

INDEXO⁷

IPAS "INDEXO"

Unaudited Consolidated Interim Report

January – March 2024

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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	<p>Qualifying holding:</p> <p>Henrik Karmo (direct and indirect with PERFECT MATCH SIA (Latvia) and BEACON PROPERTIES OU (Estonia)) – 8.93%</p> <p>Valdis Siksnis (direct and indirect with VSCAP SIA (Latvia)) – 6.69%</p> <p>Mārcis Martinsons – 5.98%</p> <p>IN FINANCE SIA (Latvia) – 5.95%</p> <p>SAGGIS OU (Estonia) – 5.64%</p> <p>BAROLO FINANTS OU (Estonia) – 5.64%</p> <p>Natural persons and legal entities with a shareholding of under 5%</p>	
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.	-
Investments in associates	SIA Provendi asset management AIFP	Goindex UAB
Shareholding (%)	49%	5%
Registered and office address	Daugavgrīvas iela 7B, Rīga, LV-1048, Latvija	Lvivo g. 25-701, LT-09320 Vilņa, Lietuva
Registration number	40203438204	305706496
Date of foundation	02.11.2022.	13.06.2020.
Members of the Supervisory Board and their position	<p>Valdis Vancovičs – Chairman of the Supervisory Board (from 19.04.2023.)</p> <p>Svens Dinsdorfs – Deputy Chairman of the Supervisory Board (from 19.04.2023.)</p> <p>Renāts Lokomets – a member of the Supervisory Board (from 19.04.2023.)</p> <p>Ivita Asare - a member of the Supervisory Board (from 19.04.2023.)</p> <p>Ramona Miglāne – a member of the Supervisory Board (from 19.04.2023.)</p>	
Members of the Management Board and their position	<p>Valdis Siksnis – Chairman of the Management Board (from 25.04.2022.)</p> <p>Henrik Karmo – Member of the Management Board (from 05.07.2023.)</p> <p>Ieva Bauma – Member of the Management Board (from 05.07.2023.)</p>	
Reporting period	1 January 2024 – 31 March 2024	
Auditors	<p>"PricewaterhouseCoopers" SIA</p> <p>Rīga, Krišjāņa Valdemāra iela 21-21, Licence No. 5</p> <p>Ilandra Lejiņa</p> <p>Sworn auditor certificate No. 168</p>	

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 3.9 thousand customers so far this year to reach 131.1 thousand customers in 3M 2024 (24% y-o-y) and our Assets Under Management (AUM) has grown to 1 060 million euros (61% y-o-y).

During Q1 in 2024, the pension business of IPAS INDEXO was profitable before investment into client growth. Without group costs and one-off items related to the capital raise at the end of 2023, the profit before client acquisition costs would be 620.8 thousand euros and the normalized net profit of pension business would be 181.3 thousand euros. This is the 3rd quarter in which the pension business is profitable after client acquisition costs, if we eliminate group cost and one-off items.

We are happy to report another great quarter for INDEXO - both customer numbers and AUM have grown strongly and, consequently, our revenue has increased. Our bank project is progressing well despite slight delays in obtaining the license which will impact the go-to-market schedule.

Main achievements of INDEXO during Q1 2024:

- 1) During the last 3 months **INDEXO customer number increased by 3 935 or 3% and reached 131 094**. That is slightly lower than we expected due to organizational changes at the beginning of the year. We ended the quarter with weekly client growth figures running in line with our expectations for this year.
- 2) Our **AUM has grown significantly to reach 1 060 million euros, up 61%** from 658 million in Q1 2023 and 143 million euros or 16% from year end 2023 when the AUM stood at 917 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. The positive market returns have been the main driver of Q1 AUM growth.
- 3) Our company continues to grow faster than the market and has reached **13.5% market share in 2nd pillar pension products** at the end of the quarter. A year ago, our market share in 2nd pillar was 10.8%. In 100% Equity plans segment, **we are the 2nd largest asset manager in Latvia**.
- 4) **Due to growth of AUM our revenue has increased 42% over last 12 months to 923 615 euros**.
- 5) Due to constant growth of Revenue, our pension business profitability continues to improve. **The pension management business generated normalized profit of 620.8 thousand euros** before client acquisition and **181.3 thousand euros** after client acquisition.
- 6) Our monthly incoming 2nd pillar social tax **contributions grew by 35% from 19.3 million euros in 3M 2023 to 26.1 million in 3M 2024**, driven by higher customer

numbers and growing salaries. On a run rate monthly basis, we have broken the **100-million-euro annual inflow** mark for 2nd pillar contributions.

- 7) Our 2nd pillar **customer retention figure has worsened from 94.2% to 91.9% from 3M 2023**. This is a result of higher activity by our competitors as the churn figures have increased for the whole market. We have taken notice and are taking measures which we hope will improve the situation.
- 8) We have **increased** our subsidiary's IDX1R AS **capital by 10 million euros** for the establishment of the Bank. All questions posed by regulatory authorities have been answered and we are getting ready to have the bank license at any moment.

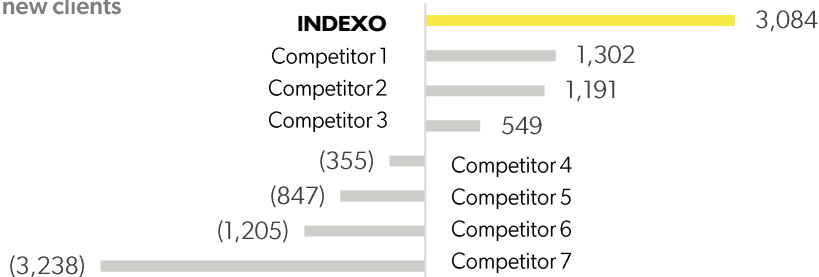
General description

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.

Data highlights

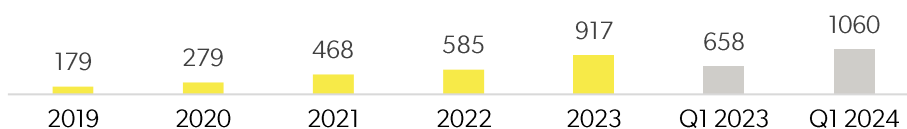
2nd pillar clients acquired since beginning of 2024

of new clients



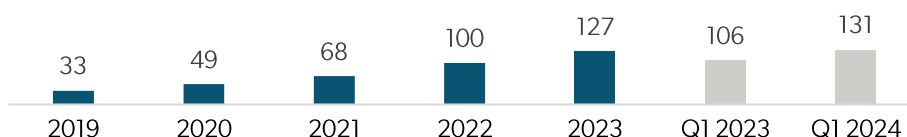
2nd and 3rd pillar pension AUM

Millions EUR



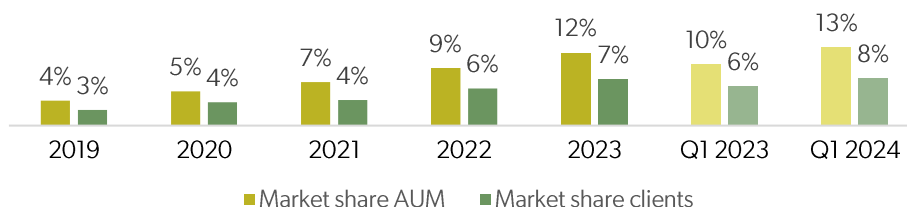
2nd and 3rd pillar pension clients

Thousands



2nd and 3rd pillar market share of INDEXO

% of AUM and % of clients



Pension Savings Management key operating results

		Jan - Mar 2024	Jan - Mar 2023	Change
3-month contribution inflows	Millions, EUR	26.1	19.3	35.2%
Churn, end of period	Annualized %	8.1	5.8	38.7%
Commission income, 3 months	Millions, EUR	0.92	0.65	41.5%
Operating income, 3 months	Millions, EUR	0.38	0.34	11.8%
Net income, 3 months	Millions, EUR	(0.12)	(0.23)	(47.8%)
Normalized results*				
Operating income, 3 months	Millions, EUR	0.62	0.34	82.4%
Net income, 3 months	Millions, EUR	0.18	(0.23)	178.3%

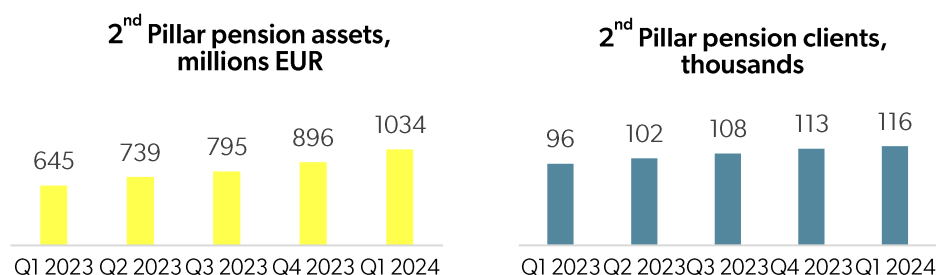
*-Normalized results show pure pension business results excluding expenses which are not attributed to the pension business. Like costs from the secondary public offering, interest expenses of commitment letters and other costs that have been incurred due to the development of INDEXO BANK.

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, contribute to their pension account, which will be invested according to INDEXO's investment strategy and will compound with the world equity markets until the person retires. As these pension accounts grow, so does INDEXO's revenue. INDEXO is able to attract customers at an attractive cost compared to the lifetime customer value.

In Q1 2024, INDEXO added 3 084 customers and over the rolling 12-month period, INDEXO added 20 684 customers. The customer acquisition happens across different physical and online channels and given that INDEXO's market share is still only about 13.5% of the total Latvian 2nd pillar AUM (or 8.9% in terms of clients), we see strong potential for further growth.

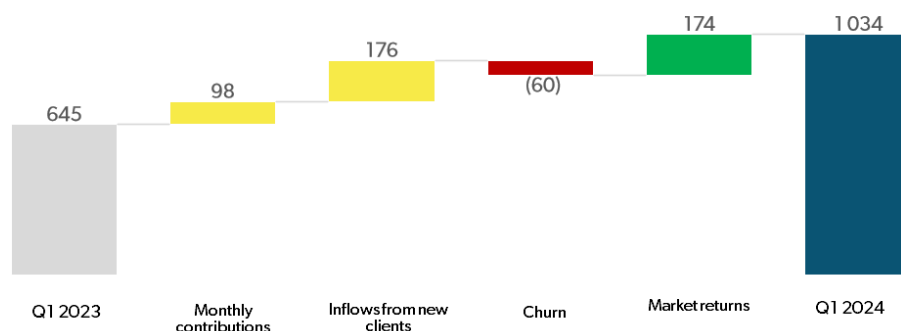


Latvian 2nd pillar pension system allows customers to change their plan only once a year. That means that normally the number of customers leaving the asset managers is higher in the first quarter than in the subsequent quarters, and the net customer inflows are higher throughout the year.

Over the last 3 months, Latvian 2nd pillar AUM grew from 7.06 billion to 7.64 billion or by 8%. INDEXO AUM, meanwhile, grew 15% from 896 million to 1 034 million euros. This was

due to new customer asset inflow and social tax contributions to our 2nd pillar customers' accounts, as well as a positive return from the market growth.

2nd Pillar pension waterfall chart Q1 2023 – Q1 2024 Millions EUR, based on management estimates



Our customer retention rate during the period has slightly dropped to 91.94%. This is due to increased activities by all competitors. We are taking active measures in communication with clients, reiterating the reasons why INDEXO is a great choice for them. We are also improving our sales processes with an emphasis on creating customer loyalty. We also hope that, once INDEXO launches its banking offer, our relevance for clients will increase and fewer customers will choose other pension fund managers, despite INDEXO's strong passive management track record.

As of 31 March 2024, our long-term plan returns are as follows:

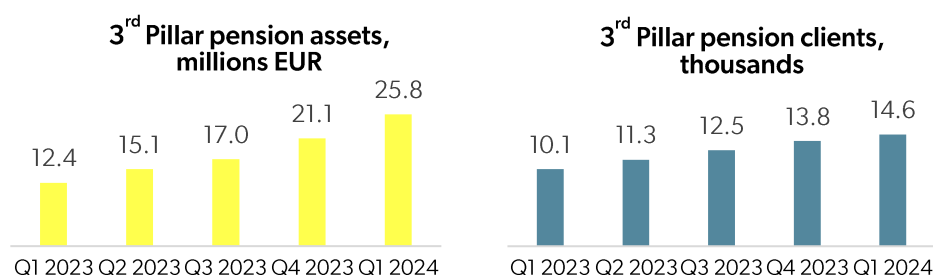
Pension plan	Risk Profile	YTD return	3-year return (per annum)	5-year return (per annum)	Return since inception (per annum)
INDEXO Izaugsme 47-57	50% Equity	4.87%	3.61%	5.10%	4.95%
INDEXO Jauda 16-50	100% Equity	11.18%	10.00%	10.05%	9.56%
INDEXO Konservatīvais 55+	100% Bonds	-0.27%	-3.45%	-1.43%	-0.94%

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. This means that as a person nears 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 the 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. Our AUM continues growing fast, and we are constantly working to increase the number of customers who are making regular contributions, as this is the best way to ensure sufficient savings at retirement. On March 31st, 2024, 3rd pillar assets comprised 2.4% of the total AUM managed by INDEXO.



During the preceding 12 months our 3rd pillar customer number increased by 4.5 thousand or 45%, and the AUM grew from 12.4 million to 25.8 million or 108%. Our 3rd pillar OCF and fees are very competitive and low for all customers no matter their account size.

As of 31 March 2024, 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	11.25%	26.03%	8.31%	9.84%
INDEXO Obligāciju plāns	100% Bonds	-0.33%	4.74%	-2.03%	-2.89%

Real Estate Fund

In 2022, together with two real estate professionals, we co-founded SIA Provendi asset management AIFP- a real estate management company in which INDEXO holds 49%. In 2023, SIA Provendi asset management AIFP launched the cheapest real estate fund in Latvia, Provendi Real Estate Fund – and two of our investment plans - Jauda and Izaugsme - started to invest a portion of their assets into the fund. At the end of 2023, the fund had approximately 50 million euros of gross investments into residential and retail properties. The fund has attracted new Scandinavian and institutional investors.

Despite the fund's cost-effectiveness compared to regional options, it will always create higher trading costs. Even though the fund is the cheapest real estate fund in the region, due to the nature of real estate management, it will always be a more expensive investment than investments in ETFs and, therefore, will create higher indirect costs for our clients. To mitigate this impact on Izaugsme and Jauda performance, we've committed to reimbursing our portion of profits generated by SIA Provendi asset management AIFP to Izaugsme and Jauda until the OCF of this fund reaches 0.50% in our pension fund portfolios. We anticipate the first reimbursements to occur in 2025, when SIA Provendi asset management AIFP is expected to reach stable profitability.

Bank Development

Although a new legal entity, AS IDX1R, was established on December 19, 2022, to facilitate precise expense tracking and obtain the bank license, some bank development-related costs still need to be booked in the parent company, IPAS INDEXO. The largest cost items include recent capital-raise-related costs, fees for signed commitment letters to support future bank capital needs, and option costs for AS IDX1R employees. However, all other bank development-related costs are separated from IPAS INDEXO and are reflected in AS IDX1R's financial results.

During the first quarter of 2024, we continued developing INDEXO Bank services. However, we are reaching a point where further laboratory development without real-life testing, which requires a bank license, becomes inefficient. We hope that the licensing process will be completed soon, allowing us to immediately start piloting banking services for a limited range of customers. Depending on the results of the piloting process, we expect to publicly launch banking services by the end of this summer.

As of today, we have increased the total headcount of AS IDX1R to 45 to be fully prepared to start piloting immediately after receiving the banking license.

By the end of the summer, we plan to relocate to the new, modern Verde office building. This move will not only facilitate teamwork but will also enhance INDEXO's appeal as an employer.

Although our main customer engagement channels will be digital, this autumn, we will open our only physical customer service centre in the Verde office building. This initiative aims to increase INDEXO's brand visibility and make us more accessible to both existing and future customers.

During the first quarter of 2024, the capital of INDEXO subsidiary AS IDX1R was increased by EUR 10 million.

At present, all the necessary capital for the establishment of the bank has been secured, and all questions posed by regulatory authorities have been answered.

Financials

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

		Jan - Mar 2024	Jan - Mar 2023
		Unaudited	Unaudited
Commission income	EUR	923 615	652 090
Interest income	EUR	20 959	2 935
Interest expense**	EUR	(211 980)	(637)
Administrative and other expenses for pension management	EUR	(350 752)	(310 940)
Operating income before client acquisition and other business project expenses	EUR	381 842	343 448
Client acquisitions costs	EUR	(415 391)	(459 226)
Pension management operating result	EUR	(33 549)	(115 778)
Non-cash personnel option expenses	EUR	(86 493)	(114 420)
Corporate income tax	EUR	(1 350)	-
Comprehensive losses for the reporting period	EUR	(121 392)	(230 198)
Non-pension business expenses*	EUR	(302 649)	-
Comprehensive profit/(loss) for the reporting period excluding non-pension business expenses	EUR	181 257	(230 198)

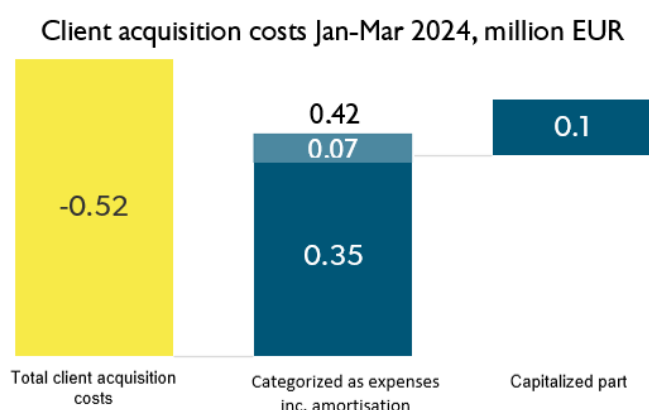
*- Expenses which are not directly attributable to the pension business, like costs from the secondary public offering, interest expenses of commitment letters and other costs that have been incurred due to development of INDEXO BANK.

** - In the reporting period, interest payments of EUR 211 980 were paid for commitment letters which are not a part of pension business expenses.

Increases in the client base and the volume of assets under management have contributed to commission income growth in pension fund management, reaching EUR 0.92 million (compared to EUR 0.65 million in the corresponding reporting period in 2023). The total income of IPAS "Indexo" during the reporting period was more than sufficient to cover the administrative expenses of pension fund management. Profit before client acquisition costs reached EUR 0.38 million (compared to EUR 0.34 million in the corresponding reporting period in 2023). Total losses during the reporting period were EUR 0.12 million (compared to EUR 0.23 million in the corresponding reporting period in 2023).

Pension business profit during the reporting period (excluding expenses in the amount of EUR 0.3 million, which are not directly attributed to the pension business) was EUR 0.18 million (compared to losses of EUR 0.23 million in the corresponding reporting period in 2023).

During the reporting period, the client acquisition costs amounted to EUR 0.52 million, of which EUR 0.42 million were recognized as expenses, including an amortized part of EUR 0.07 million from previously capitalized client acquisition costs. During the reporting period, EUR 0.1 million of client acquisition costs were capitalized. The capitalized part of client acquisition costs is depreciated over a 7-year period.



Results of subsidiary "IDX1R" AS

		Jan – Mar 2024	Jan – Mar 2023
		Unaudited	Unaudited
Interest income/expense	EUR	45 292	-
Administrative and other expenses	EUR	(929 801)	(499 123)
Operating result	EUR	(884 509)	(499 123)
Corporate income tax	EUR	(143)	-
Comprehensive losses for the reporting period	EUR	(884 652)	(499 123)

On December 19, 2022, a new legal entity, AS IDX1R, was established to obtain the Banking license. All employees involved in the Bank's development project were transferred to AS IDX1R. Similarly, since the establishment of the company all expenses related to the Bank development are covered by AS IDX1R funds, thus clearly separating the Bank project expenses from pension fund management business expenses.

As the Bank's operations have not yet started, AS IDX1R does not generate any significant

revenue, while at the same time the company makes significant investments in IT infrastructure development, licensing processes, and other necessary preparations to start Banking operations. Therefore, during the reporting period, AS IDX1R incurred losses amounting to EUR 0.89 million (compared to EUR 0.50 million in the corresponding reporting period in 2023). Currently, we have submitted all the required documents for obtaining the Banking license and we are awaiting the regulatory institutions' decision.

"INDEXO" Group results:

	Jan-Mar 2024	Jan-Mar 2023
	EUR	EUR
Commission and other income	989 866	655 024
Administrative and other expenses	(1 995 910)	(1 384 345)
Comprehensive losses for the reporting period	(1 006 044)	(729 321)
	Mar 2024	Mar 2023
	EUR	EUR
Assets	17 328 071	8 210 466
Liabilities	3 344 885	734 125
Equity	13 983 186	7 476 341

The total group losses during the reported period amounted to EUR 1.01 million (of which EUR 0.89 million are attributable to the bank development and EUR 0.12 million to the pension management business (of which EUR 0.3 million were not directly attributed as pension business expenses). During the reporting period, a sufficient volume of assets under management was achieved which allowed us to generate profit in the first quarter of 2024 even after the client acquisition expenses (excluding non-pension business expenses).

The group's equity at the end of the reporting period amounted to EUR 13.98 million (compared to EUR 7.48 million in the corresponding reporting period in 2023). During the first quarter of 2024, group's share capital was increased by EUR 769 983 (compared to EUR 0 in the corresponding reporting period in 2023). The Group has total assets on the balance sheet of EUR 17.33 million (compared to EUR 8.21 million in the corresponding reporting period in 2023), of which EUR 9.92 million is held in placements with credit institutions and central banks (compared to EUR 2.71 million in the corresponding reporting period in 2023).

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.

Events after reporting period

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

- On April 12, we received a request from the Bank of Latvia to submit additional information, as a result of which the deadline for the previously specified licensing decision, April 22, was extended. According to the licensing process timeline, INDEXO Bank plans to commence the pilot of its first banking services with plans to commence operations this summer;
- Bank of Latvia has approved the Target tests as successful, so we are technically ready for going live in production.

Signed on behalf of the Company by:

Valdis Siksnis, Chairman of the Management Board

Ieva Bauma, 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 of 31 March 2024, as well as its performance and cash flows for January - March 2024, in accordance with IAS 34 as adopted by the European Union.

In preparing the interim financial statements for the period ended 31 March 2024, 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 Bauma, Member of the Management Board

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Consolidated Statement of Comprehensive Income

	Notes	Jan-Mar 2024	Jan-Mar 2023
		Unaudited	Unaudited
		EUR	EUR
Commission income	2	923 615	652 089
Interest income	4	66 251	2 935
Interest expense	5	(211 980)	(637)
Administrative expenses	3	(1 759 951)	(1 373 964)
Other operating expenses	6	(22 486)	(9 744)
Profit/(loss) before corporate income tax		(1 004 551)	(729 321)
Corporate income tax		(1 493)	-
Profit/(loss) for the period		(1 006 044)	(729 321)
Total comprehensive profit/(loss) for the period, attributable to shareholders for the period		(1 006 044)	(729 321)
Earnings per share		(0.22)	(0.20)
Diluted earnings per share		(0.22)	(0.19)

The notes on pages 19 to 41 form an integral part of these financial statements.

The financial statements have been authorised for issue on 7 May 2024 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	Mar	Mar	Dec
		2024	2023	2023
		Unaudited	Unaudited	Audited
		EUR	EUR	EUR
ASSETS				
Cash and cash equivalents at central banks	7	8 516 058	-	-
Cash and cash equivalents	8	1 408 341	5 992 609	2 707 396
Receivables	9	307 703	229 493	321 489
Prepayments	10	449 856	200 094	548 006
Contract acquisition costs	11	1 419 637	1 085 153	1 389 048
Other assets	12	185 391	5 056	81 990
Intangible assets, property, plant and equipment, and right-of-use assets	13	4 752 102	5 879 976	2 024 667
Participation in the share capital of associated companies	14	159 250	49 000	127 400
Loans to associated companies	15	68 150	49 422	53 944
Other securities and investments	16	61 583	11 663	61 583
Total assets:		17 328 071	8 210 466	7 315 523
EQUITY AND LIABILITIES				
Accrued liabilities	17	416 600	199 969	246 200
Trade payables	18	522 054	101 372	608 361
Taxes and national social insurance mandatory contributions	19	100 801	150 635	207 962
Lease liabilities	13	2 170 737	79 901	46 665
Other liabilities	20	134 693	202 248	334 154
Total liabilities:		3 344 885	734 125	1 443 342
Equity				
Share capital	21	4 565 330	3 568 511	3 795 407
Share options		466 028	163 791	379 055
Share issue premium		15 354 487	7 062 908	7 094 334
Retained losses		(5 396 615)	(2 589 548)	(2 498 414)
Profit/(loss) for the period		(1 006 044)	(729 321)	(2 898 201)
Total equity and reserves:		13 983 186	7 476 341	5 872 181
TOTAL EQUITY AND LIABILITIES		17 328 071	8 210 466	7 315 523

The notes on pages 19 to 41 form an integral part of these financial statements.

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Valdis Siksnis, Chairman of the Management Board

Ieva Bauma, 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 31.12.2023		3 795 407	379 055	7 094 334	(5 396 615)	-	5 872 181
Increase in Share capital after public listing	21	769 923	-	8 260 153	-	-	9 030 076
Increase in Share option reserves		-	86 973	-	-	-	86 973
Comprehensive income for the reporting period		-	-	-	-	(1 006 044)	(1 006 044)
At 31.03.2024		4 565 330	466 028	15 354 487	(5 396 615)	(1 006 044)	13 983 186
At 31.12.2022		3 568 511	49 371	7 062 908	(2 589 548)	-	8 091 242
Increase in Share capital		-	-	-	-	-	-
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

The notes on pages 19 to 41 form an integral part of these financial statements.

The financial statements have been authorised for issue on 7 May 2024 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 Statements of Cash Flows

	Notes	Jan-Mar 2024	Jan-Mar 2023
		Unaudited EUR	Unaudited EUR
Cash flow from operating activities			
Profit/(loss) before corporate income tax		(1 004 551)	(729 321)
Depreciation of PPE and amortisation of right-of-use assets	13	40 070	18 050
Amortisation of contract acquisition costs	11	30 589	48 957
Amortization of Share option reserves		86 973	114 420
Interest income	4	(66 251)	(2 935)
Interest expense	5	-	637
(Decrease)/increase in cash and cash equivalents from operating activities before changes in assets and liabilities		(974 348)	(550 192)
Increase in receivables, prepayments, and other assets		8 744	(328 328)
Increase/(decrease) in accrued liabilities		20 934	8 473
Increase/(decrease) in trade payables and other liabilities		1 777 335	35 074
Corporate income tax		(1 493)	-
Increase/(decrease) in cash and cash equivalents from operating activities		831 172	(834 973)
Cash flow from investing activities			
PPE purchases	13	(2 767 507)	(347 634)
Accrued salesperson wage		98 660	-
Investment in the share capital of associated companies		(31 850)	-
Loans issued	15	(9 800)	(49 000)
Interest received		50 194	4 259
Other securities and investments	16	-	-
Decrease in cash and cash equivalents from investing activities		(2 660 303)	(392 375)
Cash flow from financing activities			
Share issue		769 923	-
Share issue premium		8 260 153	-
Payments for the right-of-use of assets	13	-	(10,529)
Interest on the right-of-use asset	5	-	(637)
(Decrease)/increase in cash and cash equivalents from financing activities		9 030 076	(11 166)
Decrease in cash and cash equivalents		7 200 945	(1 238 514)
Cash and cash equivalents at the beginning of the reporting period		2 707 396	7 231 123
Cash and cash equivalents at the end of the reporting period	7,8	9 908 341	5 992 609

The notes on pages 19 to 41 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 license for management of the state-funded pension scheme plans and license 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 license on management of private pension funds on 21 January 2021. On 19 December 2022 the Company established a subsidiary "IDX1R", AS with the purpose of trying to receive a banking license to begin bank operations in Latvia. IPAS, IDX1R and APF comprises the Group.

The Group is providing asset management services to the state-funded pension scheme plans, private pension plans.

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 2023 and 3M 2024.

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 a forward 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 2024, an annual discount rate of 6.9% 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.

Inventory

The inventory consists of stocks of plastic cards purchased and held for further resale. The perpetual inventory method is used for inventory tracking. In cases of plastic card usage, the FIFO method is employed to determine usage and remaining values.

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 and the Company. The cost of the right-of-use assets consists of:

- the amounts of the initial measurement of the lease liability;
- any lease payments made on or before the date of commencement of the contract, less any lease payments received;
- all initial direct costs.

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

Depreciation is calculated on a straight-line basis from the inception of the lease until the end of the lease term, unless there is an intention to buy out an asset. The right-of-use asset is periodically reduced by the amount of the impairment loss, if any, and adjusted to reflect the remeasurement of the lease liability.

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

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

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.

Associates

In the consolidated financial statements investments in associates are accounted for using the equity accounting method.

Revenue and expenditure accounting

Interest income and expense are recognized in the statement of comprehensive income using the effective interest method.

Remuneration for the management and servicing of state-funded pension scheme (SFPS) investment plans and private pension plans is calculated by multiplying the amount of certain percentage specified in the plan prospectuses by the average net asset value per year. The management fee is calculated and accumulated daily, but settlement is made once a month. Fees received by the Investment Company for managing funds are recognised over time as the related performance obligations are satisfied and no significant judgement is required to determine the transaction price or performance obligations. Accrued income, i.e., contract assets, are reported under "Receivables" at the end of each period.

In determining the amount of the SFPS investment plan fees for management, the Company shall consider the maximum amount of remuneration set forth in the Cabinet of Ministers Regulation No 765 "Procedures by which the Manager of Funds of the State Funded Pension Scheme shall Calculate the Payment for the Management of an Investment Plan and Procedures for the Accounting and Deduction of the Abovementioned Payment".

Other commissions and other income and expenses are recognized when the related service is provided.

Foreign currency transactions

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

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

Gains or losses arising from changes in exchange rates are recognised in the statement of comprehensive income. At the end of the period the Group and the Company have no assets or liabilities denominated in foreign currency.

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 and the Company. All regular way 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 classified 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 and the Company recognises the difference as follows.

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

Classification

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

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

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

- The business model chosen by the Group and the Company 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.

Financial assets measured at amortized costs

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 and the Company does not designate them as financial assets at fair value through profit or loss upon initial recognition.

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

Impairment of financial assets

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

- Financial assets measured at amortised cost.

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

- Stage 1 - 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,
- Stage 2 – 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,

- Stage 3 - 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 and the Company expects to receive (i.e., all payment defaults), discounted at the original effective interest rate (or the credit-adjusted effective interest rate for financial assets acquired or issued with impairment). The Group and the Company estimates cash flows considering all contractual terms of a financial instrument (for example, prepayments, renewals, sales, and similar options) using the estimated useful lives of the financial instruments. These cash flows include cash flows from the sale of collateral or other credit enhancements that form an integral part of the contractual terms.

The assessment of credit risk and the amount of expected credit losses is determined objectively by evaluating the risk and considering all available information for the assessment, including information on past events, current conditions, as well as well-founded and substantiated forecasts of future events and economic conditions at the reporting date.

The Group and the Company, at each reporting date, analyse whether the credit risk of the financial instrument has significantly increased since initial recognition by assessing changes in the default risk of the financial instrument over its expected time.

For transactions, the key indicator is the changes in the probability of default (PD) over the life cycle, which are determined by comparing the scenario that predicts the PD for the year at the reporting date with the scenario that predicts the PD for the year at the initial recognition date.

The Expected Credit Loss (ECL) is calculated taking into account the probability of default (PD), exposure at default (EAD), loss given default (LGD), as well as the timing of loss occurrence.

PD reflects the likelihood that a loan will not be repaid and that liabilities will not be met either within the next 12 months (for Stage 1 financial instruments) or throughout its entire lifecycle (for Stage 2 and 3 financial instruments). When assessing the expected PD for each individual instrument, customer categories and relevant external historical information are taken into account, allowing the use of informed information about future economic conditions.

EAD represents the estimation of credit exposure at the time of default. LGD is the amount that may not be recoverable in the event of default. For the assessment of LGD, the quality and quantity of any collateral held are considered, as well as the likelihood of its recovery.

In 2022, the Group and the Company consider that losses from impairment of assets included in the scope of the expected credit loss model are immaterial. This is justified by

the fact that the accrued income is towards three managed pension plans settled shortly after the end of the financial year, while the remaining financial assets primarily consist of claims against credit institutions on demand, and therefore the short term of these claims implies immaterial credit risk. In 2023, the Group and the Company have accrued credit losses on assets related to the loan to SIA Provendi Asset Management AIFP. The Group and the Company consider that the impairment losses on the remaining assets within the scope of the expected credit loss model are immaterial.

Financial assets at fair value through profit or loss

Financial assets classified as measured at fair value through profit or loss consist of investments in equity instruments. Equity instruments are instruments which correspond to the definition from the point of view of the issuer; namely, which do not include an obligation to pay, and which prove a remaining shareholding in the issuer's assets. An example of equity instruments is ordinary shares. The Group and the Company measure all investments in equity instruments at fair value through profit or loss. Dividends, when they contribute to the return of such investments, and when the Group and the Company have the right to receive them, are measured through profit or loss.

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 and the Company has transferred substantially all risks and rewards of ownership. Any consideration given or liability retained as a result of the transfer is recognised as a separate asset or liability. The Group and the Company derecognises a financial liability when it is settled, i.e., when the liability is discharged, cancelled or expired.

Offsetting

Financial assets and liabilities are offset, and the net amount recognised in the balance sheet when there is a legal right to do so and the Group and the Company 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.

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 three months or less that are used by the Group and the Company to settle current liabilities.

Accrued liabilities

"Accrued liabilities" include clearly known amounts of payables to suppliers of goods and services received during the reporting 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 and the Company makes mandatory social security contributions to the state-funded pension scheme in accordance with Latvian legislation. The state-funded pension scheme is a defined contribution pension plan to which the Group and the Company is required to make statutory payments. The Group and the Company has no legal or constructive obligation to make additional payments if the state-funded pension scheme is unable to meet its obligations owed to its employees. National social security mandatory contributions are recognised as an expense on an accrual basis and are included in employee expenses.

Share-based payments

The cost is recognised as part of employee compensation, together with a corresponding increase in equity (stock options) during the period in which the service is rendered and the performance conditions are fulfilled (vesting period). The cumulative cost recognised in respect of equity settled transactions at the end of each reporting period reflects the past service vesting period and the Group's best estimate of the number of equity instruments that will ultimately vest. The cost or reversal of the previously recognised expense 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 expected to vest because the related non-market vesting condition and/or service condition are not expected to be satisfied over the vesting period. Where share-based payment transactions involve market-based or non-vesting conditions, these are accounted for as vested, whether or not the market or non-vesting conditions are satisfied if all other vesting 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 remuneration, provided the original terms of the share-based payment are satisfied. Incremental costs determined at the date of modification are recognised for 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 immediately recognised in the statement of comprehensive income.

Corporate income tax

Corporate income tax for the reporting period is included in the financial statements based on the Management's calculations prepared in accordance with Latvian Republic tax legislation.

Corporate income tax is calculated on the basis of distributed profit (20/80 of the net amount payable to shareholders). Corporate tax on distributed profit will be recognized when the shareholders of the Group companies and the Company decide about profit distribution. The Group companies and the Company calculate and pay corporate income tax also for the conditionally distributed profit (20/80 of calculated taxable base), which includes taxable objects in accordance with the Corporate Income Tax law, such as the expenditure not related to economic activity, the doubtful debts of debtors and the loans to the related parties, if they meet criteria provided in the Corporate Income Tax law, as well other expenses exceeding statutory limits for deduction. Corporate income tax for the conditionally distributed profit is recognized in the income statement in the year for which it is assessed.

Risk management

The Group's activities result in exposure to a variety of financial and non-financial risks. The risk management system is integrated in the framework of the Group's internal control system. Risk measurement, assessment and control functions are separated from the business unit (risk acceptance) functions. 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 and the Company's significant operational risks, as well as to ensure their control. The Group's and the Company's main tasks in the field of risk management are to:

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

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

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

Market risk

Market risk is the possibility of losses from the revaluation of assets and assets under management due to changes in the market price of financial instruments, commodities, and their derivatives because 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 and the Company's open currency position (the difference between assets and liabilities) for each foreign currency due to changes in the exchange rate of the reporting currency. During the reporting period, the Group and the Company did not have a significant currency position in a foreign currency that would materially affect the Group's and the Company's assets or liabilities, nor did it have such a position at the end of the reporting period. The Group and the Company considers the foreign exchange risk to be immaterial and does not prepare a sensitivity analysis.

Operational risk

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

In order to identify operational risk events promptly and to take appropriate and timely measures to minimize operational risk the Group and the Company has developed and implemented a data base for registering operational risk events on a regular basis. The Group and the Company has implemented a procedure that all employees regardless of their position immediately make entries of operational risk events in the event database upon identifying any circumstances that have caused or may cause losses (irrespective of

the type) to the Group and the Company or may inflict damage to the Group's reputation. If required, all operational risk events entered in the event database are checked according to the procedures specified in internal documents, and risk mitigation measures are developed and assigned to improve the internal controls.

Reputational risk

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

Sustainability risk

Sustainability risk is the risk that an event or circumstance in the framework of Environmental, Social or Governance (ESG) could negatively affect the value of an investment.

We actively monitor the average sustainability ratings of portfolios. At the end of 2023, each instrument selected in portfolio had a sustainability rating ranging from B to AA. At the end of 2023, each of INDEXO's plans had an average sustainability rating of AA and was in line with the objectives set out in the prospectuses.

Information technology and system risk

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

Compliance risk

Compliance risk is the risk that the Group and the Company will suffer losses or be subject to legal obligations or sanctions, or that its reputation will deteriorate because the Group and the Company does not comply with or violates compliance laws, regulations and standards.

The Group and the Company operates in a manner that ensures compliance with all applicable laws and regulations. Compliance risk management in the Company is ensured by defining clear responsibilities in the field of operational compliance, implementing the actual requirements of external regulations in internal policies and procedures that are comprehensible and transparent to the Group and the Company employees.

The Group and the Company take all necessary measures to comply with all applicable laws and regulations, including in the fields of managing conflicts of interests, market abuse, personal data protection, information security and other.

For the management of ML/TF/PF and Sanctions risks the Group and the Company defined low risk appetite in regards of compliance risks and zero tolerance principle against intentional violations of AML/CFT and Sanctions compliance requirements.

Liquidity risk

Liquidity risk is the risk that the Group and the Company is unable to meet legally enforceable requirements in a timely manner without incurring significant losses, and that it is unable to manage unplanned changes in the Group's and the Company's resources and/or market conditions due to insufficient cash. Given the level of the Group's and the

Company's unrestricted cash, no liquidity risks were identified during the reporting period. The Group and the Company manages its liquidity risk by maintaining sufficient cash and cash equivalents. To ensure sufficient cash, the Group and the Company regularly plans its cash flow and analyses actual performance indicators.

Strategic and business risk

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

Credit risk

Credit risk is the possibility of incurring losses if a customer fails to meet its contractual obligations. The Group and the Company in 2023 has no assets that are impaired or past due. The Group and the Company applies IFRS 9 and the expected credit loss model. In accordance with the Group's and the Company's investment policy, cash is invested in term deposits depending on the credit rating of the financial institution and the interest rate offered. The Group and the Company controls credit risk by monitoring the amount of receivables and minimizing the occurrence of past due or uncollectible receivables.

Capital adequacy

The Company provides enough 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 2024	Jan-Mar 2023
	Unaudited	Unaudited
	EUR	EUR
Commission fee for the management of the assets of the State Funded Pension Scheme Investment Plan "INDEXO Izaugsme 47- 57"	195 274	153 642
Commission fee for the management of the assets of the State Funded Pension Scheme Investment Plan "INDEXO Jauda 16-50"	671 796	459 898
Commission fee for the management of the assets of the State Funded Pension Scheme Investment Plan "INDEXO Konservatīvais 55+"	27 902	23 952
Commission fee for the management of the assets of the private pension scheme investment plan "INDEXO AKCIJU PLANS"	26 603	13 478
Commission fee for managing the assets of the private pension scheme investment plan "INDEXO OBLIGACIJU PLANS"	2 040	1 120
Total	923 615	652 090

3. Administrative expenses

	Jan-Mar 2024	Jan-Mar 2023
	Unaudited	Unaudited
	EUR	EUR
Remuneration of staff	722 513	523 281
Sales and marketing expenses	191 520	225 156
National social insurance mandatory contributions	110 222	122 841
IT costs	342 111	234 185
Employee stock option expenses	86 973	114 420
Professional fees	143 939	62 587
Other staff costs	64 716	32 104
Office maintenance costs	28 870	14 542
Amortisation of the right-of-use an asset	-	9 282
Depreciation of property, plant and equipment	40 070	8 978
Investors relations costs	-	5 445
Other	29 017	21 144
Total	1 759 951	1 373 965
	Mar 2024	Mar 2023
Number of employees	101	95

In order to ensure a high long-term employee performance culture, the Group and the Company determine 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 Company's Remuneration policy in its current version was approved on 24 March, 2022 in the Company's shareholders' meeting. Various experts, including risk management and compliance experts, responsible members of the legal function and external experts, were involved in the development of this policy. The principles of the Remuneration policy are reviewed on a regular basis to ensure that they are consistent with the Company's business plan or the strategy of the investment portfolio under its management, the results of the remuneration policy and its compliance with the approved remuneration policy and the relevant internal and external regulatory provisions. The Group and the Company have developed an updated the Group's Remuneration policy, which will be approved in the Company's shareholders' meeting during 1st quarter of 2024.

The internal audit function regularly checks compliance with the core principles on remuneration. Based on the audit results, action plans are prepared to address the identified weaknesses in the internal control system and to implement improvements.

One high risk deficiency, which has been resolved at the time of this report, was identified during the most recent inspection. The remaining deficiencies identified by the internal audit were of low and one of medium residual risk.

The remuneration structure of the Group and the Company consists of three components:

- base salary;
- variable part of remuneration (only in monetary form);
- other additional benefits.

The fixed part of the remuneration consists of a part of the salary that is independent of the employee's individual performance, the conditions for granting of which do not depend on the individual performance. The fixed part of the remuneration is determined by considering the employee's level of education, professional experience, position, duties and responsibilities. This is usually the salary. For the members of the Management Board and Supervisory Council, it also includes a fixed remuneration.

Other additional benefits in monetary and non-monetary form that are included in the standard remuneration package for employees and members of the Management Board and the Supervisory Council are considered by the Management Board to be part of the fixed remuneration and include, for example, contributions for employees to a private pension fund, health insurance, material benefits in exceptional circumstances, use of mobile phones purchased by the Group and the Company and/or payment of mobile-related expenses, additional holidays, paid participation in seminars, training sessions, etc..

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 variable part of the remuneration is awarded based on the employee's individual performance.

4. Interest income

	Jan - Mar 2024	Jan - Mar 2023
	Unaudited	Unaudited
	EUR	EUR
Interest on short-term deposits in credit institutions	66 251	2 513
Interest on loans to related parties	-	422
Total	66 251	2 935

5. Interest expenses

	Jan - Mar 2024	Jan - Mar 2023
	Unaudited	Unaudited
	EUR	EUR
Interest on lease liabilities	-	637
Interest on purchase of shares	211 980	-
Total	211 980	637

During the reporting period we have paid the interest expense for the commitment letters in the amount of EUR 211 980.

6. Other operating expenses

	Jan - Mar 2024	Jan - Mar 2023
	Unaudited	Unaudited
	EUR	EUR
Commission fee	1 369	1 676
FCCM financing fee	21 117	8 068
Total	22 486	9 744

7. Placements with central banks

	Mar 2024	Mar 2023
	Unaudited	Unaudited
	EUR	EUR
Placements with Bank of Latvia	8 516 058	-
Total (Cash and cash equivalents at central banks)	8 516 058	-

8. Placements with credit institutions

	Mar 2024	Mar 2023
	Unaudited	Unaudited
	EUR	EUR
Placements with Swedbank AS	242 968	1 743 433
Placements with SEB bank AS	14 348	2 749 176
Swedbank short-term deposit	1 151 025	1 500 000
Total (Cash and cash equivalents)	1 408 341	5 992 609

According to IFRS 9 "Financial Instruments", the Group has assessed expected credit losses on placements with credit institutions. The Group holds most of its cash in the Bank of Latvia. The Group holds the rest of its 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 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.

9. Receivables

	Mar 2024	Mar 2023
	Unaudited	Unaudited
	EUR	EUR
Commission fee for the management of the assets of the state-funded pension scheme investment plan "INDEXO Izaugsme 47-57"	64 277	53 833
Commission fee for the management of the assets of the state-funded pension scheme investment plan "INDEXO Jauda 16-50"	224 753	162 088
Commission fee for the management of the assets of the state-funded pension scheme investment plan "INDEXO Konservatīvais 55+"	8 953	8 367
Commission fee for the management of the assets of the private pension scheme investment plan "INDEXO AKCIJU PLANS"	9 041	4 811
Commission fee for managing the assets of the private pension scheme investment plan "INDEXO OBLIGACIJU PLANS"	679	394
Total	307 703	229 493

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

10. Prepayments

	Mar 2024	Mar 2023
	Unaudited	Unaudited
	EUR	EUR
Maintenance costs, IT	344 956	-
Software license expenses	34 320	178 857
Training fees	25 440	-
Health insurance	22 112	12 840
Marketing expenses	20 759	-
Rent and utilities expenses	-	8 397
Nasdaq fees	2 269	-
Total	449 856	200 094

11. Contract acquisition costs

	Mar 2024	Mar 2023
	Unaudited	Unaudited
	EUR	EUR
Customer attraction costs	1 419 637	1 085 153
Total	1 419 637	1 085 153

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 8% of participants in the investment plans managed by the Group opted for other investment plans registered in Latvia, while 92% 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.

<i>Customer acquisition costs</i>	EUR
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
At 31.12.2023	1 389 048
Capitalised salary costs, including national social insurance mandatory contributions	102 043
Amortisation of capitalised salary costs, including national social insurance mandatory contributions	(71 454)
At 31.03.2024	1 419 637

12. Other assets

	Mar 2024	Mar 2023
	Unaudited	Unaudited
	EUR	EUR
Financial assets		
Guarantee deposit	108 553	5 152
Inventory of plastic cards	76 838	76 836
Total	185 391	81 988

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

	Intangible assets		Other PPE
	EUR		EUR
Cost	Historical cost		
At 31.12.2022	216 376	At 31.12.2022	21 687
Additions	342 268	Additions	5 366
At 31.03.2023	558 644	At 31.03.2023	27 053
At 31.12.2023	2 075 133	At 31.12.2023	48 075
Additions	584 919	Additions	17 095
At 31.03.2024	2 660 052	At 31.03.2024	65 170
Accumulated amortisation	Accumulated depreciation		
At 31.12.2022	39 199	At 31.12.2022	17 606
Additions	8 108	Additions	3 221
At 31.03.2023	47 307	At 31.03.2023	18 478
At 31.12.2023	109 965	At 31.12.2023	26 388
Additions	36 551	Additions	3 411
At 31.03.2024	146 516	At 31.03.2024	29 799
Net book value at 31.12.2023	1 965 168	Net book value at 31.12.2023	21 687
Net book value at 31.03.2024	2 513 536	Net book value at 31.03.2024	35 371

The Group applies IFRS 16 to leases. The Group leases office space. The lease is on average valid until 30 January 2025. Lease liabilities are calculated using a discount rate of 6.9%.

<i>Right-of-use assets</i>	EUR	<i>Lease liability</i>	EUR
At 31.12.2022	77 788	At 31.12.2022	90 466
Impact of lease changes	(654)	Changes during the reporting period	(10 566)
Amortisation	(9 070)	At 31.03.2023	79 900
At 31.03.2023	68 064	At 31.12.2023	46 665
At 31.12.2023	37 811	Changes during the reporting period	2 124 072
Impact of lease changes	2 124 072	At 31.03.2024	2 170 737
Amortisation	-		
At 31.03.2024	2 161 883		

	Mar 2024	Mar 2023
	Unaudited	Unaudited
Right-of-use assets	EUR	EUR
Right-of-use assets	2 161 883	68 064
Lease liability	2 170 737	79 900

14. Investment in associated company share capital

	Shareholding 31.03.2024	31.03.2024	Shareholding 31.03.2023	31.03.2023
		Unaudited		Unaudited
		EUR		EUR
Loan to SIA Provendi asset management AIFP	49%	159 250	49%	49 000
Total		159 250		49 000

SIA Provendi asset management AIFP was established 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.

15. Loans to associated companies

	Mar 2024	Mar 2023
	Unaudited	Unaudited
	EUR	EUR
Loan to SIA Provendi asset management AIFP	63 700	-
Accrued interest	4 450	-
Total	68 150	-

16. Other securities and investments

	Shareholding 31.03.2024	31.03.2024	Shareholding 31.03.2023	31.03.2023
		Unaudited		Unaudited
		EUR		EUR
GolIndex UAB (Lithuania)	5%	61 583	5%	11 663
Total		61 583		11 663

GolIndex 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.

17. Accrued liabilities

	Mar 2024	Mar 2023
	Unaudited	Unaudited
	EUR	EUR
Financial liabilities		
Accrued liabilities to suppliers	119 492	88 036
Non-financial liabilities		
Accrued liabilities for unused annual leave	172 451	99 933
Accrued liabilities for IFRS 9	3 497	-
Accruals for employee contributions to the 3PL	22 500	12 000
Provisions for variable remuneration of employees and related tax payments	98 660	-
Total financial and non-financial liabilities	416 600	199 969

18. Trade payables

	Mar 2024	Mar 2023
	Unaudited	Unaudited
	EUR	EUR
Financial liabilities		
Payables for purchased goods and received services	522 054	101 372
Total	522 054	101 372

19. Tax liabilities

	Mar 2024	Mar 2023
	Unaudited	Unaudited
	EUR	EUR
Non-financial liabilities		
Tax liabilities	100 801	150 635
Total	100 801	150 635

20. Other liabilities

	Mar 2024	Mar 2023
	Unaudited	Unaudited
	EUR	EUR
Non-financial liabilities		
Salary liability	96 095	165 138
Liabilities to 3 Pillar pension plans	38 024	36 274
Other	574	836
Total	134 693	202 248

21. Share capital

	Share capital EUR
At 31.12.2022	3 568 511
Increase in Share capital	-
At 31.03.2023	3 568 511
At 31.12.2023	3 795 407
Increase in Share capital	769 923
At 31.03.2024	4 565 330

The registered and fully paid-in share capital of IPAS "Indexo" as of 31 March 2024 amounts to EUR 4 565 330 (31 March 2023: EUR 3 568 511) and consists of bearer shares. The share capital of the Company consists of 4 565 330 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 769 923.

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

	Mar 2024 Unaudited EUR	Mar 2023 Unaudited EUR
State-funded pension scheme investment plan "INDEXO Izaugsme 47-57"	220 855 007	152 919 499
State-funded pension scheme investment plan "INDEXO Jauda 16-50"	778 364 795	463 904 932
State-funded pension scheme investment plan "INDEXO Konservatīvais 55+"	34 865 522	28 582 509
Private pension scheme pension plan "INDEXO AKCIJU PLANS"	24 039 284	11 474 147
Private pension scheme pension plan "INDEXO OBLIGACIJU PLANS"	1 798 095	939 199
Total	1 059 922 703	657 820 286

The financial statements have been authorised for issue on 7 May 2024 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