**	**-**	**1,654,263**
Increase in Share capital		551,524	-	-	-	-	**551 524**
Increase in Share option reserves		-	23,845	6,985,733	-	-	**7 009 578**
Comprehensive income for the reporting period		-	-	-	-	(844,695)	**(844,695)**
At 30.09.2022		**3,568,511**	**29,281**	**7,062,908**	**(1,445,335)**	**(844,695)**	**8,370,670**

The notes on pages 20 to 40 form an integral part of these financial statements.
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Consolidated Statements of Cash Flows

	Notes	Jan-Sept 2023	Jan-Sept 2022
		Unaudited	Unaudited
		EUR	EUR
Cash flow from operating activities			
Profit/(loss) before corporate income tax		(2,087,377)	(844,695)
Depreciation of PPE and amortisation of right-of-use assets	12	74,921	51,708
Amortisation of contract acquisition costs	10	166,215	95,288
Amortization of Share option reserves		310,509	23,845
Interest income	4	(31,576)	-
Interest expense	5	1,680	2,436
(Decrease)/increase in cash and cash equivalents from operating activities before changes in assets and liabilities		**(1,565,628)**	**(671,418)**
Increase in receivables, prepayments, and other assets		(681,235)	(535,251)
Increase/(decrease) in accrued liabilities		45,021	181,888
Increase/(decrease) in trade payables and other liabilities		(166,588)	(118,795)
Corporate income tax		(4,151)	-
Increase/(decrease) in cash and cash equivalents from operating activities		**(2,372,581)**	**(1,143,576)**
Cash flow from investing activities			
PPE purchases	12	(1,269,630)	(26,717)
Accrued salesperson wage		113,484	-
Investment in the share capital of associated companies		(29,400)	-
Loans issued	14	(78,400)	-
Interest received		29,163	-
Other securities and investments	15	-	-
Decrease in cash and cash equivalents from investing activiti		**(1,234,783)**	**(26,717)**
Cash flow from financing activities			
Share issue		226,896	7,537,257
Share issue premium		31,427	-
Payments for the right-of-use of assets	12	(33,616)	(17,678)
Interest on the right-of-use asset	5	(1,680)	(2,436)
(Decrease)/increase in cash and cash equivalents from financing activities		**223,027**	**7,517,143**
Decrease in cash and cash equivalents		**(3,384,338)**	**6,346,850**
Cash and cash equivalents at the beginning of the reporting period		**7,232,869**	**1,162,841**
Cash and cash equivalents at the end of the reporting period	7	**3,848,530**	**7,509,691**

The notes on pages 20 to 40 form an integral part of these financial statements.
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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"), the 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 9M 2022 and 9M 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. In 2023, 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	20.00
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

	Q1 2023	Q2 2023	Q3 2023	Jan - Sept 2023	Jan - Sept 2022
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**	**Unaudited**
	EUR	**EUR**	**EUR**	**EUR**	**EUR**
Commission fee for the management of the assets of the State Funded Pension Scheme Investment Plan "INDEXO Izaugsme 47-57"	153,642	168,078	183,582	505,302	407,604
Commission fee for the management of the assets of the State Funded Pension Scheme Investment Plan "INDEXO Jauda 16-50"	459,897	522,565	593,229	1,575,691	1,146,306
Commission fee for the management of the assets of the State Funded Pension Scheme Investment Plan "INDEXO Konservatīvais 55+"	23,952	25,921	27,190	77,063	63,522
Commission fee for the management of the assets of the private pension scheme investment plan "INDEXO AKCIJU PLANS"	13,478	16,079	19,134	48,691	21,500
Commission fee for managing the assets of the private pension scheme investment plan "INDEXO OBLIGACIJU PLANS"	1,120	1,292	1,475	3,887	1,843
Total	**652,089**	**733,935**	**824,610**	**2,210,634**	**1,640,775**

3. Administrative expenses

	Q1 2023	Q2 2023	Q3 2023	Jan - Sept 2023	Jan - Sept 2022
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**	**Unaudited**
	EUR	**EUR**	**EUR**	**EUR**	**EUR**
Remuneration of staff	523,281	590,900	645,168	1,759,349	1,065,989
Sales and marketing expenses	225,156	194,828	197,761	617,745	779,163
National social insurance mandatory contributions	122,841	131,464	149,249	403,554	250,037
IT costs	234,185	235,703	261,889	731,777	92,669
Employee stock option expenses	114,420	116,156	79,933	310,509	-
Professional fees	62,587	70,263	59,087	191,937	119,767
Other staff costs	32,104	33,897	27,837	93,838	56,455
Office maintenance costs	14,542	12,284	14,552	41,378	20,920
Amortisation of the right-of-use an asset	9,282	9,334	9,335	27,951	28,004
Depreciation of property, plant and equipment	8,978	14,850	23,088	46,917	23,704
Investors relations costs	5,445	-	-	5,445	-
Other	21,143	20,549	14,138	55,830	15,988
Total	**1,373,964**	**1,430,228**	**1,482,037**	**4,286,230**	**2,452,696**

	Mar 2023	Jun 2023	Sept 2023	Sept 2022
Number of employees	95	98	100	82

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 - Sept 2023	Jan - Sept 2022
	Unaudited	Unaudited
	EUR	EUR
Interest on short-term deposits in credit institutions	29,764	-
Interest on loans to related parties	1,812	-
Total	**31,576**	-

5. Interest expenses

	Jan - Sept 2023	Jan - Sept 2022
	Unaudited	Unaudited
	EUR	EUR
Interest on lease liabilities	1,680	2,436
Total	**1,680**	**2,436**

6. Other operating expenses

	Jan - Sept 2023	Jan - Sept 2022
	Unaudited	Unaudited
	EUR	EUR
Compensated absences	4,966	11,601-
FCMC financing fee	36,710	8,737
Donations	-	10,000
Total	**41,676**	**30,338**

7. Placements with credit institutions

	Sept 2023	Sept 2022
	Unaudited	Unaudited
	EUR	EUR
Placements with Swedbank AS	1,124,477	7,509,691
Placements with SEB bank AS	14,851	-
Swedbank short-term deposit	2,709,203	-
Total (Cash and cash equivalents)	**3,848,531**	**7,509,691**

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

	Sept 2023	Sept 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"	59,924	48,269
Commission fee for the management of the assets of the state-funded pension scheme investment plan "INDEXO Jauda 16-50"	195,850	140,763
Commission fee for the management of the assets of the state-funded pension scheme investment plan "INDEXO Konservatīvais 55+"	8,798	7,343
Commission fee for the management of the assets of the private pension scheme investment plan "INDEXO AKCIJU PLANS"	6,414	3,111
Commission fee for managing the assets of the private pension scheme investment plan "INDEXO OBLIGACIJU PLANS"	491	266
Total	**271,477**	**199,752**

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

9. Prepayments

	Sept 2023	Sept 2022
	Unaudited	Unaudited
	EUR	EUR
Software license expenses	90,028	32,771
Health insurance	-	16,399
Rent and utilities expenses	605	-
Marketing expenses	2,299	-
Total	**92,932**	**49,170**

10. Contract acquisition costs

	Sept 2023	Sept 2022
	Unaudited	Unaudited
	EUR	EUR
Customer attraction costs	1,313,664	897,622
Total	1,313,664	897,622

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	456,933
Amortisation of capitalised salary costs, including national social insurance mandatory contributions	(95,288)
At 30.09.2022	**897,622**
At 31.12.2022	**990,417**
Capitalised salary costs, including national social insurance mandatory contributions	489,462
Amortisation of capitalised salary costs, including national social insurance mandatory contributions	(166,215)
At 30.09.2023	**1,313,664**

11. Other assets

	Sept 2023	Sept 2022
	Unaudited	Unaudited
	EUR	EUR
Financial assets		
Security deposit	5,001	3,097
Non-financial assets		
Advance payments	-	72
Total financial and non-financial assets	**5,001**	**3,169**

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

	Intangible assets		OtherPPE
	EUR		EUR
Cost		**Historical cost**	
At 31.12.2021	**118,973**	**At 31.12.2021**	**21,687**
Additions	26,717	Additions	-
At 30.09.2022	**145,690**	**At 30.09.2022**	**21,687**
At 31.12.2022	**216,376**	**At 31.12.2022**	**21,687**
Additions	1,236,643	Additions	23,965
At 30.09.2023	**1,453,019**	**At 30.09.2023**	**45,652**
Accumulated amortisation		**Accumulated deprecation**	
At 31.12.2021	**10,860**	**At 31.12.2021**	**13,522**
Additions	20,483	Additions	3,221
At 30.09.2022	**31,343**	**At 30.09.2022**	**16,744**
At 31.12.2022	**39,200**	**At 31.12.2022**	**17,606**
Additions	41,258	Additions	5,660
At 30.09.2023	**80,458**	**At 30.09.2023**	**23,266**
Net book value at 31.12.2022	**177,176**	**Net book value at 31.12.2022**	**4,081**
Net book value at 30.09.2023	**1,372,561**	**Net book value at 30.09.2023**	**22,386**

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	*Lease liability*	EUR
At 31.12.2021	**39,548**	**At 31.12.2021**	**39,332**
Impact of lease changes	75,579	Changes during the reporting period	60,553
Amortisation	(28,004)	**At 30.09.2022**	**99,885**
At 30.09.2022	**87,123**		
		At 31.12.2022	**90,467**
At **31.12.2022**	**77,788**	Changes during the reporting period	(31,933)
Impact of lease changes	-	**At 30.09.2023**	**58,534**
Amortisation	(28,004)		
At 30.09.2023	**49,784**		

	Sept 2023	Sept 2022
	Unaudited	**Unaudited**
Right-of-use assets	**EUR**	**EUR**

Right-of-use assets	**49,784**	**87,123**
Lease liability	**58,534**	**99,885**

13. Investment in associated company share capital

	Shareholding 30.09.2023	30.09.2023	Shareholding 30.09.2022	30.09.2022
		Unaudited		**Unaudited**
		EUR		**EUR**
INDEXO AIFP, SIA (Latvia)	49%	78,400	-	-
Total		**78,400**		**-**

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

	Sept 2023	Sept 2022
	Unaudited	**Unaudited**
	EUR	**EUR**
Loan to INDEXO AIFP, SIA	78,400	-
Accrued interest	2,413	-
Total	**80,813**	**-**

15. Other securities and investments

	Shareholding 30.09.2023	30.09.2023	Shareholding 30.09.2022	30.09.2022
		Unaudited		**Unaudited**
		EUR		**EUR**
Goindex UAB (Lithuania)	5%	11,663	5%	11,663
Total		**11,663**		**11,663**

Goindex UAB was established to launch index funds to 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

	Sept 2023	Sept 2022
	Unaudited	Unaudited
	EUR	EUR
Financial liabilities		
Accrued liabilities to suppliers	178,884	59,410
Non-financial liabilities		
Accrued liabilities for unused annual leave	149,257	98,417
Accruals for employee contributions to the 3PL	23,948	-
Provisions for variable remuneration of employees and related tax payments	-	141,316
Total financial and non-financial liabilities	**352,089**	**299,143**

17. Trade payables

	Sept 2023	Sept 2022
	Unaudited	Unaudited
	EUR	EUR
Financial liabilities		
Payables for purchased goods and received services	67,824	23,513
Total	**67,824**	**23,513**

18. Tax liabilities

	Sept 2023	Sept 2022
	Unaudited	Unaudited
	EUR	EUR
Non-financial liabilities		
Tax liabilities	85,151	33,419
Total	85,151	**33,419**

19. Other liabilities

	Sept 2023	Sept 2022
	Unaudited	Unaudited
	EUR	EUR
Non-financial liabilities		
Salary liability	100,346	34,486
Liabilities to 3 Pillar pension plans	491	16,333
Other	365	32
Total	**101,202**	**50,851**

20. Share capital

	Share capital
	EUR
At 31.12.2022	**3,568,511**
Increase in Share capital	226,896
At 30.09.2023	**3,795,407**
At 31.12.2021	**3,016,987**
Increase in Share capital	551,524
At 30.09.2022	**3,568,511**

The registered and fully paid-in share capital of IPAS "Indexo" as of 30 September 2023 amounts to EUR 3 795 407 (30 September 2022: EUR 3 568 511) and consists of bearer shares. The share capital of the Company consists of 3 795 407 bearer shares with a nominal value of EUR 1 (one euro) per share. During the reporting period the Company's share capital was increased by EUR 226 896.

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

	Sept 2023	Sept 2022
	Unaudited	Unaudited
	EUR	EUR
State-funded pension scheme investment plan "INDEXO Izaugsme 47-57"	178,800,862	130,758,387
State-funded pension scheme investment plan "INDEXO Jauda 16-50"	584,903,355	377,107,888
State-funded pension scheme investment plan "INDEXO Konservatīvais 55+"	31,485,099	25,103,128
Private pension scheme investment plan "INDEXO AKCIJU PLANS"	15,861,230	7,324,474
Private pension scheme investment plan "INDEXO OBLIGACIJU PLANS"	1,220,752	645,769
Total	**812,271,298**	**540,939,646**

The financial statements have been authorised for issue on 7 November 2023 and signed on behalf of the Company's Management Board by:

Valdis Siksnis, Chairman of the Management Board

Ieva Bauma, Member of the Management Board

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