



# Webinar on H1 2024 consolidated financial results



**Valdis Siksnis**  
AS INDEXO Banka  
Chairman of the Board



**Ivita Asare**  
AS INDEXO Banka  
Chief Financial Officer



**Henrik Karmo**  
IPAS INDEXO  
Chairman of the Board

# Another great quarter for INDEXO Group making INDEXO one of the fastest growing pension fund manager in the Baltic countries

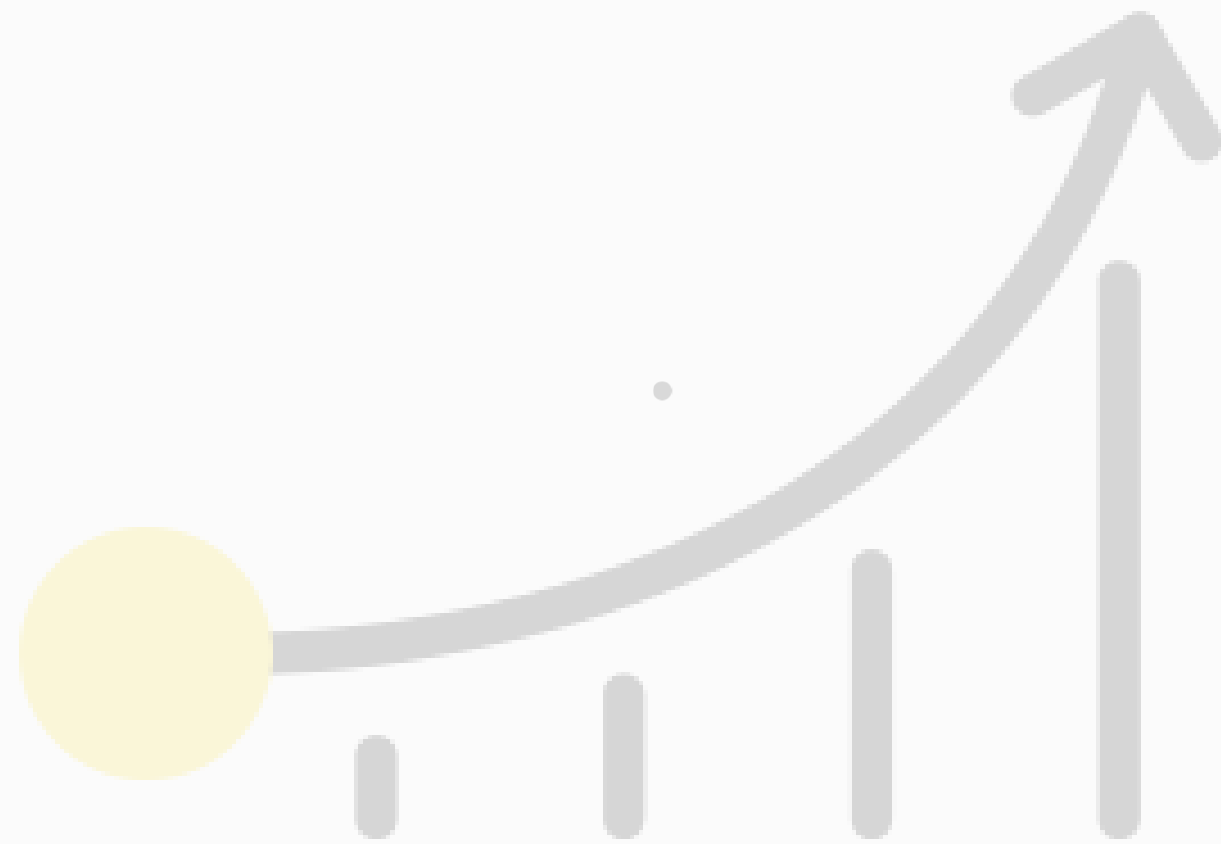
Pension business delivering **solid financial results** and generates cash flow to support INDEXO Group further development

INDEXO 2<sup>nd</sup> and 3<sup>rd</sup> pension pillar equity plans are **among the best-performing** in the Latvian market

INDEXO Bank received a license from the ECB on May 15, joined **SWIFT** and **SEPA**, **VISA** card transactions are live

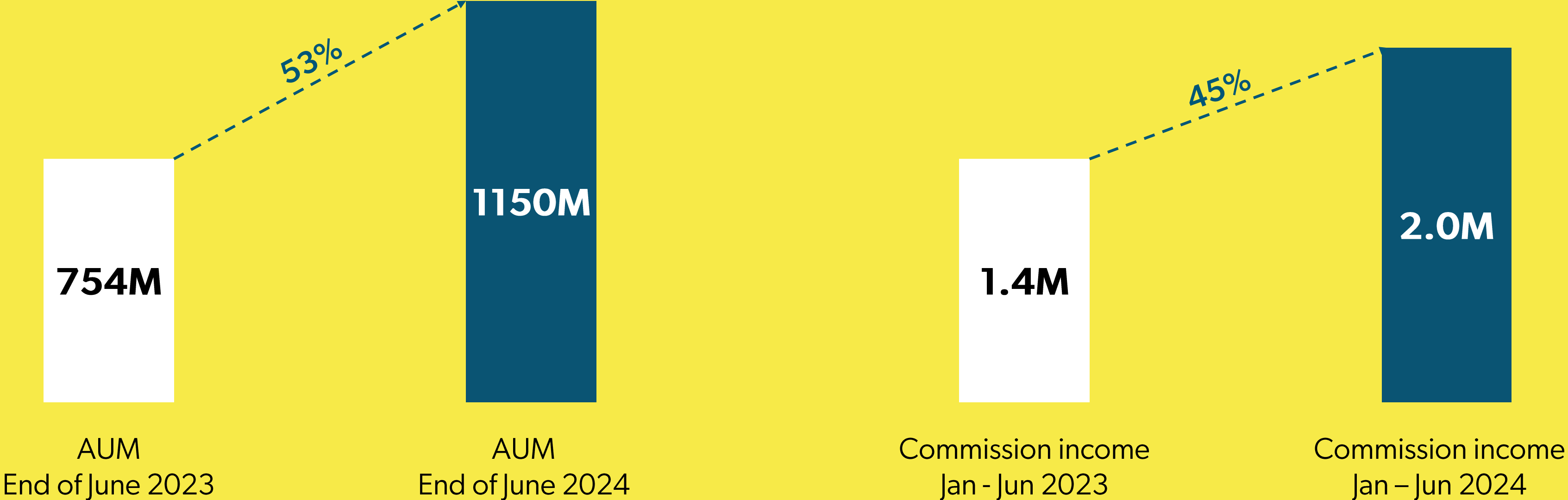
**Almost 6 000 shareholders\*** allowing everyone to be a part of INDEXO's growth story

# Key H1 2024 Highlights



# INDEXO keeps growing quickly

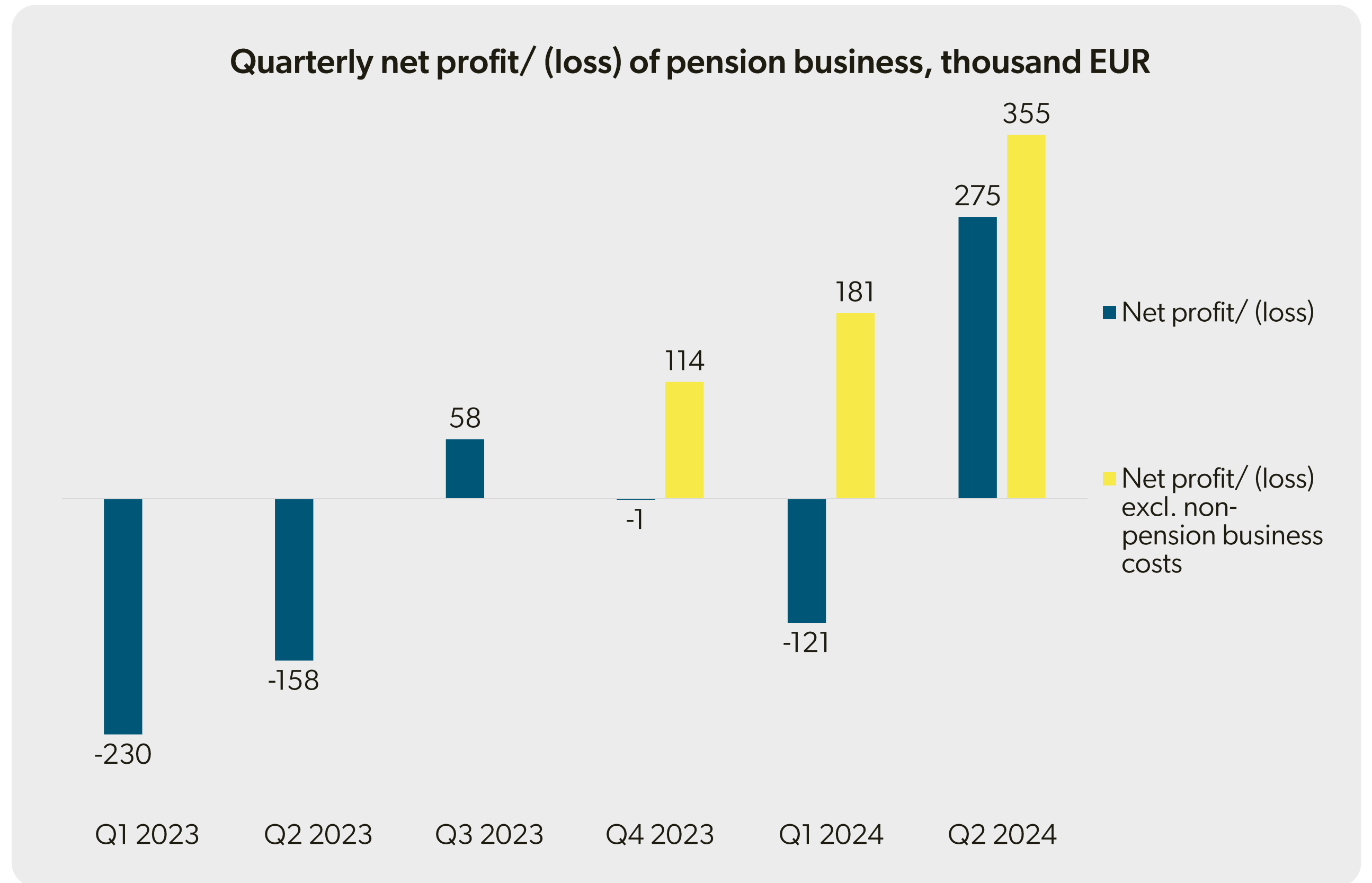
Our Assets Under Management (AUM) have grown by more than **50%** and **exceeded 1bn EUR**, as well our revenues keep growing quickly



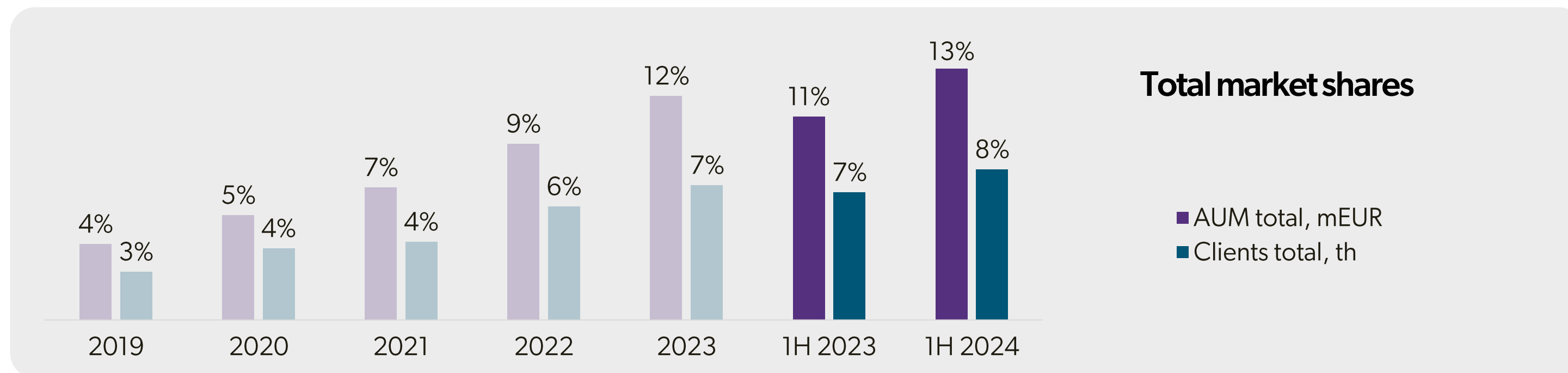
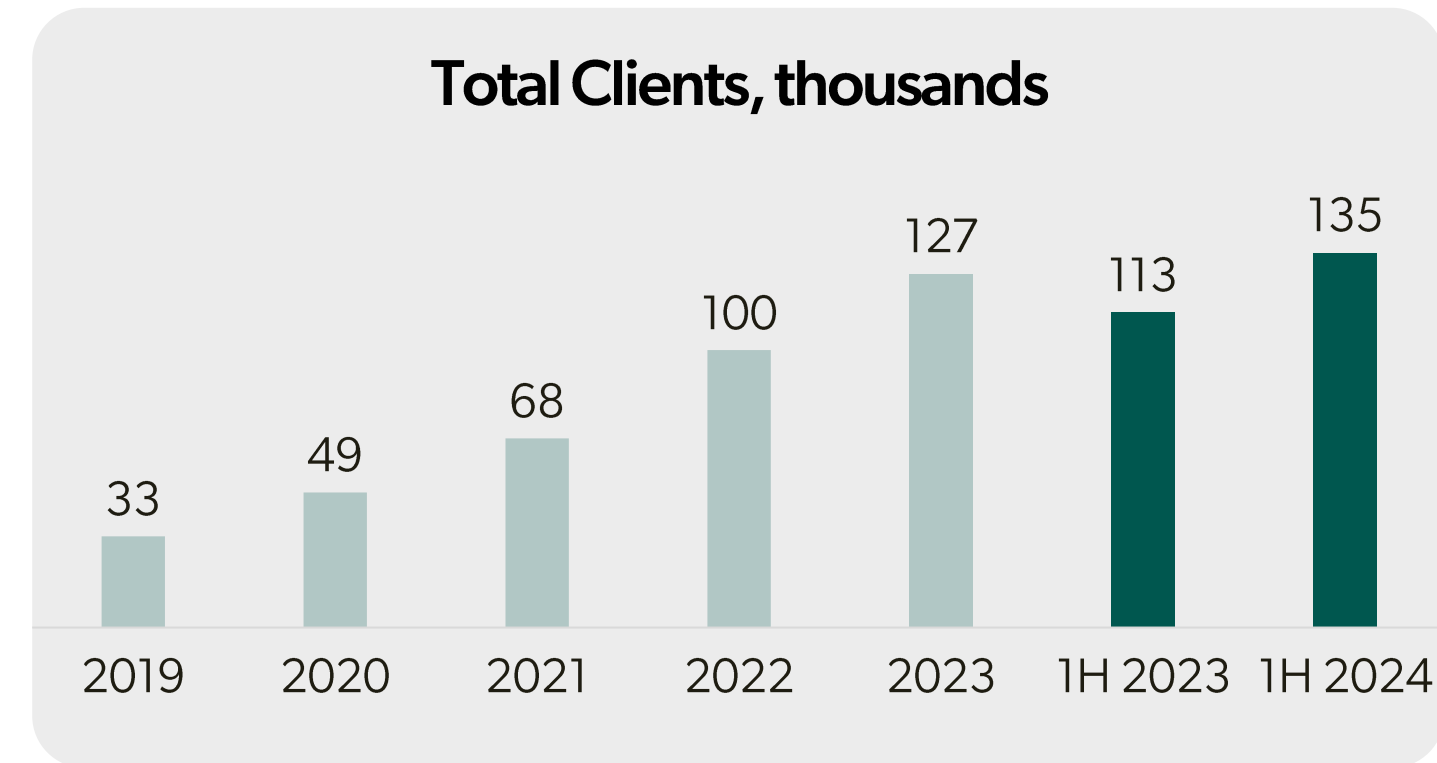
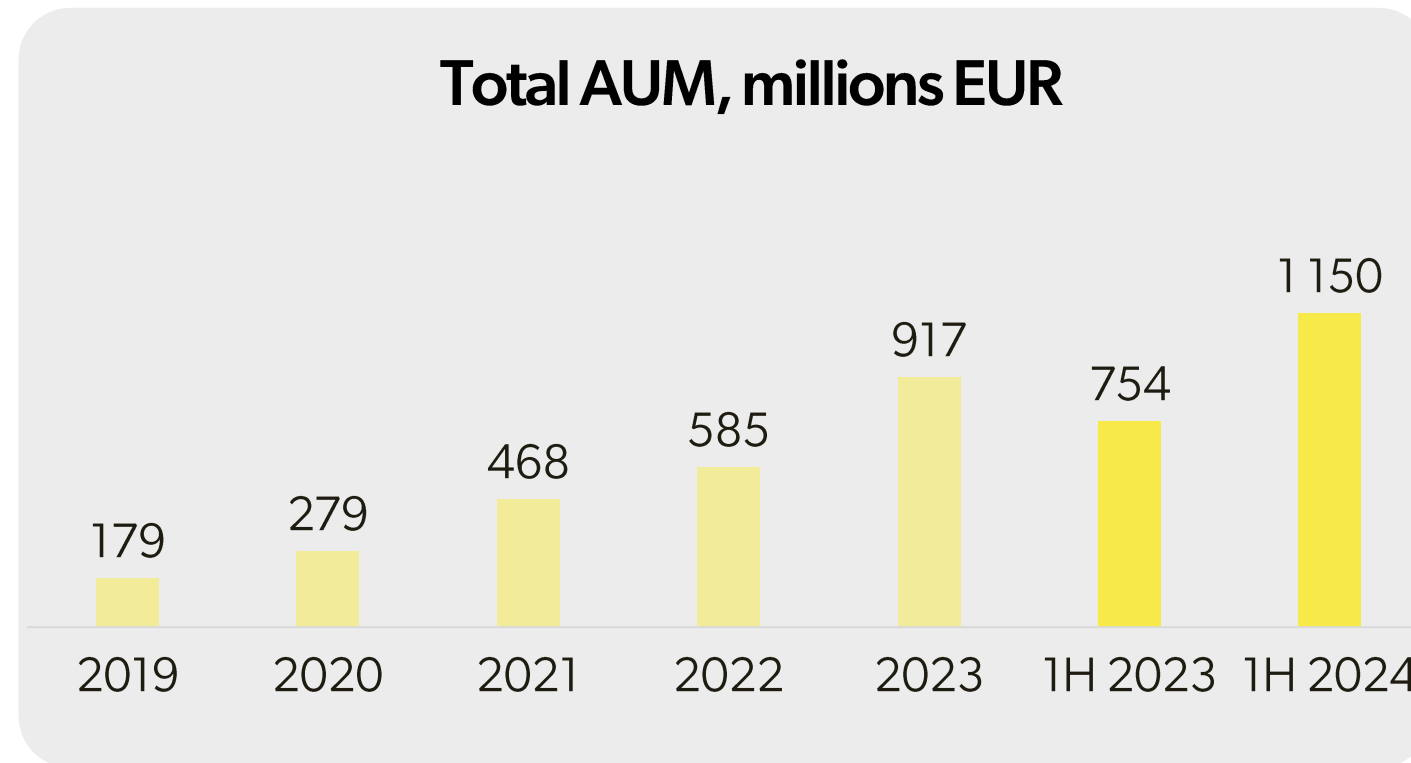
# Key metrics in 5 years have grown significantly

Period	Clients	AUM	Revenue	Net Profit
H1 2019	22,848	125.3M	232,035	-302.74K
H1 2024	134,734	1150.3M	2,015,460	154.63K
	5.9X	9.2X	8.7X	3.0X

# Pension business has been profitable for the last four quarters

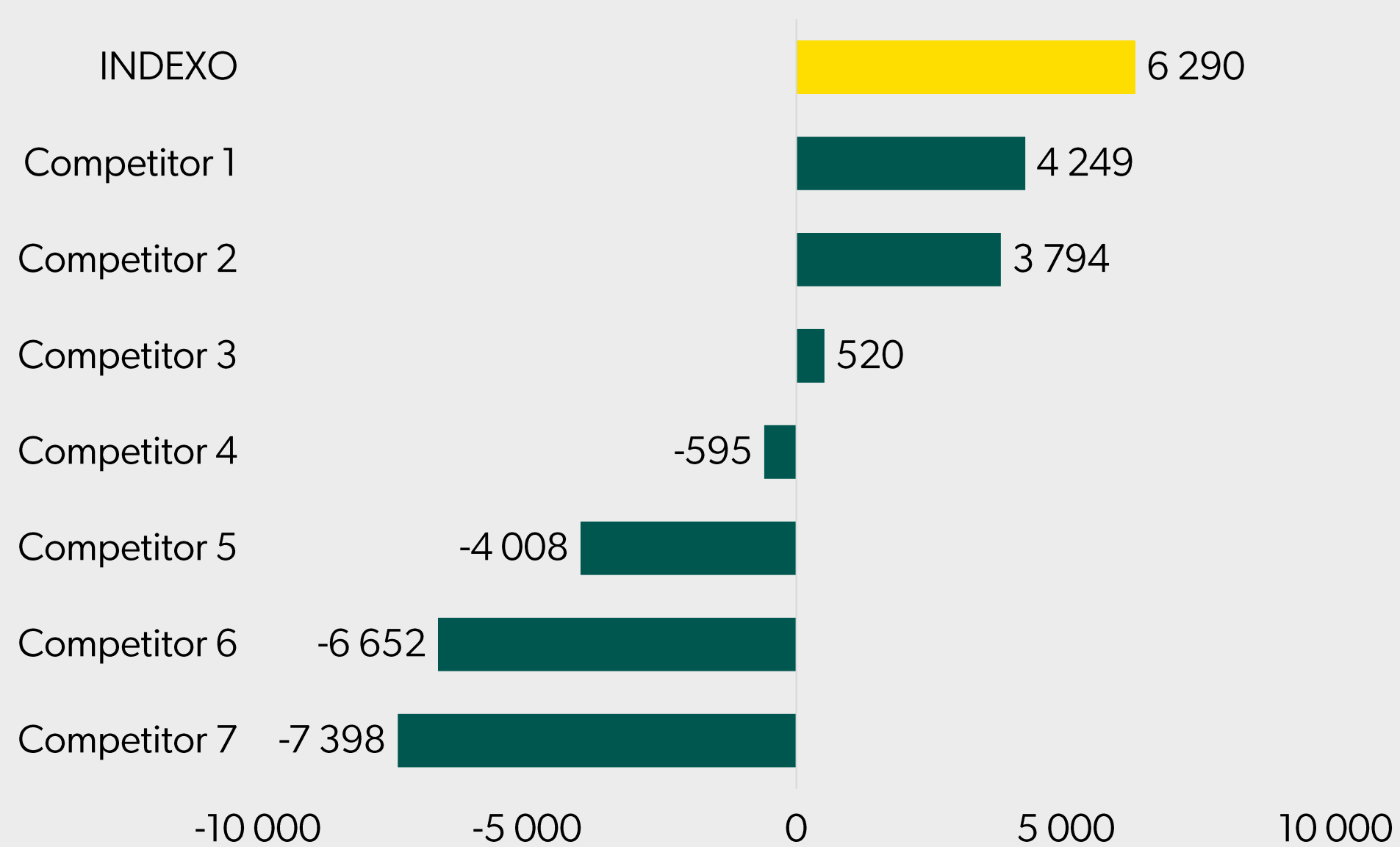


# Impressive growth of AUM and Clients

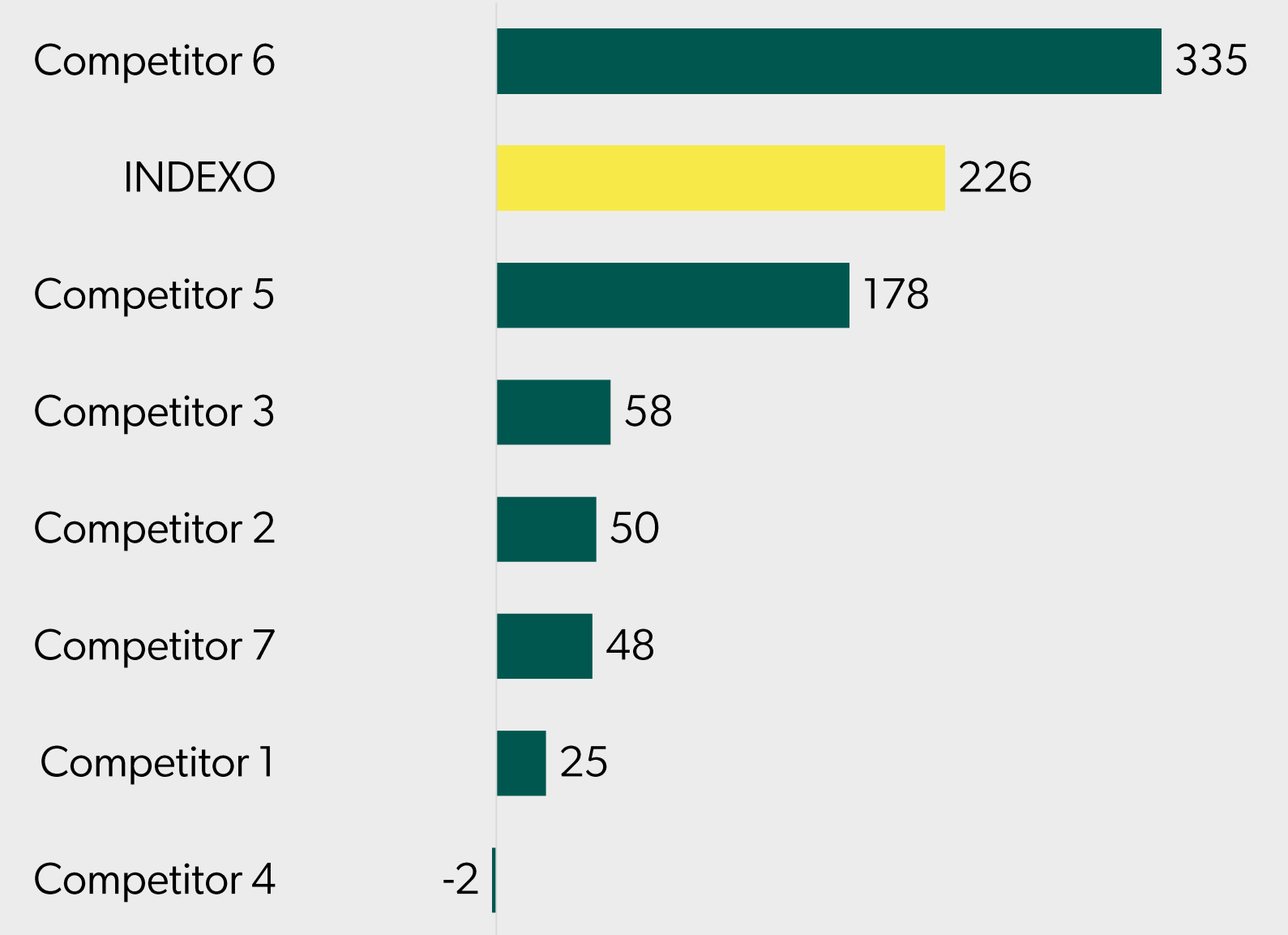


# INDEXO is the most popular choice switching 2<sup>nd</sup> pillar manager

Change in number of 2<sup>nd</sup> Pillar clients during Jan-Jun 2024



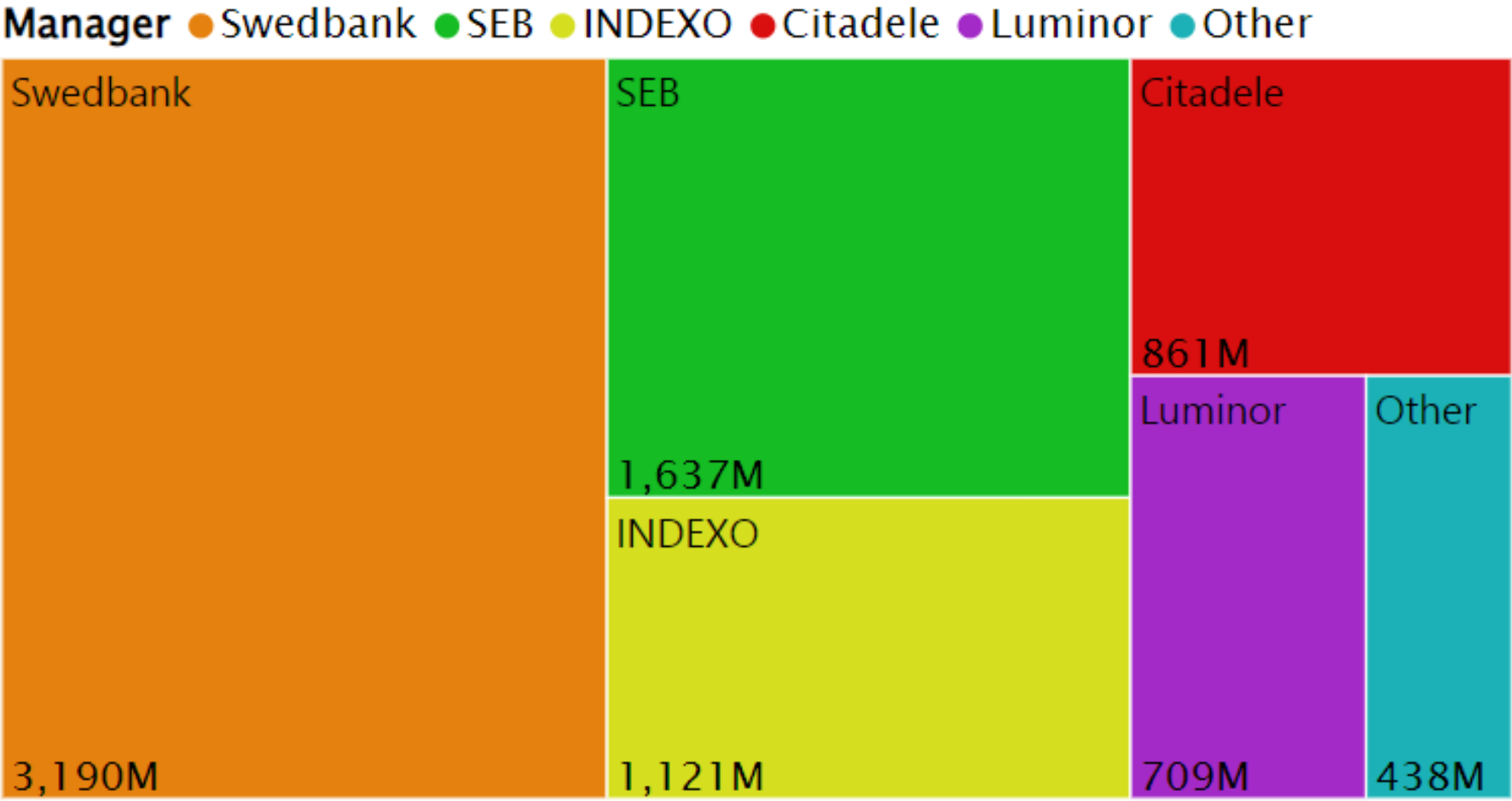
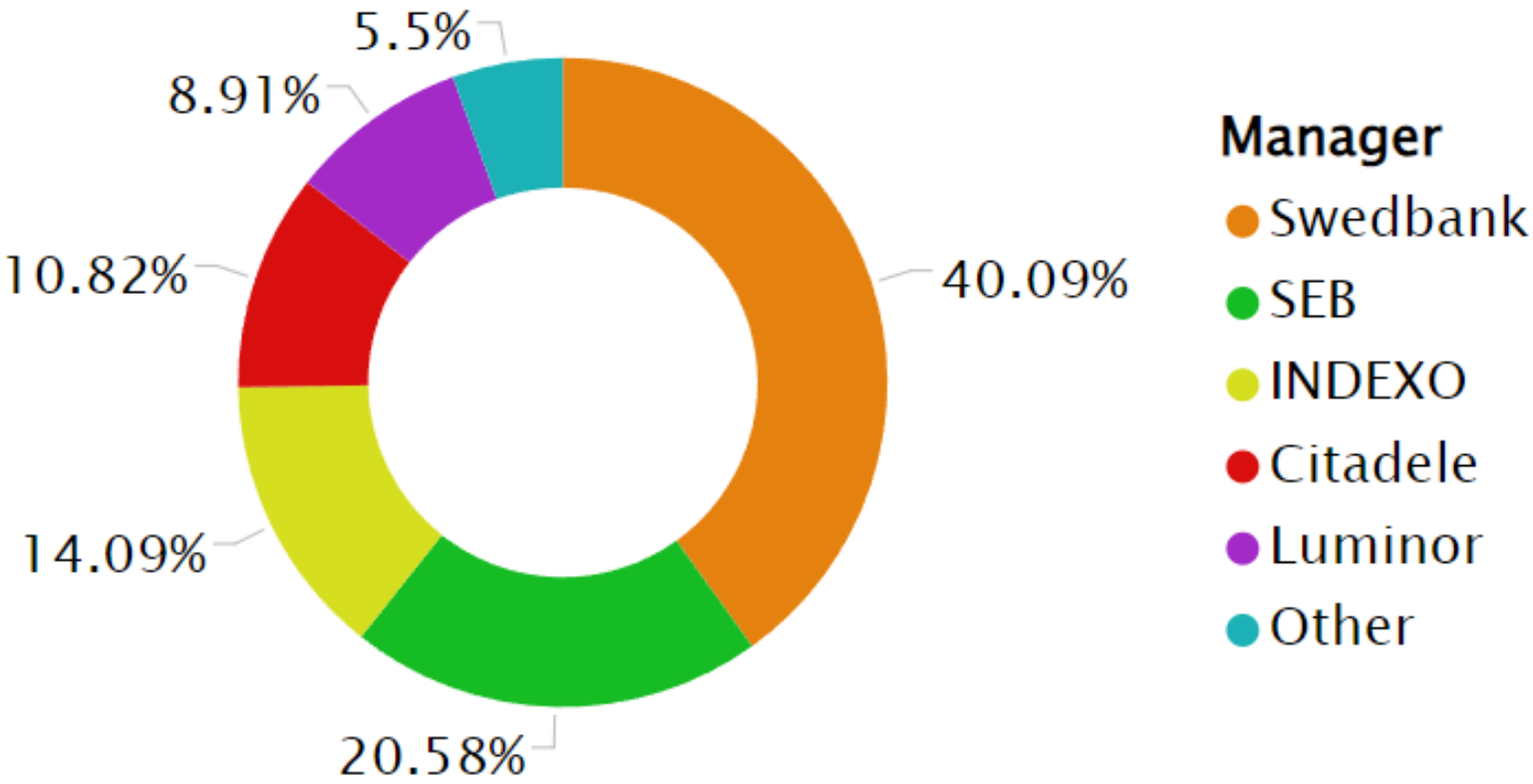
Change in 2<sup>nd</sup> Pillar AUM Jan-Jun 2024, Mn EUR





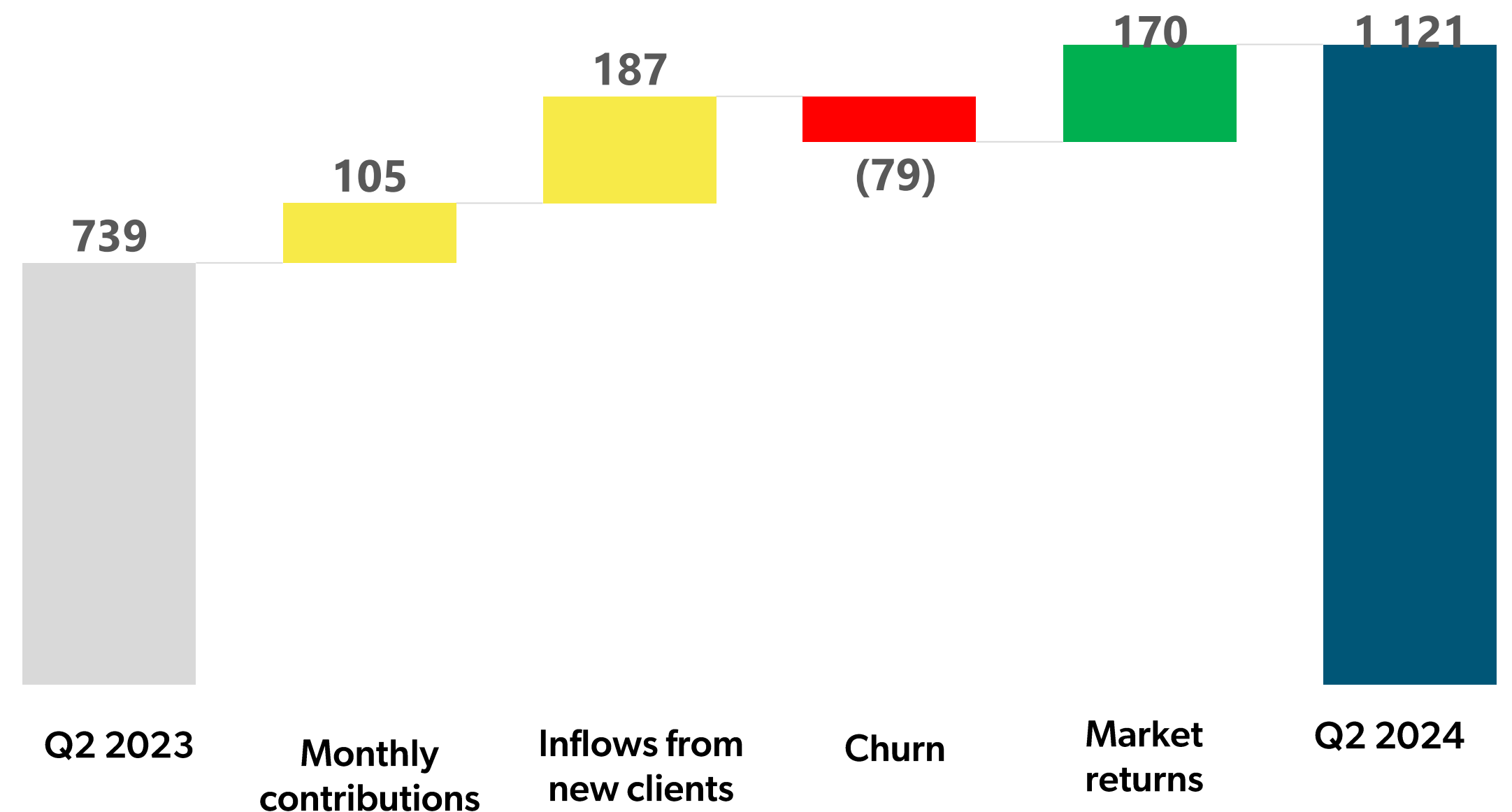
# INDEXO is the 3<sup>rd</sup> largest pension manager in Latvia

(as of 30 June, 2024)



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

**2<sup>nd</sup> Pillar pension AUM growth drivers Q2 2023 – Q2 2024**  
Millions EUR

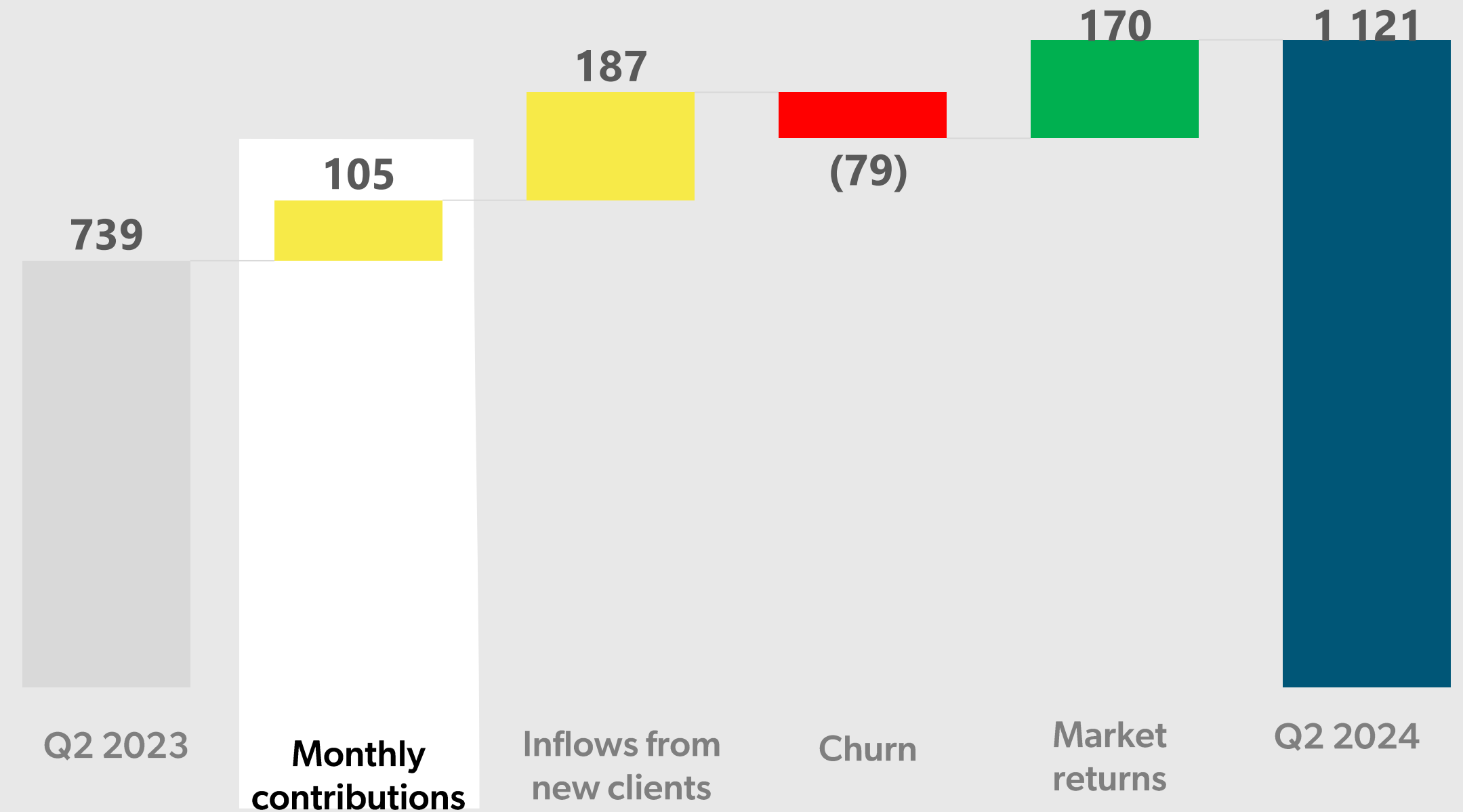


Our business growth in 2<sup>nd</sup> pillar can be attributed to **growing monthly contributions** and new customers joining INDEXO

From: 7.4 million euro in June 2023  
 To: 9.5 million euro in June 2024

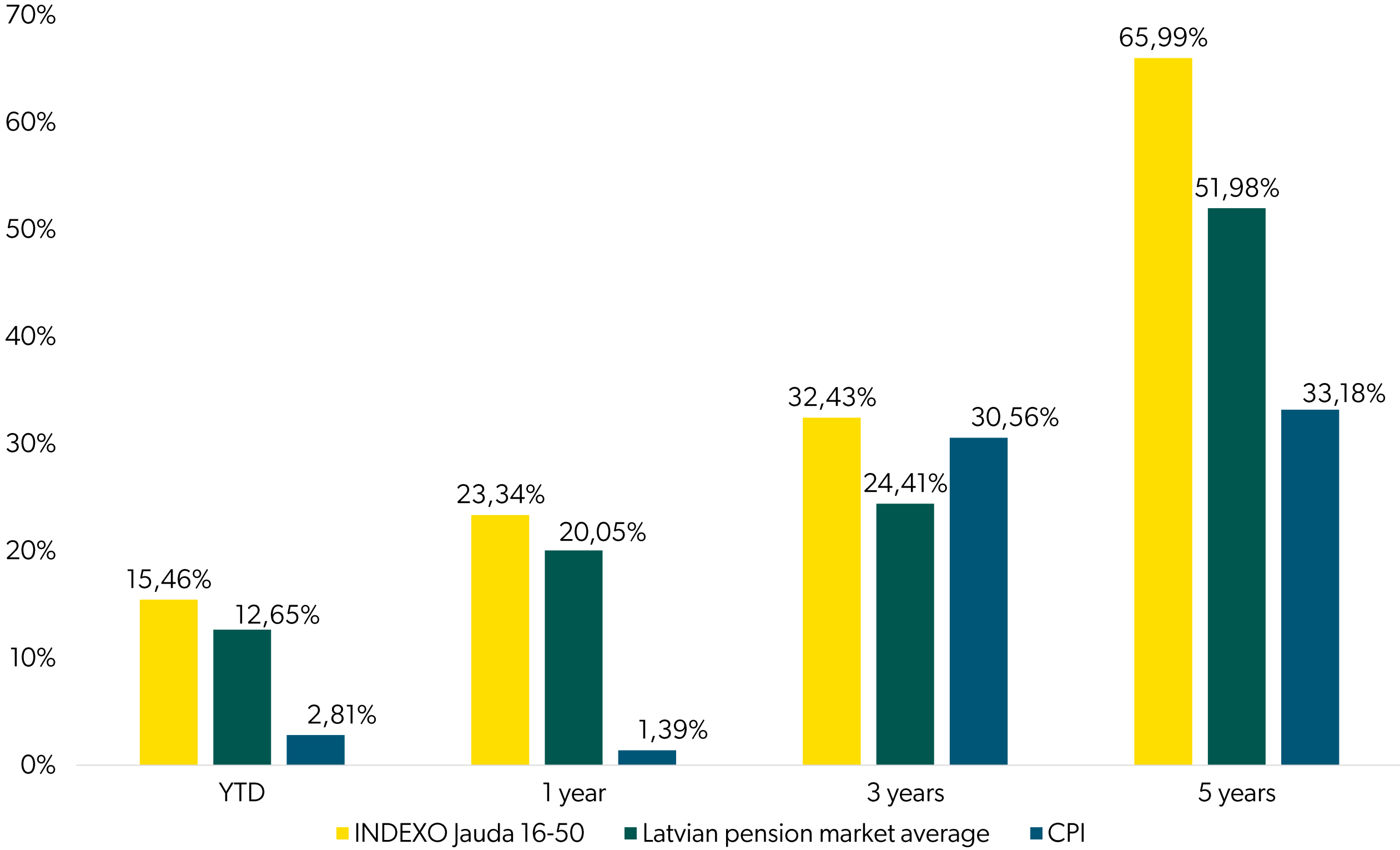
**28% increase**

**2<sup>nd</sup> Pillar pension AUM growth drivers Q2 2023 – Q2 2024**  
 Millions EUR



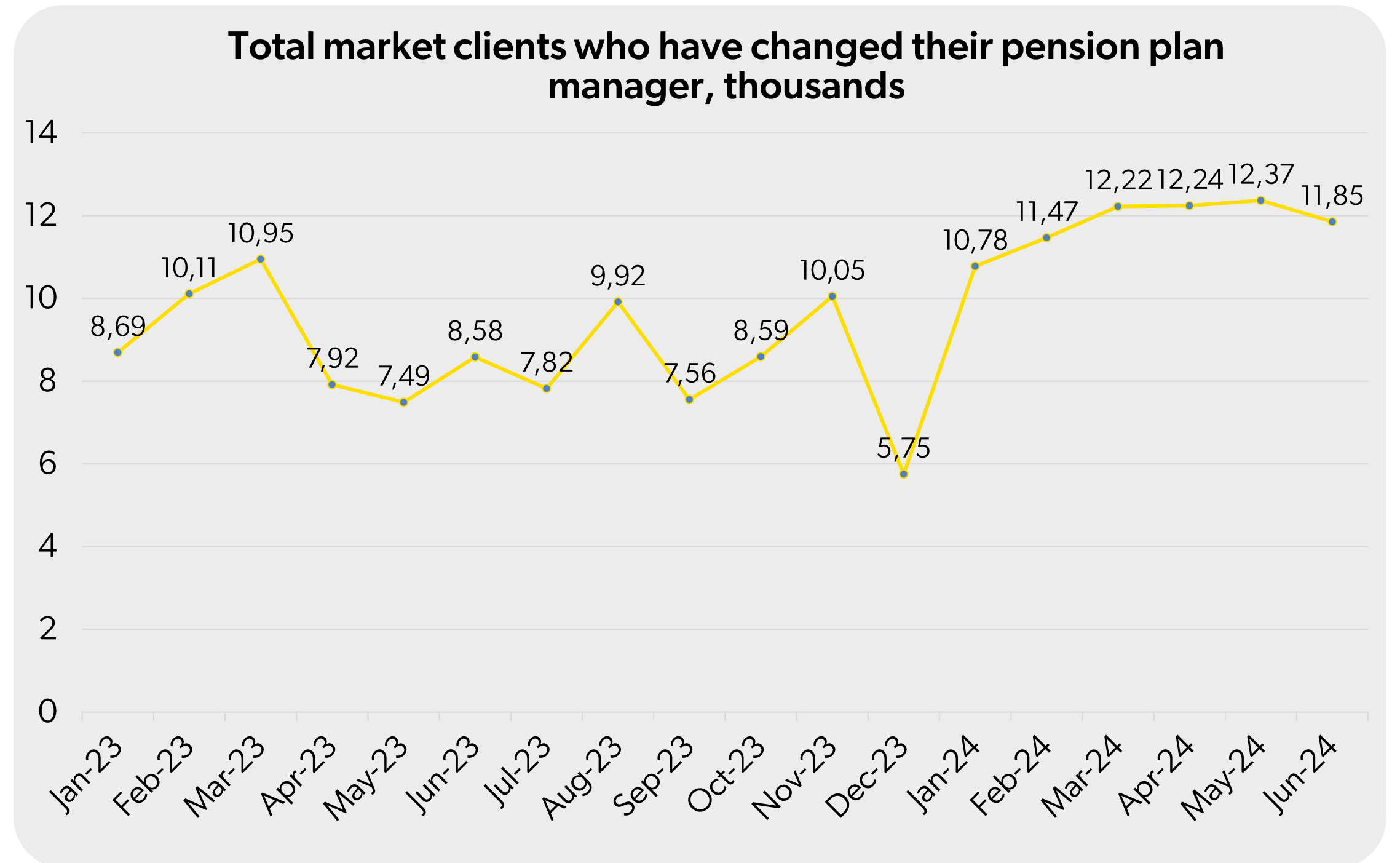
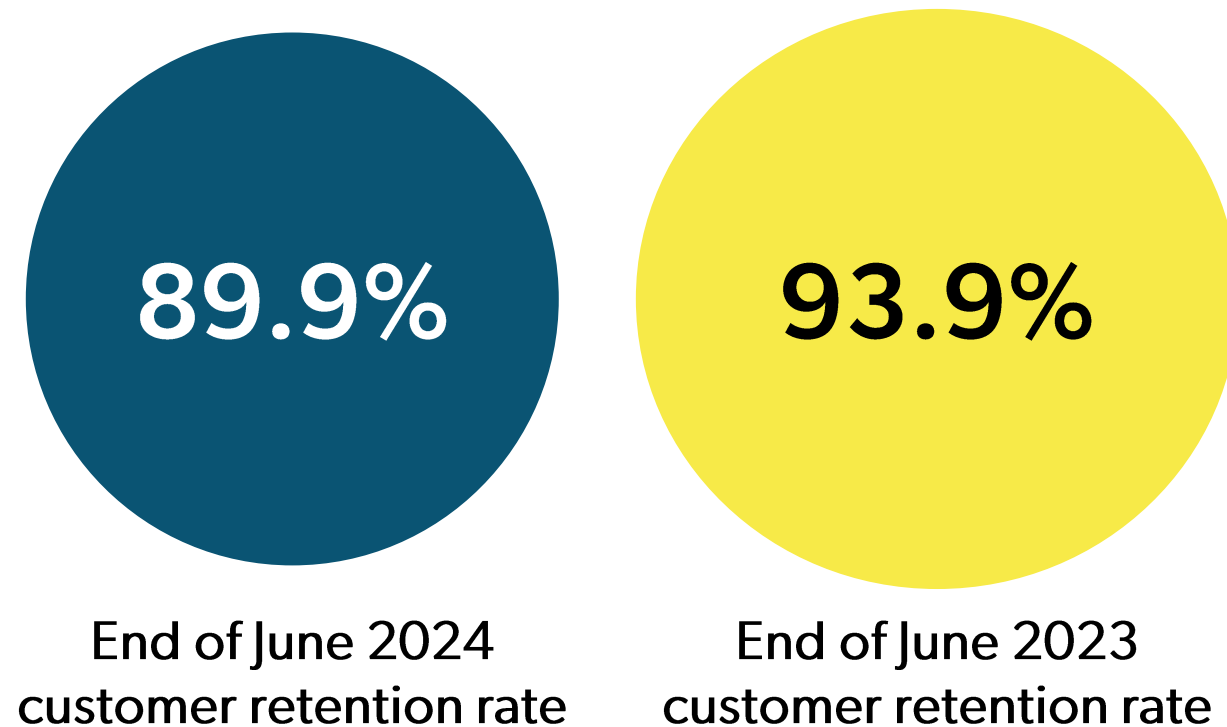
# Our flagship 100% equity plan Jauda has been outperforming the market since its inception

The graph shows the cumulative returns of INDEXO Jauda 16-50 pension plan on 28.06.2024 relative to the average returns of 100% equity plans in the Latvian 2nd pillar pension market (excluding INDEXO Jauda 16-50), and the consumer price index in Latvia.



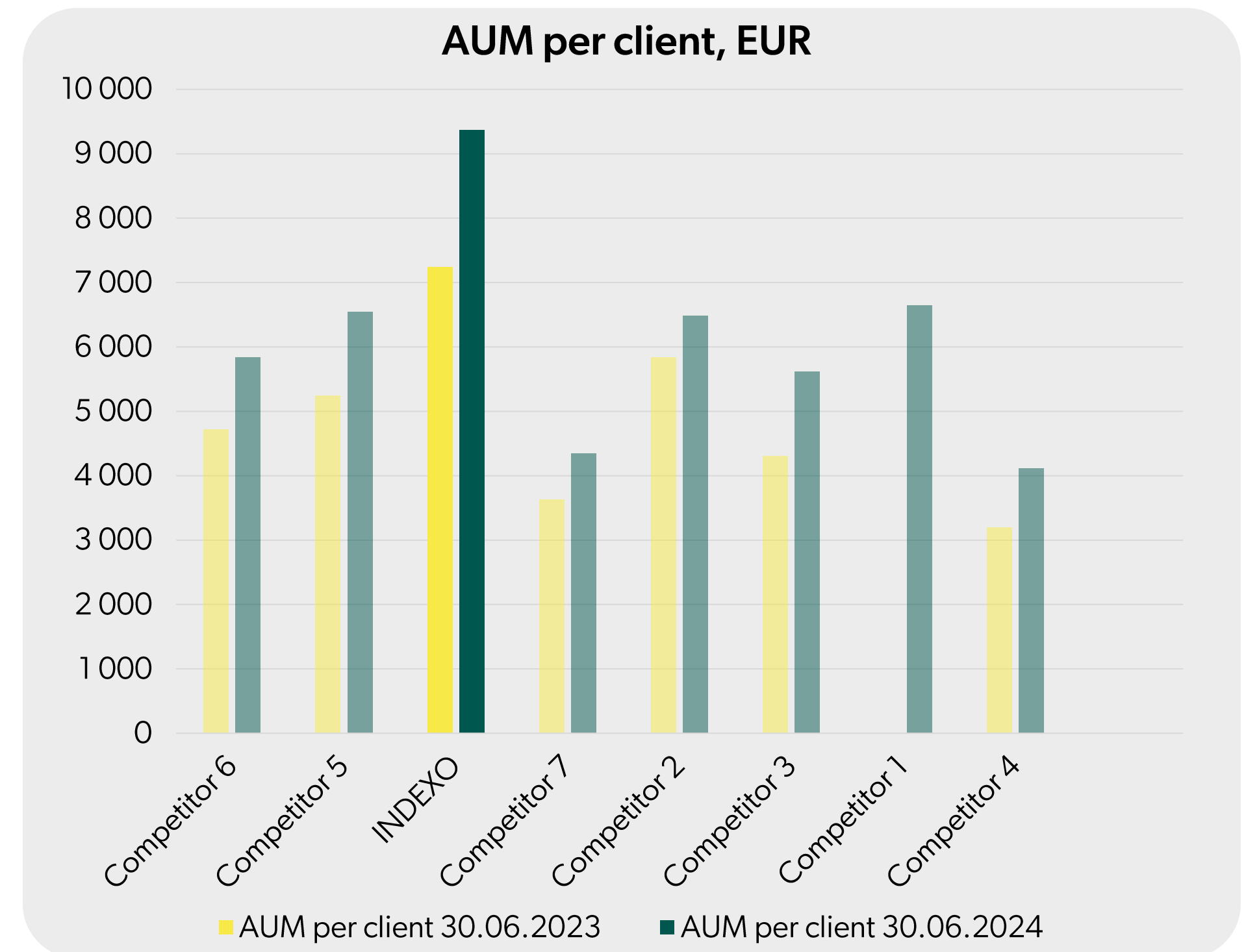
# Our customer loyalty is strong, but the retention rate is slightly affected by increased churn

This is a result of higher activity by our competitors as the churn figures have increased for the whole market since 2023. We have taken notice and are taking measures which we hope will improve the situation

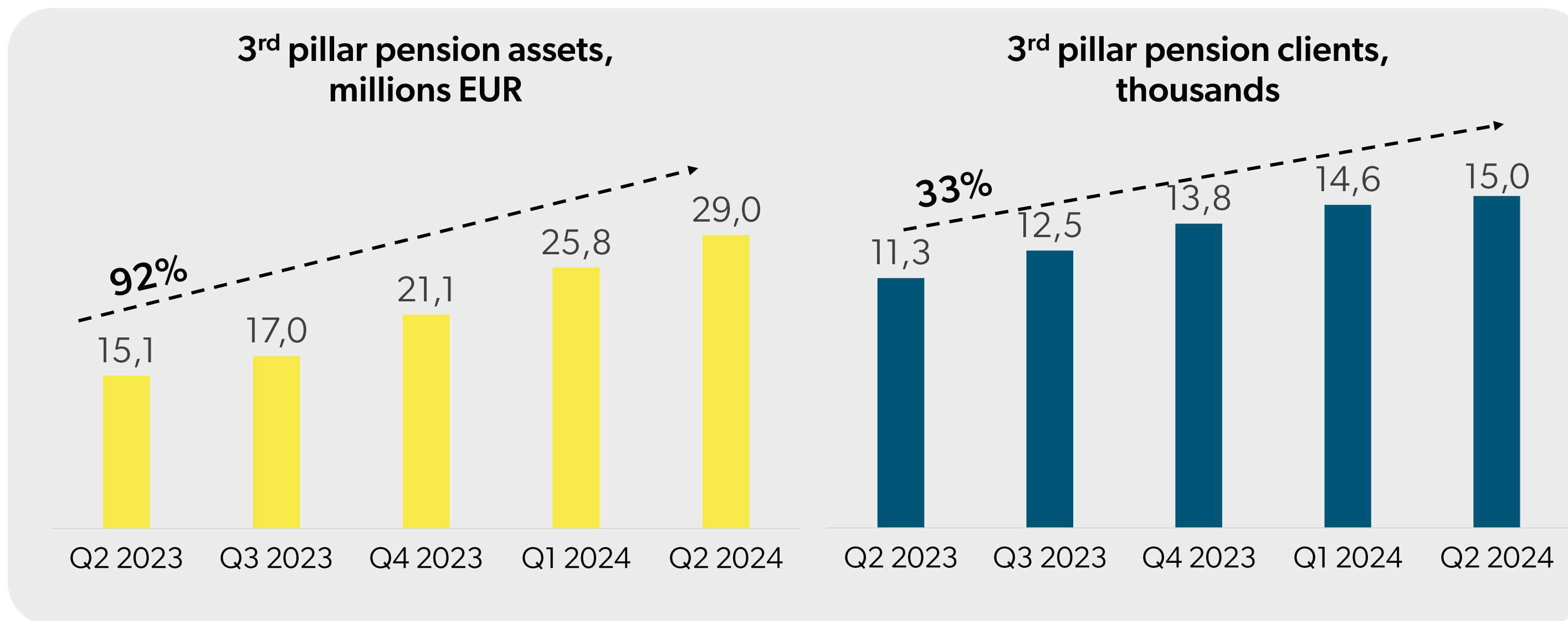


# INDEXO has the highest AUM per client and the gap between us and competitors is increasing

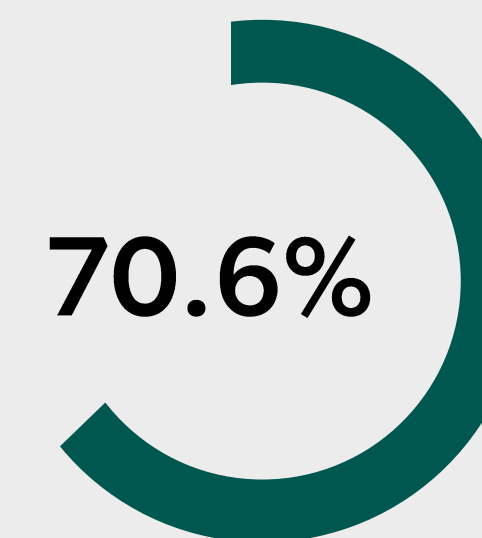
Manager	Yearly Change of AUM per client, EUR	% change
INDEXO	2 123	29.3%
Competitor 2	649	11.1%
Competitor 3	1 319	30.7%
Competitor 4	918	28.7%
Competitor 5	1 307	24.9%
Competitor 6	1 125	23.9%
Competitor 7	711	19.6%



# Our 3<sup>rd</sup> pillar pension is also growing



## Clients with regular contributions\*



vs 63.7%  
On June 30, 2023

\* Clients that make a contribution to their 3<sup>rd</sup> pillar pension at least once a quarter

# INDEXO keeps investing in future growth by acquiring new clients

INDEXO Pension business results, EUR	Jan-Jun 2024 Unaudited, EUR	Jan-Jun 2023 Unaudited, EUR
Commission income	2 015 460	1 386 024
Interest income/(expense)	(210 548)*	7 194
Administrative and other expenses for pension management	(637 653)	(633 421)
<b>Operating income before client acquisition and other business project expenses</b>	<b>1 167 259</b>	<b>759 797</b>
Client acquisitions costs	(863 266)	(916 122)
<b>Pension management operating result</b>	<b>303 993</b>	<b>(156 325)</b>
Non-cash personnel option expenses	(146 399)	(230 576)
Corporate income tax	(2 962)	(1 680)
<b>Comprehensive profit/(losses) for the reporting period</b>	<b>154 632</b>	<b>(388 581)</b>



# INDEXO Bank is ready to start **banking market disruption** in August!

**28**  
AUGUST

**20**  
DAYS

**22**  
HOURS



# Perfect time to enter the market



Addressable oligopolistic market of 622 million banking profits in 2023 is **ripe for disruption**



Huge underserved lending market opportunity, estimated to be **5+ bn**



Latvia **lacks successful local banks** like Coop, LHV who have been building market share quickly in Estonia



The end of a **low interest rate era**

# INDEXO well positioned to disrupt the market

1

## Large, fast growing high-quality customer base

- INDEXO has more than **134 thousand** high-quality customer base and with a 53 % higher AUM per client compared to the market average.
- Current sales channels, which are generating around 2 thousand new pension customers per month, will also be used to sell banking products

2

## Well recognized and positively perceived brand

- According to a market survey\* approximately **200-250 thousand people in Latvia are already open to start using INDEXO's** state-funded pension scheme services

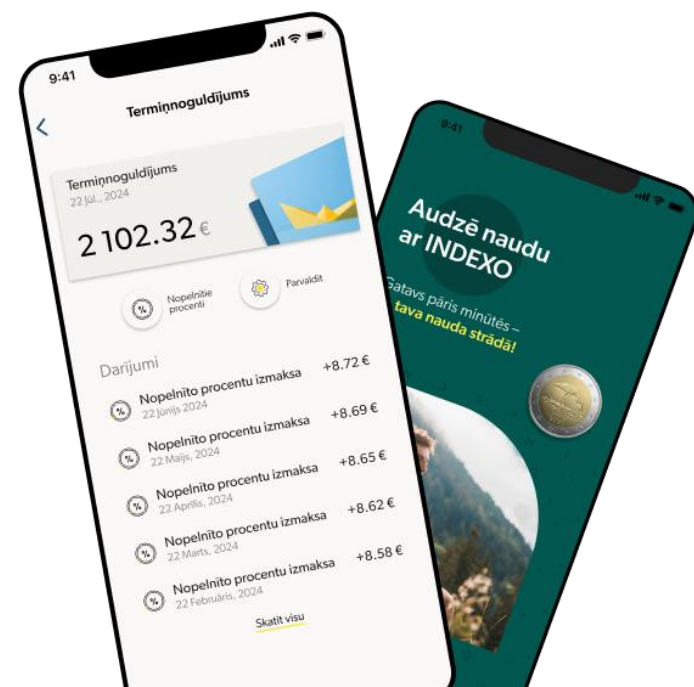
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## Building best-in-class IT infrastructure

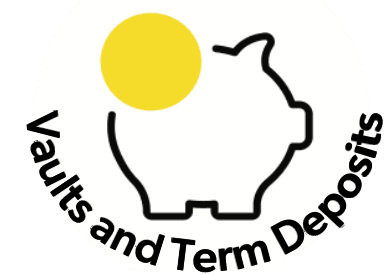
- A cloud native IT infrastructure is being built, that enables agile product development
- Competition's mobile offering is weak, INDEXO can excel
- No need to "struggle" with legacy systems

# We are launching the bank with daily banking products INDEXO app will raise the standards for mobile banking in Latvia

Simple for everyday user, customizable for power users



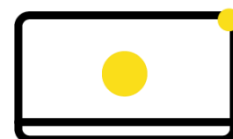
Grow your savings with longterm and short term vaults



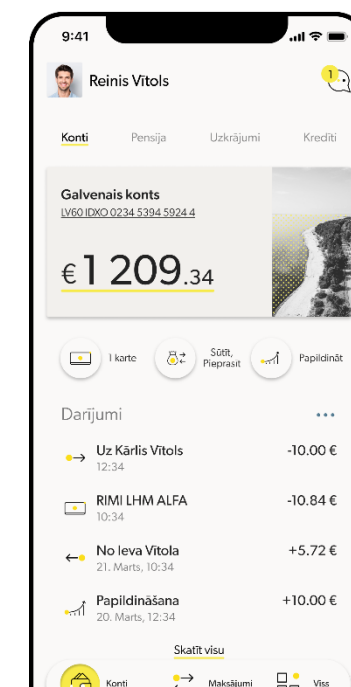
Fast friendly and transparent consumer loans. Receive, manage and get more right from the app



Create and use card instantly for an e-commerce. Apple pay and Google pay coming soon



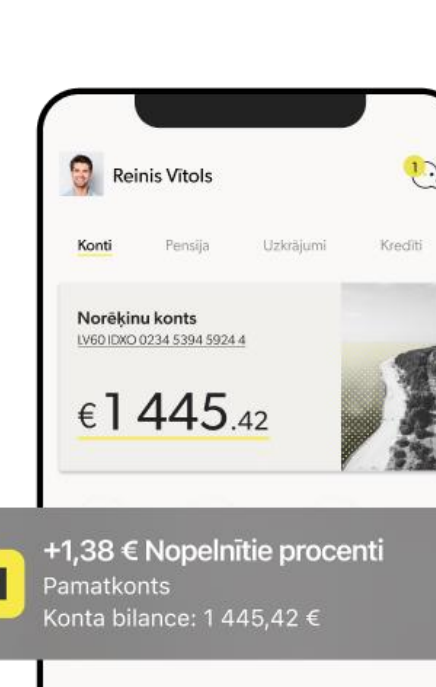
Cards



Clean native iOS/Android design, with fast registration



Mobile app



Pay by card, round up to savings. Earn interest and make your money work for you!



Current accounts



Money transactions – send money to IBAN or phone number. Request it without even knowing IBAN



Payments



# INDEXO Bank is building its "muscles" to get ready for the bank's launch

## INDEXO Bank Profit and Loss Statement, EUR

Jan – Jun 2024  
Unaudited, EUR

Interest income calculated using the effective interest rate	110 611
Interest expense	(79 964)
Commission and fee income	9
Commission and fee expense	(7 519)
Net foreign exchange losses	(154)
Other operating expenses	(80 745)
Administrative expenses	(1 970 244)
of which IT expenses	(745 462)
Depreciation	(82 618)
<b>Loss before corporate income tax</b>	<b>(2 110 624)</b>
Corporate income tax	(373)
<b>Loss for the period</b>	<b>(2 110 997)</b>

# INDEXO Bank continues to make significant IT investments

## INDEXO Bank Balance sheet, EUR

Jun 2024  
Unaudited, EUR

### ASSETS

Other demand deposits at central banks	7 049 499
Due on demand from credit institutions	20 437
Property, plant and equipment and right-of-use of assets	2 135 293
Intangible assets	3 117 833
Other assets	440 249
<b>TOTAL ASSETS</b>	<b>12 763 311</b>

### EQUITY AND LIABILITIES

Financial liabilities measured at amortized cost	11
of which deposits	11
Accruals	209 541
Tax liabilities	100 623
Other liabilities	2 234 173
<b>Total liabilities</b>	<b>2 544 348</b>

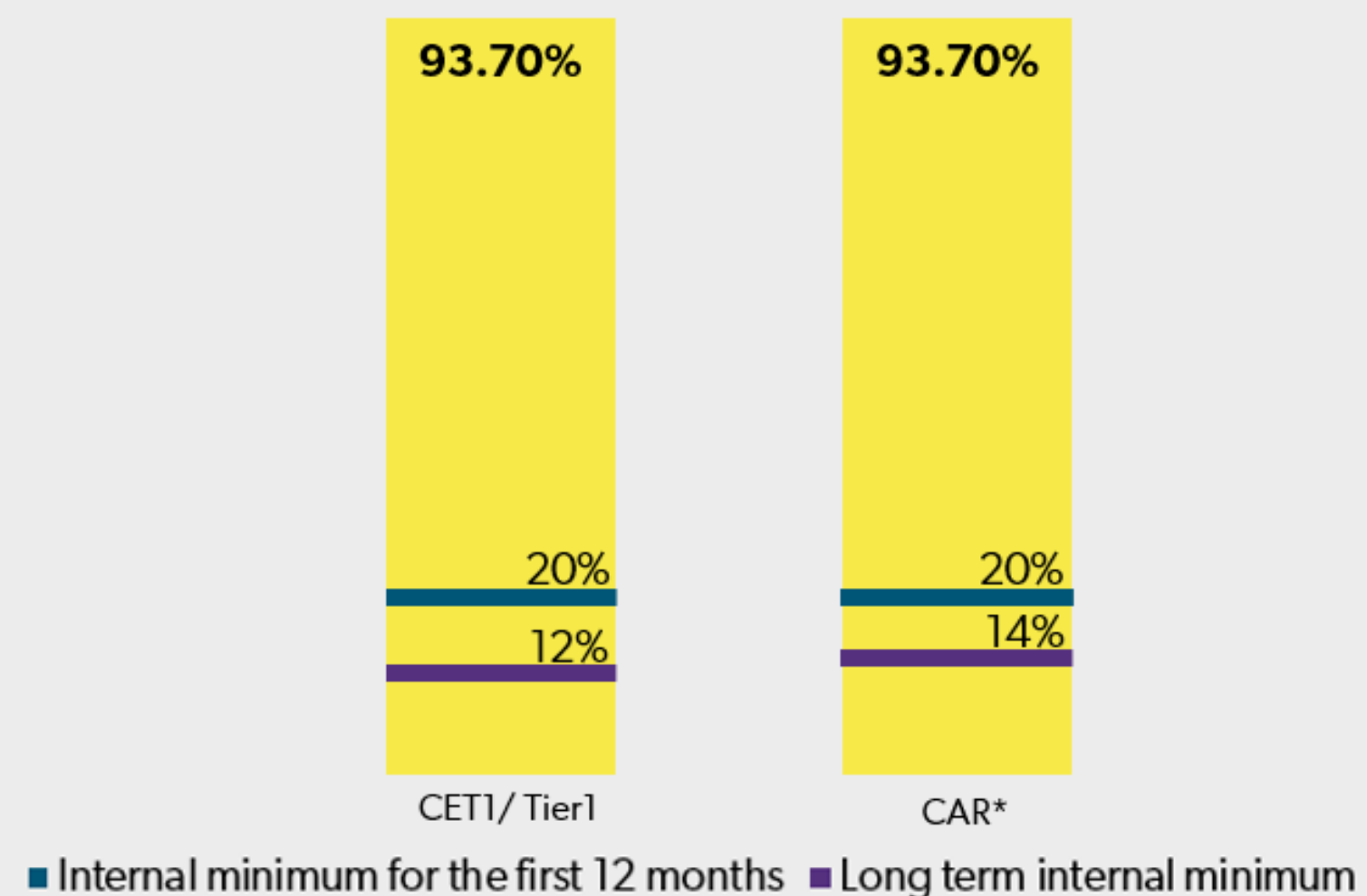
### EQUITY

Share capital and options	10 218 963
<b>Total equity</b>	<b>10 218 963</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>12 763 311</b>

# The INDEXO Bank has built adequate capital base to support the initial business development

The goal of the Bank's capital management is to ensure continuity of the Bank's business and ability to generate return for its shareholders

Capital ratios and minimum requirements as of June 2024



\*- Capital adequacy ratio

Experience the  
historical event –  
**INDEXO Bank launch**

**INDEXO**<sup>™</sup>  
Bank redefining the ordinary





# Consolidated Statement of Comprehensive Income

	Jan – Jun 2024	Jan – Jun 2023
	Unaudited, EUR	Unaudited, EUR
Commission and fee income	2 015 469	1 386 025
Interest income calculated using the effective interest rate	134 632	9 052
Administrative expenses	(3 741 751)	(2 804 194)
Interest expense	(314 534)	(1 197)
Other operating expenses	(45 441)	(23 323)
Credit losses	(1 405)	-
<b>Loss before corporate income tax</b>	<b>(1 953 030)</b>	<b>(1 433 637)</b>
Corporate income tax	(3 335)	(2 298)
<b>Loss for the period</b>	<b>(1 956 365)</b>	<b>(1 435 935)</b>
<b>Total comprehensive loss for the period, attributable to shareholders for the period</b>	<b>(1 956 365)</b>	<b>(1 435 935)</b>
<b>Basic earnings per share</b>	<b>(0.43)</b>	<b>(0.40)</b>
<b>Diluted earnings per share</b>	<b>(0.43)</b>	<b>(0.38)</b>

# Consolidated Statements of Financial Position

	Jun 2024 Unaudited, EUR	Jun 2023 Unaudited, EUR
<b>ASSETS</b>		
Cash and cash equivalents	8 189 291	4 959 431
Receivables	336 982	254 132
Prepayments	277 740	126 645
Contract acquisition costs	1 464 585	1 203 972
Other assets	211 197	5 001
Loans to subsidiaries and associates	99 076	69 961
Intangible assets, property, plant and equipment and right-of-use of assets	5 348 567	990 659
Participation in the share capital of associated companies	159 250	58 000
Other securities and investments	61 583	11 663
<b>TOTAL ASSETS</b>	<b>16 148 271</b>	<b>7 680 264</b>
<b>EQUITY AND LIABILITIES</b>		
Accrued liabilities	469 626	234 437
Trade payables	215 317	100 586
Taxes and national social insurance mandatory contributions	120 500	125 627
Lease liabilities	2 063 401	69 257
Other liabilities	130 763	264 472
<b>Total liabilities</b>	<b>2 999 607</b>	<b>794 379</b>
<b>EQUITY</b>		
Share capital	4 589 479	3 568 511
Share options	525 453	407 536
Share premium	15 386 712	7 062 908
Retained losses	(5 396 615)	(2 717 135)
Profit/(loss) for the period	(1 956 365)	(1 435 935)
<b>Total equity</b>	<b>13 148 664</b>	<b>6 885 885</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>16 148 271</b>	<b>7 680 264</b>