

INDEXO⁷

**SECURITIES NOTE FOR
THE UNIVERSAL
REGISTRATION
DOCUMENT OF 6
DECEMBER 2023**

December 2023

IPAS “Indexo”

incorporated and registered in Latvia under registration number 40203042988

IPAS “Indexo” is publicly offering up to 1,150,000 shares to be listed and admitted to trading on the

Baltic Main List of Nasdaq Riga

Price EUR 12 per Offer Share

Offer Period December 11, 2023 – December 29, 2023

SECURITIES NOTE FOR THE UNIVERSAL REGISTRATION DOCUMENT

IPAS “Indexo” (“INDEXO”) is a joint stock company organised and existing under the laws of Latvia. INDEXO is a licensed investment management company having an investment company operation licence issued on 16 May 2017. INDEXO’s shares are admitted, listed and traded on the Baltic Main List of Nasdaq Riga

This Securities Note, the Universal Registration Document and the Summary together constitute a prospectus (the “**Prospectus**”) relating to INDEXO prepared pursuant to Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on regulated market (the “**Prospectus Regulation**”) and in accordance with Commission Delegated Regulation No 2019/980/EU of 14 March 2019 supplementing the Prospectus Regulation as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation No 809/2004/EC, in particular Annexes 2, 1 and 11 thereof.

Although the whole text of this Securities Note, together with the Universal Registration Document and the Summary (and the documents incorporated by reference) should be read, the attention of persons receiving this Securities Note and of potential investors in INDEXO are drawn to the Section 3 “RISK FACTORS” contained on pages 29-10 of this document and those set out in the Universal Registration Document.

This Securities Note has been drawn up and published by INDEXO in connection with (i) newly issued shares; and (ii) listing and admission to trading of the newly issued shares (the “**Offer Shares**”) on the Baltic Main List of Nasdaq Riga. A public offering will be carried out only in Latvia and Estonia and there will be no public offering of the Offer Shares in any other jurisdiction.

INDEXO is offering up to 1,150,000 newly issued Shares (the “**Offer Shares**”).

The subscription/purchase period for the Offer Shares will commence on 11 December 2023 at 10:00 (Eastern European Time – Latvian time) and expire on 29 December 2023 at 15:30 (Eastern European Time – Latvian time) (the “**Offer Period**”) in accordance with the terms and conditions set out in this Securities Note. The Offer Price is EUR 12 per one Offer Share (the “**Offer Price**”), of which EUR 1 is the nominal value of one Offer Share and EUR 11 is the issue premium.

This Securities Note and the Summary has been approved by the Bank of Latvia (in Latvian: Latvijas Banka) on 6 December 2023 under the Prospectus Regulation.

INDEXO will submit a listing application to Nasdaq Riga for the listing and admission to trading of INDEXO Offer Shares on the Baltic Main list of Nasdaq Riga. Trading with INDEXO Shares is expected to commence on Nasdaq Riga on the same date when the Offer Shares will receive the permanent ISIN LV0000101863, which is expected to occur on or about January 10, 2024.

INDEXO reserves the right to cancel or postpone the Offering or amend the terms and conditions of the Offering in accordance with the terms and conditions set out in this Securities Note.

Investment in shares entails risks. While every care has been taken by the Management Board of INDEXO to ensure that this Securities Note, the Universal Registration Document and the Summary presents a fair and complete overview of the risks related to INDEXO, the operations by INDEXO and its subsidiaries, i.e., Indexo Atklātais Pensiju Fonds and IDX1R operations, and the Offer Shares, the value of investment in the Offer Shares may be significantly affected by circumstances that are either not evident at the date of approval of this Securities Note, the Universal Registration Document, the Summary or not reflected in the documents thereof. Investment in the Offer Shares must be based on this Securities Note, the Universal Registration Documents and the Summary as a whole. Hence, we ask you to study the relevant documents with care.

MIFID II product governance. Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) implementing measures under Latvian law (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties only, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MIFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares may decline and investors could lose all or part of their investment; the shares offer no guaranteed income and no capital protection; and an investment in the shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the private placement of the shares.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares. Each distributor is responsible for undertaking its own target market assessment in respect of the shares and determining appropriate distribution channels.

TABLE OF CONTENTS

1. SUMMARY	6
1.1. Summary in English.....	6
1.2. Summary in Latvian (Kopsavilkums)	13
1.3. Summary in Estonian (Kokkuvõte eesti keeles)	20
2. INTRODUCTORY INFORMATION	27
2.1. Responsible Persons and Limitation of Liability	27
2.2. Presentation of Information	27
2.3. Use of this Securities Note	28
2.4. Notice to US investors	28
2.5. Approval of this Securities Note	28
2.6. Documents on Display.....	28
2.7. References incorporated into this Securities Note	28
3. RISK FACTORS	29
3.1. Risk factors related to Shares	29
3.2. Risk factors related to the Offering	31
4. CAPITALISATION AND INDEBTEDNESS	32
4.1. Working Capital Statement.....	32
4.2. Capitalisation and Indebtedness	32
5. REASONS FOR THE OFFERING AND USE OF PROCEEDS	34
5.1. The idea of INDEXO Bank.....	34
5.2. Financial plan of INDEXO Bank	35
5.3. Own funds and prudential requirements of INDEXO Bank.....	39
5.4. Corporate governance of INDEXO Bank.....	40
5.5. Risk management framework.....	46
5.6. Shareholding structure and qualifying holding of INDEXO Bank.....	50
6. INFORMATION ON THE SECURITIES	52
6.1. Resolution to increase share capital and to issue Offer Shares.....	52
6.2. Shareholder rights	52
7. TERMS AND CONDITIONS OF THE OFFERING	55
7.1. The Offering.....	55
7.2. Offer Period	56
7.3. Rights to Participate in the Offering	56
7.4. Subscription Undertakings.....	57
7.5. Terms and conditions for submission of Subscription Undertaking.....	58
7.6. Offer Price	59
7.7. Allocation of the Offer Shares and Offering Structure	60

7.8.	Settlement and Trading	60
7.9.	Agreements related to the Offering	61
7.10.	Change to the Offer Price and Offer Period	61
7.11.	Release of Funds	62
7.12.	Postponement or Cancellation of the Offering.....	62
7.13.	Conflicts of Interest.....	62
7.14.	Dilution.....	62
8.	TAXATION	64
8.1.	Latvian tax implications	64
8.2.	Estonian tax implications	67
9.	GLOSSARY	69

1. SUMMARY

1.1. Summary in English

1.1.1. Introduction and warnings

Name and international securities identification number (ISIN) of the securities

Share of INDEXO, international securities identification number (ISIN) of the securities: LV0000101863.

Identity and contact details of the issuer, including its legal entity identifier (LEI)

IPAS "Indexo" is a joint stock company (*akciju sabiedrība*), incorporated in Latvia, registered in the Commercial Register on 10 January 2017 under the registration number 40203042988, having its registered address at Elizabetes street 13 - 1A, Riga, LV-1010, Latvia. The Company's e-mail is info@indexo.lv, the telephone number is +371 20006088. Its legal entity identifier (LEI) is 875500AT8JI5HU41AY20.

Identity and contact details of the competent authority approving the Prospectus

This Prospectus has been approved by the Bank of Latvia (in Latvian: Latvijas Banka), as the competent authority, with its address at Krišjāņa Valdemāra street 2A, Riga, LV-1050, Latvia, e-mail: info@bank.lv, telephone number: +371 67022300, in accordance with Regulation (EU) 2017/1129.

Date of approval of the Prospectus

The Prospectus was approved on 6 December 2023.

Warnings

The Summary has been prepared in accordance with Article 7 of Regulation (EU) 2017/1129 and should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration by the investor of the Prospectus as a whole. The investor could lose all or part of the invested capital. Where a claim relating to the information in the Prospectus is brought before court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches (relates) only to those persons who have tabled the Summary including any translation thereof, but only where the Summary is misleading, inaccurate, or inconsistent when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

1.1.2. Key information on the Company

Who is the issuer of the securities?

Domicile, legal form, LEI, the law under which it operates and country of incorporation

INDEXO is incorporated in Latvia and operates under Latvian law, with its registered address at Elizabetes street 13 - 1A, Riga, LV-1010, Latvia, and its LEI number is 875500AT8JI5HU41AY20. INDEXO is incorporated and registered as a joint stock company (*akciju sabiedrība*) in the Commercial Register of Latvia with registration number 40203042988.

Principal activities

INDEXO operates in the asset management market in Latvia with respect to managing retirement savings and is active in the following segments of the market: (1) management of state-funded pension scheme assets (2nd pension pillar); and (2) management of private pension fund assets (the 3rd pension pillar). Thus, INDEXO mainly operates by providing asset management services in the Latvian pension system. At the same time INDEXO is working in bank development segment on the establishment of INDEXO Bank: working with the regulator for obtaining a credit institution licence, development of the new bank service offer, creation of IT systems and risks management models, as well as other issues related to the future operation of the bank.

Key strengths

Transparency. INDEXO provides clients with fair terms; reveals all indirect costs; quarterly reports about the results of the asset management plan; strives to increase financial literacy of its clients.

Unique, simple and understandable products. INDEXO believes that it has the best strategy for management of its clients' funds, and therefore provides a clear vision on the benefits of each product, without offering unclear asset management options. Straightforward communication with clients about what benefits them the most is what makes INDEXO different from its competitors.

Being a trend setter. As the result of INDEXO entering the market, financial literacy and access to good products has significantly increased. When INDEXO entered the market as the first low-cost index-fund pension plan provider it launched real competition in the pension savings management market.

Strategy

INDEXO's strategy is based of four main pillars: (1) passive asset management; (2) active and focused client acquisition; (3) INDEXO brand – agent of positive change; (4) transparency about costs and fees; simplicity in product offering and communication.

Major shareholders

INDEXO is already an issuer, whose shares are admitted to trading on a regulated market. The largest shareholders of INDEXO, who hold more than 5% of all shares in INDEXO, are provided in the table below.

Name of the shareholder	Percentage (%) of all shares of INDEXO held
SIA PERFECT MATCH	7.94
SIA VSCAP	5.41

The largest shareholder of INDEXO is SIA PERFECT MATCH, reg. no. 40003663126, owning 7.94% of INDEXO shares. The ultimate beneficial owner of SIA PERFECT MATCH is Henrik Karmo. The second largest shareholder of INDEXO is SIA VSCAP, reg. no. 50103872951, owning 5.41% of INDEXO shares. The ultimate beneficial owner of SIA VSCAP is Valdis Siksnis.

As of the date of the Securities Note, no other shareholder of INDEXO holds more than 5% of all shares in INDEXO. As of the date of the Securities Note, INDEXO does not have any individual or legal entity having a qualifying holding in INDEXO.

There is no shareholders agreement entered into between the issuer and any shareholder of the Company.

Key management officers

Details on the members of key corporate governance institutions of the Company, as of the date of the Securities Note, are provided below.

Name	Position	Appointment date	Expiration of the Term in Office
Supervisory Board			
Valdis Vancovičs	Chairman of the Supervisory Board	19 April 2023	29 March 2028*
Svens Dinsdorfs	Deputy Chairman of the Supervisory Board	19 April 2023	29 March 2028*
Renāts Lokomets	Member of the Supervisory Board	19 April 2023	29 March 2028*
Ramona Miglāne	Member of the Supervisory Board	19 April 2023	29 March 2028*
Ivīta Asare	Member of the Supervisory Board	19 April 2023	29 March 2028*
Management Board			
Valdis Siksnis	Chairman of the Management Board	25 April 2022	24 April 2027
Henrik Karmo	Member of the Management Board	5 July 2023	4 July 2028
Ieva Bauma	Member of the Management Board	1 June 2022	31 May 2027
Audit Committee			
Svens Dinsdorfs	Member of the Audit Committee	24 March 2022	23 March 2025
Renāts Lokomets	Member of the Audit Committee	24 March 2022	23 March 2025
Ieva Jāgere	Member of the Audit Committee	24 March 2022	23 March 2025
Key Officers			
Artūrs Roze	Financial Manager	2021	-
Līga Katrīna Kļaviņa	Senior Operational Risk Manager	2021	-

* - In accordance with the decision of the Shareholders' meeting of 30 March 2023 the term of office started on 30 March 2023.

Identity of statutory auditors

SIA KPMG Baltics, registration number: 40003235171, legal address: Roberta Hirša street 1, Rīga, LV-1045, Latvia was INDEXO auditor for the accounting periods covering the period from 10.01.2017 to 31.12.2019.

PricewaterhouseCoopers SIA, registration number: 40003142793, legal address: Kr. Valdemāra street 21-21, Rīga, LV-1010, Latvia was and is INDEXO's auditor for the accounting periods covering the period from 01.01.2020. to 31.12.2023.

What is the key financial information regarding the issuer?

Audited Financial Statements and unreviewed Interim Financial Statements are enclosed to the Universal Registration Document. The Audited Financial Statements and Interim Financial Statements have been prepared according to International Accounting Standards, issued by the International Accounting Standards Council, International Financial Reporting Standards, and standard interpretations by the IFRS Interpretations Committee, as approved by the European Union. In the year ended 31 December 2021 INDEXO started to produce consolidated financial statements as the subsidiary AS "Indexo Atklātais Pensiju Fonds" began to offer 3rd pension pillar products to customers and started operations. INDEXO continues to grow income from fees. In the year ended 31 December 2022 INDEXO's income from fees resulted in 41,2% y-o-y growth from the year ended 31 December 2021 in amount of EUR 1.60 million to the amount of EUR 2.26 million for the year ended 31 December 2022 (compared to 64.7% y-o-y growth from the year ended 31 December 2020 in amount of EUR 972 thousand to the amount of EUR 1.6 million for the year ended 31 December 2021).

Selected consolidated and separate statements of comprehensive income of INDEXO Group and INDEXO (EUR)

	Year ended 31 December			9-month period ended 30 September
	Consolidated			
	2020	2021	2022	2023
Commission income	972,467	1,602,021	2,277,620	2,210,634
Administrative costs	(1,007,218)	(1,581,787)	(3,514,964)	(4,286,230)
Interest income calculated using the effective interest rate	-	-	2,495	31,576
Interest costs	(643)	(1,386)	(3,147)	(1,680)
Other operating expenses	(3,557)	(9,947)	(32,738)	(41,677)
Profit/(loss) before corporate income tax	(38,951)	8,901	(1,270,734)	(2,087,377)
Profit or loss of the reporting year	(38,951)	8,901	(1,271,803)	(2,091,528)
Total comprehensive profit/(loss) for the year, attributable to shareholders for the year	(38,951)	8,901	(1,271,803)	(2,091,528)

	Year ended 31 December			9-month period ended 30 September
	Stand-alone			
	2020	2021	2022	2023
Commission income	972,467	1,598,445	2,257,065	2,179,706
Administrative costs	(979,002)	(1,372,791)	(3,269,188)	(2,433,240)
Interest income calculated using the effective interest rate	-	-	2,495	18,252
Interest costs	(643)	(1,386)	(3,147)	(1,680)
Other operating expenses	(3,557)	(3,557)	(3,557)	(27,130)
Profit/(loss) before corporate income tax	(10,735)	220,711	(1,016,332)	(264,092)
Profit or loss of the reporting year	(10,735)	220,711	(1,017,401)	(267,459)
Total comprehensive profit/(loss) for the year, attributable to shareholders for the year	(10,735)	220,711	(1,017,401)	(267,459)

Selected consolidated and separate financial position statements of INDEXO Group and INDEXO (EUR)

	Year ended 31 December			9-month period ended 30 September
	Consolidated			
	2020	2021	2022	2023
Total assets	1,793,153	2,041,656	8,792,656	7,233,346
Total liabilities	387,393	387,393	701,415	664,801
Total equity and reserves	1,654,263	1,654,263	8,091,241	6,568,545
Total equity and liabilities	2,041,656	2,041,656	8,792,656	7,233,346

	Year ended 31 December			9-month period ended 30 September
	Stand-alone			
	2020	2021	2022	2023
Total assets	1,820,288	2,199,872	9,123,689	9,296,198
Total liabilities	146,709	305,582	538,019	409,155
Total equity and reserves	1,673,579	1,894,290	8,585,670	8,887,043
Total equity and liabilities	1,820,288	2,199,871	9,123,689	9,296,198

Consolidated and separate cash flow statements of INDEXO Group and INDEXO (EUR)

	Year ended 31 December			9-month period ended 30 September
	Consolidated			
	2020	2021	2022	2023
Increase / (Decrease) in cash and cash equivalents from operating activities	(400,335)	(78,987)	(1,292,370)	(2,372,581)
Increase / (Decrease) in cash and cash equivalents from investment activities	(67,596)	(72,400)	(145,652)	(1,234,783)
Increase/ (Decrease) in cash and cash equivalents from financing activities	814,712	(16,201)	7,506,304	223,027
Increase/ (Decrease) in cash and cash equivalents	346,781	(167,588)	6,068,282	(3,384,338)

	Year ended 31 December			9-month period ended 30 September
	Stand-alone			
	2020	2021	2022	2023
Increase / (Decrease) in cash and cash equivalents from operating activities	(463,183)	92,961	(1,285,545)	(324,900)
Increase / (Decrease) in cash and cash equivalents from investment activities	(401,525)	(219,499)	(2,048,250)	(2,972,901)
Increase/ (Decrease) in cash and cash equivalents from financing activities	814,712	(16,201)	7,506,304	223,509
Increase/ (Decrease) in cash and cash equivalents	(42,638)	(142,739)	4,172,509	(3,243,872)

What are the key risks that are specific to the issuer?

External risk. Force majeure risk is related to events/situations out of INDEXO Group's reasonable control and therefore affects the business and operations of INDEXO Group in a manner which is unpredictable. During recent years and up until today Covid-19 pandemic and geo-political tension are potential risks to the INDEXO Group's marketing and sales strategy.

Market risk. Market risk is the possibility of losses from the revaluation of assets under management due to changes in the market price of financial instruments, commodities, and their derivatives as a result of changes in foreign exchange rates, interest rates, and other factors. INDE XO does not have portfolios of securities or other assets which may be affected by market risk, except for the AUM within INDE XO's managed pension plans. However, according to the passive management philosophy for each pension plan, INDE XO does not actively interfere with the plan portfolio due to market risk considerations.

Operational risks. INDE XO Group may be affected by operational risks, which may occur as a result of inadequate or failed internal processes, non-compliant implementation of internal processes by people involved, inadequate or failed systems or from external circumstances, including legal risks. Risk factors could result in breach of regulatory requirements, incorrect calculation of asset management plan value, breach of legal obligations against third parties, temporary technical unavailability of services, loss of existing or potential Clients, various IT/cybersecurity/data protection related risks, damage to reputation or temporary interruption of business continuity.

Risks associated with outsourcing/third party service providers. INDE XO Group partly relies on the services, products and knowledge of third-party service providers in the operation of its business. For example, INDE XO Group has outsourced its accounting and internal audit function. INDE XO Group also relies on third party service providers in connection with its IT systems, including an outsourcing service for the operations of the INDE XO's Group IT systems. INDE XO Group is therefore heavily reliant on these third parties not just to deliver timely and high-quality services, but also to comply with applicable laws and regulations and adhere to its ethical business expectations of third-party providers.

Risk factors with respect to IT/Cybersecurity/Data breach. INDE XO Group, as with other financial service providers, has in the past been and could in the future be the target of cybercrime or other external or internal fraudulent activities. Any of the aforesaid risk factors could have a material adverse effect on INDE XO Group's reputation, expose INDE XO to financial risks such as reduction of AUM, fines, penalties and liability within potential litigation, additional expenses in order to restore systems, as well as loss of existing or potential clients. INDE XO Group may also lose significant internal confidential information.

Risks of regulatory (compliance) requirements and regulatory changes. INDE XO's business is subject to national and EU legal legislation and regulations, as well as guidelines and recommendations issued by the Bank of Latvia (in Latvian: Latvijas Banka) and the European Securities and Markets Authority (ESMA). Failure to comply with applicable regulations and laws can expose INDE XO Group to the risk of monetary fines and other penalties, which may have a material adverse effect on the INDE XO Group's reputation, business, financial condition and results of operations.

Risk related to key strategies. Future development of asset management business may be affected by macro-economic risks, competition risk in the pension management segment and risks factors related to unsuccessful development of new products and services. Obtaining the banking licence and establishment of INDE XO Bank may mainly be affected by unavailability of necessary financial resources as the result of insufficient interest of prospective investors within future offerings as well as failure to accurately fulfil all of the regulatory requirements in order to receive approval from the regulator. INDE XO Group has already invested significant financial resources in order to license or acquire technology from third parties for INDE XO Bank. However, in order to obtain licence for the establishment of INDE XO Bank, additional financial resources have to be invested to meet the prudential requirements. Therefore, mainly by not attracting the necessary financial resources, the obtaining of a banking licence may be affected.

Risk factors related with the reputation of INDE XO Group and brand awareness. Reputation is one of the most important assets with respect to INDE XO Group's relationship with clients. Trust and confidence of clients as well as integrity are paramount in the business where INDE XO Group operates. Moreover, INDE XO Group has established a well-known and strong brand name. Complaints from INDE XO Group's clients or any kind of negative publicity concerning the service, employees' working conditions, preservation of customer data and security practices, publicly available for a large part of society, could have a material adverse effect on the business, financial condition and results of operations of INDE XO Group.

Liquidity risk. Liquidity risk relates to the ability of INDE XO Group to meet its contractual obligations in a timely manner without incurring significant losses and will not be able to cope with unplanned changes in company's resources and/or market conditions due to insufficient liquid assets. Any unplanned event or circumstances could cause adverse effect on the business, results of operation and financial condition of INDE XO Group.

Counterparty credit risk. Credit risk relates to the possibility of incurring losses if a debtor fails to meet its contractual obligations. INDE XO Group is subject to credit risk related to receivables, cash and cash equivalents and other investments. The assets of INDE XO Group are kept in Latvian credit institutions that are considered to be the counterparties of INDE XO Group.

Foreign currency risks. INDE XO Group is not exposed to direct currency risk which may arise from fluctuation in exchange rates of various currencies. INDE XO Group has no foreign currency positions and they are not planned in the near future, except for the AUM within INDE XO's managed pension plans. The AUM within the pension plans managed by INDE XO are invested in index funds, many of which further invest in various currency nominated assets, therefore the value of AUM within pension plans is heavily exposed to indirect currency risk. However, according to the passive management philosophy, INDE XO does not actively interfere in the composition of the plan portfolio for currency risk reasons.

1.1.3. Key information on the securities

What are the main features of the securities?

Type, class and ISIN

All the Shares (including the Offer Shares) of the Company are dematerialised shares with a nominal value of EUR 1 each. The Shares are registered with Nasdaq CSD under the ISIN LV0000101863 and are kept in book-entry form. No share certificates have been or will be issued.

Currency, denomination, par value, number of Shares issued and duration

As of the date of the Securities Note, the number of INDEXO Shares is **3,795,407**. The number of the Offer Shares is up to 1,150,000. Therefore, the number of INDEXO Shares after successful registration of the increase in the share capital of INDEXO will be up to 4,945,407, provided, however, that the number of the Offer Shares is not changed in accordance with the terms and conditions. Therefore, shareholdings in INDEXO existing immediately prior to the Offering will be diluted by up to 23,25% as a result of the Offering. The Shares are denominated in Euro and governed by the law of Latvia and the currency of the Offer will be the Euro. All existing Shares grant equal rights (including one share, one vote) to shareholders.

Rights attached to the Shares

All shareholders of INDEXO are subject to equitable treatment. Each Share of INDEXO confers upon its holder the same rights to a share of INDEXO's assets and profits. In the event of liquidation of INDEXO, shareholders are entitled to a share of the surplus of assets in proportion to the number of Shares held (liquidation quota). The following rights attach to each Share: (1) right of share disposal; (2) right to dividends; (3) right to vote; (4) right to participate in the Shareholders' meeting; (5) right to liquidation quota; (6) pre-emption rights; (7) right to information.

Rank of the Shares in the issuer's capital structure in the event of insolvency

The Shares do not carry any special rights to participate in distribution (including in the case of liquidation) other than those that exist under the Latvian Insolvency Law, which provides that INDEXO's funds remaining after settling the costs of insolvency proceedings of INDEXO and settling the claims by creditors are divided among the shareholders of the Company in proportion to the size of their shareholding.

Restrictions on free transferability of the Shares

No specific restrictions apply to transferability of the Shares, either under the statutory provisions of Latvian law or under the Articles of Association.

Dividend Policy

On 24 March 2022 the Shareholders' meeting approved INDEXO's Dividend policy. Dividends are paid to a Shareholder in proportion to the total number of shares in INDEXO held by the Shareholder. Dividends can only be calculated and paid out for fully paid-up shares. Dividends are to be paid in cash by bank transfer to Shareholders' accounts on the day of payment. Annual dividends can be paid out once a year in accordance with the payment schedule after the Shareholders' meeting in which the financial report for the previous financial year has been approved. Under Latvian law extraordinary dividends may be paid only if provided for in the Articles of Association. Extraordinary dividends are not provided for in INDEXO's Articles of Association. INDEXO has not declared dividend payments on net profit since the date of its incorporation. According to current business strategy INDEXO is not planning to declare dividends until the year 2027. The available capital for the business operations of INDEXO will be invested into the growth of INDEXO, therefore INDEXO plans to start declaring dividends when the profits of INDEXO exceed the loan book growth opportunities.

Where will the Shares be traded?

In the event of a successful Offering the Shares will be traded on Baltic Main List of the Baltic Regulated Market of Nasdaq Riga. No application has been or will be submitted to trading of the Shares on any other stock exchange. Trading with INDEXO Shares is expected to commence on Nasdaq Riga on the same date when the Offer Shares will receive the permanent ISIN LV0000101863, which is expected to occur on or about 10 January 2024.

What are the key risks that are specific to the securities?

Share price and share liquidity risk. Nasdaq Riga is considerably less liquid and considerably more volatile compared to other established securities markets with a longer history. The fairly small market capitalisation and low liquidity of Nasdaq Riga may impair the ability of Shareholders to sell the Shares on Nasdaq Riga or could increase the volatility of the price of the Shares as the impact of individual transactions may be significant with respect to the market price of the Shares.

Cancellation of Offering and undersubscription. There can be no assurances by INDEXO that the Offering will be successful and that the investors will receive the Offer Shares they subscribe for. INDEXO is entitled to cancel the Offering.

Risk of share dilution. The proportion of shareholding held by the shareholders in INDEXO may be diluted if the share capital of INDEXO is increased and new Shares are issued in the future. Future equity offerings may also be conducted below market value and INDEXO may decide to offer shares at a discount to the prevailing market price. A future equity offering could also depress the market value of the Shares.

Risks related to ability to pay dividends. There is no assurance that INDEXO will distribute dividends in the future. INDEXO's ability to pay dividends may be limited by corporate law and restrictions contained in its financial arrangements. The Management Board's recommendations for distribution of profit will depend on the Company's existing and future financial condition, results of operations, capital requirements, liquidity needs and other matters that it may consider relevant from time to time.

Risks related to the Share Buy-Back Program (if initiated). On July 2022 INDEXO completed an Initial Public Offering whereby it raised 7.49 million euros with the objective of acquiring a licence for establishment of a credit institution. A share buy-back program was approved which provides that in the unlikely event that INDEXO Bank licensing in accordance with the applicable laws and regulations is unsuccessful within 24 months of listing and admission to trading of all INDEXO Shares on the Baltic Main List of Nasdaq Riga (15 July 2022), INDEXO will implement a share buy-back program via which the proceeds generated by the Initial Public Offering will be returned to those investors who qualify and take part in the share buy-back program.

1.1.4. Key information on the offer of securities to the public and admission to trading on a regulated market

Under what conditions and timetable can I invest in this security?

The Offering is directed to retail investors in Latvia and Estonia, qualified investors, and to other investors in reliance on certain exemptions available in the laws of respective member states.

Trading with INDEXO Shares is expected to commence on Nasdaq Riga on the same date when the Offer Shares will receive the permanent ISIN LV0000101863, which is expected to occur on or about 10 January 2024. The Offer Period is the period during which persons who have a right to participate in the Offering may submit Subscription Undertakings for the Shares. The Offer Period commences on 11 December 2023 at 10:00 local time in Latvia and Estonia and terminates on 29 December 2023 at 15:30 local time in Latvia and Estonia unless shortened or extended. The indicative timetable of the Offering is the following:

Start of the Offer Period	December 11, 2023
End of the Offer Period	December 29, 2023
Announcement of results of the Offering and Allocation	On or about January 2, 2024
Settlement of the Offering	On or about January 4, 2024
The Offer Shares will receive the permanent ISIN LV0000101863	On or about January 10, 2024
First trading day on Nasdaq Riga	Same as the date when the Offer Shares will receive the permanent ISIN LV0000101863

An investor participating in the Offering may apply for the Offer Shares for the Offer Price only. The minimum investment amount is EUR 12 for which an investor can subscribe for one share. All investors participating in the Offering may submit Subscription Undertakings in Euro only. An investor shall bear all costs and fees charged in connection with the submission, cancellation or amendment of a Subscription Undertaking pursuant to the price list of the respective financial institution that is a member of Nasdaq Riga accepting the Subscription Undertaking.

As of the date of the Securities Note, the number of the Shares of the Company is 3,795,407. The number of the Offer Shares is up to 1,150,000. Therefore, the shareholdings in INDEXO existing immediately prior to the Offering will be diluted by up to 23,25% as a result of the Offering. Expenses directly related to the Offering are estimated to be approximately EUR 180 000.

Why is this prospectus being produced?

The net proceeds of the Offering are expected to be up to EUR 13,620,000. The key reason for the Offering is to raise capital for establishment of INDEXO Bank.

The Offer is not subject to an underwriting agreement on a firm commitment basis.

Certain members of the Management Board and Supervisory Board and certain Key Personnel of INDEXO own shareholdings in INDEXO and therefore those persons are interested in the future wellbeing and success of INDEXO, including the success of the Offering. However, there are no other material personal interests from the viewpoint of the Offering and there are no material conflicts of interest pertaining to the Offer or admission to trading.

1.2. Summary in Latvian (Kopsavilkums)

1.2.1. Ievads un brīdinājumi

Vērtspapīru nosaukums un starptautiskais vērtspapīru identifikācijas numurs (ISIN)

INDEXO Akcija, starptautiskais vērtspapīru identifikācijas numurs (ISIN): LV0000101863.

Emitenta identitāte un kontaktinformācija, tai skaitā juridiskās personas identifikators (LEI)

IPAS "Indexo" ir Latvijā dibināta akciju sabiedrība, reģistrēta Komercreģistrā 2017. gada 10. janvārī ar reģistrācijas numuru 40203042988, juridiskā adrese: Elizabetes iela 13 - 1A, Rīga, LV-1010. Uzņēmuma e-pasta adrese: info@indexo.lv, tālruna numurs +371 20006088. Juridiskās personas identifikators (LEI) 875500AT8JI5HU41AY20.

Kompetentās iestādes, kas apstiprina Prospektu, identitāte un kontaktinformācija

Prospektu kā kompetentā iestāde ir apstiprinājusi Latvijas Banka, adrese Krišjāņa Valdemāra iela 2A, Rīga, LV-1050, e-pasts: info@bank.lv, tālruna numurs: +371 67022300, saskaņā ar Regulu (ES) 2017/1129.

Prospekta apstiprināšanas datums

Šis Prospekts tika apstiprināts 2023. gada 6. decembrī.

Brīdinājumi

Šis Kopsavilkums ir sagatavots saskaņā ar Regulas 2017/1129 7. pantu un tas uzskatāms par Prospekta ievadu. Jebkurš lēmums ieguldīt vērtspapīros būtu jābalsta uz ieguldītāja vērtējumu par visu Prospektu kopumā. Ieguldītājs var zaudēt visu vai daļu no ieguldītā kapitāla. Ja tiesā tiek celta prasība par Prospektā ietverto informāciju, ieguldītājam (prasītājam), atbilstoši valsts tiesībām, pirms tiesvedības sākšanas var būt jāsedz Prospekta tulkošanas izmaksas. Civiltiesiskā atbildība gulstas (attiecas) tikai uz tām personām, kas iesniegušas Kopsavilkumu, tai skaitā veikušas jebkādu tā tulkošanu, bet tikai tad, ja Kopsavilkums ir maldinošs, neprecīzs vai, lasot to kopsakarā ar pārējām Prospekta daļām, nav sniegta pamatinformācija, lai palīdzētu ieguldītājiem apsvērt, vai ieguldīt minētajos vērtspapīros.

1.2.2. Pamatinformācija par Sabiedrību

Kas ir vērtspapīru emitents?

Reģistrācijas vieta, tiesiskā forma, LEI, reģistrācijas jurisdikcija un darbības valsts

INDEXO ir dibināts Latvijā un veic darbību Latvijā, juridiskā adrese Elizabetes iela 13 - 1A, Rīga, LV-1010, tās LEI numurs ir 875500AT8JI5HU41AY20. INDEXO ir dibināts kā akciju sabiedrība un reģistrēta Latvijas Komercreģistrā ar reģistrācijas numuru 40203042988.

Galvenās darbības jomas

INDEXO darbojas aktīvu pārvaldības tirgū Latvijā saistībā ar pensiju uzkrājumiem un piedalās šādos tirgus segmentos: (1) valsts fondētās pensiju shēmas aktīvu (2. pensiju līmenis) pārvaldība; un (2) privāto pensiju iemaksu (3. pensiju līmenis) pārvaldība. Tādējādi INDEXO galvenokārt darbojas, sniedzot aktīvu pārvaldības pakalpojumus Latvijas pensiju sistēmas ietvaros. Paralēli INDEXO strādā bankas attīstības segmentā pie INDEXO Bankas izveides: sadarbojas ar kompetento iestādi kredītiestādes licences iegūšanai, izstrādā jaunas bankas pakalpojumu piedāvājumu, veido IT sistēmu un risku vadības modeļus, kā arī darbojas ar citiem jautājumiem, kas saistīti ar bankas nākotnes darbībām.

Priekšrocības

Caurskatāmība. INDEXO saviem klientiem nodrošina taisnīgus nosacījumus; atklāj visas netiešās izmaksas; reizi ceturksnī ziņo par aktīvu pārvaldības plāna rezultātiem; tiecas uzlabot klientu finanšu pratību.

Unikāli, vienkārši un saprotami produkti. INDEXO uzskata, ka tam ir labākā klientu līdzekļu pārvaldības stratēģija un tāpēc nodrošina skaidru pārskatu par katra produkta sniegtajām priekšrocībām, nepiedāvājot neskaidras līdzekļu pārvaldības iespējas. No saviem konkurentiem INDEXO atšķiras ar to, ka tā saviem klientiem tieši pasaka, kas nesīs viņiem vislielāko labumu.

Tendenču noteicējs. Līdz ar INDEXO ienākšanu tirgū ir būtiski paaugstinājusies finanšu pratība un pieeja labiem produktiem. Kad INDEXO ienāca tirgū kā pirmais zemo izmaksu indeksa fondu pensiju plānu nodrošinātājs, tas aizsāka reālu konkurenci pensiju uzkrājumu pārvaldīšanas tirgū.

Stratēģija

INDEXO stratēģija ir balstīta četros galvenajos pīlāros: (1) pasīvā līdzekļu pārvaldība; (2) aktīva un fokusēta klientu piesaiste; (3) INDEXO zīmols – pozitīvo pārmaiņu aģents; (4) izmaksu un maksājumu caurskatāmība; produktu piedāvājuma un komunikācijas vienkāršība.

Lielākie akcionāri

INDEXO jau ir emitents, kura akcijas tiek tirgotas regulētajā tirgū. Lielākie INDEXO akcionāri, kuriem pieder vairāk nekā 5% no visām INDEXO akcijām, ir norādīti zemāk pievienotajā tabulā.

Akcionāra nosaukums	Piederošā daļa (%) no visām INDEXO akcijām
SIA PERFECT MATCH	7.94
SIA VSCAP	5.41

INDEXO lielākais akcionārs ir SIA PERFECT MATCH, reģistrācijas numurs: 40003663126, kam pieder 7.94% INDEXO akciju. SIA PERFECT MATCH patiesais labuma guvējs ir Henrik Karmo. Otrs lielākais INDEXO akcionārs ir SIA VSCAP, reģistrācijas numurs: 50103872951, kam pieder 5.41% INDEXO akciju. SIA VSCAP patiesais labuma guvējs ir Valdis Siksnis.

Šī Vērtspapīru apraksta sagatavošanas brīdī nevienam citam INDEXO akcionāram pieder vairāk nekā 5% no visām INDEXO akcijām. Šī Vērtspapīru apraksta sagatavošanas brīdī nav neviena fiziska vai juridiska persona, kurai būtu būtiska līdzdalība iekš INDEXO.

Starp emitentu un kādu no Sabiedrības akcionāriem nav noslēgts akcionāru līgums.

Galvenie rīkotājdirektori

Tabulā norādīta informācija par Sabiedrības galveno korporatīvās pārvaldības institūciju dalībniekiem šī Vērtspapīru apraksta sagatavošanas brīdī.

Vārds	Amats	Iecelšanas datums	Pilnvaru termiņa izbeigšanās datums
Padome			
Valdis Vancovičs	Padomes priekšsēdētājs	2023. g. 14. aprīlis	2028. g. 29. marts*
Svens Dinsdorfs	Padomes priekšsēdētāja vietnieks	2023. g. 14. aprīlis	2028. g. 29. marts*
Renāts Lokomets	Padomes loceklis	2023. g. 14. aprīlis	2028. g. 29. marts*
Ramona Miglāne	Padomes locekle	2023. g. 14. aprīlis	2028. g. 29. marts*
Ivita Asare	Padomes locekle	2023. g. 14. aprīlis	2028. g. 29. marts*
Valde			
Valdis Siksnis	Valdes priekšsēdētājs	2022. g. 25. aprīlis	2027. g. 24. aprīlis
Henrik Karmo	Valdes loceklis	2023. g. 5. jūlijs	2028. g. 4. jūlijs
Ieva Bauma	Valdes locekle	2022. g. 1. jūnijs	2027. g. 31. maijs
Revīzijas komiteja			
Svens Dinsdorfs	Revīzijas komitejas loceklis	2022. g. 24. marts	2025. g. 23. marts
Renāts Lokomets	Revīzijas komitejas loceklis	2022. g. 24. marts	2025. g. 23. marts
Ieva Jāgere	Revīzijas komitejas locekle	2022. g. 24. marts	2025. g. 23. marts
Galvenie vadītāji			
Artūrs Roze	Finanšu vadītājs	2021	-
Līga Katrīna Kļaviņa	Vecākā darbības risku vadītāja	2021	-

* - Saskaņā ar 2023. gada 30. marta Akcionāru kopsapulces lēmumu pilnvaru termiņš sākas 2023. gada 30. martā.

Zvērināti revidenti

SIA KPMG Baltics, reģistrācijas numurs: 40003235171, juridiskā adrese: Vesetas iela 7, Rīga, LV-1013, Latvija bija INDEXO revidents pārskata periodos no 10.01.2017. līdz 31.12.2019.

SIA PricewaterhouseCoopers, reģistrācijas numurs: 40003142793, juridiskā adrese: Kr. Valdemāra iela 21-21, Rīga, LV-1010, Latvija bija un ir INDEXO revidents pārskata periodos no 01.01.2020. līdz 31.12.2023.

Kāda ir emitenta finanšu pamatinformācija?

Universālajam reģistrācijas dokumentam ir pievienoti revidētie finanšu pārskati un nerevidētie starpperiodu finanšu pārskati. Revidētie finanšu pārskati un nerevidētie starpperiodu finanšu pārskati ir sagatavoti saskaņā ar Starptautiskajiem grāmatvedības standartiem, kurus izdevusi Starptautiskā grāmatvedības standartu padome, Starptautiskajiem finanšu pārskatu standartiem un SFPS interpretāciju komitejas standartu interpretācijām, kurus apstiprinājusi Eiropas Savienība. Sākot no gada, kas beidzās 2021. gada 31. decembrī, INDEXO sāka gatavot konsolidētos finanšu pārskatus, jo darbību uzsāka un 3. pensiju līmeņa produktus klientiem sāka piedāvāt meitas uzņēmums AS "Indexo Atklātais Pensiju Fonds". INDEXO turpina palielināt ieņēmumus no maksājumiem. INDEXO izdevās būtiski, par 41,2%, palielināt gada ienākumus no maksājumiem līdz 2.26 miljoniem EUR 2022.

gada 31. decembrī salīdzinājumā ar 1.60 miljoniem EUR 2021. gada 31. decembrī (salīdzinājumā ar 64.7% palielinājumu no 972 tūkstošiem EUR 2020. gada 31. decembrī līdz 1.6 miljoniem EUR 2021. gada 31. decembrī).

Atlasītais INDE XO grupas un INDE XO konsolidētais un atsevišķais visaptverošo ienākumu pārskats (EUR)

	Par gadu, kas beidzās 31. decembrī			Par deviņu mēnešu periodu, kas beidzās 30. septembrī
	Konsolidēts			
	2020	2021	2022	2023
Komisijas ienākumi	972,467	1,602,021	2,277,620	2,210,634
Administratīvie izdevumi	(1,007,218)	(1,581,787)	(3,514,964)	(4,286,230)
Procentu ienākumi	-	-	2,495	31,576
Procentu izdevumi	(643)	(1,386)	(3,147)	(1,680)
Pārējie darbības izdevumi	(3,557)	(9,947)	(32,738)	(41,677)
Peļņa/(zaudējumi) pirms uzņēmumu ienākuma nodokļa aprēķināšanas	(38,951)	8,901	(1,270,734)	(2,087,377)
Pārskata perioda peļņa/(zaudējumi)	(38,951)	8,901	(1,271,803)	(2,091,528)
Pārskata perioda visaptverošie ienākumi/(zaudējumi), kas attiecināma uz akcionāriem	(38,951)	8,901	(1,271,803)	(2,091,528)

	Par gadu, kas beidzās 31. decembrī			Par deviņu mēnešu periodu, kas beidzās 30. septembrī
	Atsevišķs			
	2020	2021	2022	2023
Komisijas ienākumi	972,467	1,598,445	2,257,065	2,179,706
Administratīvie izdevumi	(979,002)	(1,372,791)	(3,269,188)	(2,433,240)
Procentu ienākumi	-	-	2,495	18,252
Procentu izdevumi	(643)	(1,386)	(3,147)	(1,680)
Pārējie darbības izdevumi	(3,557)	(3,557)	(3,557)	(27,130)
Peļņa/(zaudējumi) pirms uzņēmumu ienākuma nodokļa aprēķināšanas	(10,735)	220,711	(1,016,332)	(264,092)
Pārskata perioda peļņa/(zaudējumi)	(10,735)	220,711	(1,017,401)	(267,459)
Pārskata perioda visaptverošie ienākumi/(zaudējumi), kas attiecināma uz akcionāriem	(10,735)	220,711	(1,017,401)	(267,459)

Atlasītais INDE XO grupas un INDE XO finanšu stāvokļa konsolidētais un atsevišķais pārskats (EUR)

	Par gadu, kas beidzās 31. decembrī			Par deviņu mēnešu periodu, kas beidzās 30. septembrī
	Konsolidēts			
	2020	2021	2022	2023
Kopā aktīvi	1,793,153	2,041,656	8,792,656	7,233,346
Kopā kreditori	387,393	387,393	701,415	664,801
Kopā kapitāls	1,654,263	1,654,263	8,091,241	6,568,545
Kopā pašu kapitāls un saistības	2,041,656	2,041,656	8,792,656	7,233,346

	Par gadu, kas beidzās 31. decembrī			Par deviņu mēnešu periodu, kas beidzās 30. septembrī
	Atsevišķs			
	2020	2021	2022	2023
Kopā aktīvi	1,820,288	2,199,872	9,123,689	9,296,198
Kopā kreditori	146,709	305,582	538,019	409,155
Kopā kapitāls	1,673,579	1,894,290	8,585,670	8,887,043
Kopā pašu kapitāls un saistības	1,820,288	2,199,871	9,123,689	9,296,198

Atlasītais INDE XO grupas un INDE XO konsolidētais un atsevišķais naudas plūsmas pārskats (EUR)

	Par gadu, kas beidzās 31. decembrī			Par deviņu mēnešu periodu, kas beidzās 30. septembrī
	Konsolidēts			
	2020	2021	2022	2023
Naudas un tās ekvivalentu pieaugums/(samazinājums) pamatdarbības rezultātā	(400,335)	(78,987)	(1,292,370)	(2,372,581)
Naudas un tās ekvivalentu pieaugums/(samazinājums) ieguldījumu darbības rezultātā	(67,596)	(72,400)	(145,652)	(1,234,783)
Naudas un tās ekvivalentu pieaugums/(samazinājums) finansēšanas darbības rezultātā	814,712	(16,201)	7,506,304	223,027
Nauda un tās ekvivalentu pieaugums/(samazinājums)	346,781	(167,588)	6,068,282	(3,384,338)

	Par gadu, kas beidzās 31. decembrī			Par deviņu mēnešu periodu, kas beidzās 30. septembrī
	Atsevišķs			
	2020	2021	2022	2023
Naudas un tās ekvivalentu pieaugums/(samazinājums) pamatdarbības rezultātā	(463,183)	92,961	(1,285,545)	(324,900)
Naudas un tās ekvivalentu pieaugums/(samazinājums) ieguldījumu darbības rezultātā	(401,525)	(219,499)	(2,048,250)	(2,972,901)
Naudas un tās ekvivalentu pieaugums/(samazinājums) finansēšanas darbības rezultātā	814,712	(16,201)	7,506,304	223,509
Nauda un tās ekvivalentu pieaugums/(samazinājums)	(42,638)	(142,739)	4,172,509	(3,243,872)

Kādi ir emitentam raksturīgie būtiskākie riski?

Ārējie riski. Nepārvaramās varas risks saistās ar notikumiem/situācijām, kas ir ārpus INDE XO grupas pamatotas kontroles, un tādējādi ietekmē INDE XO grupas uzņēmumus un darbību veidā, kas nav prognozējams. Pēdējos gados un līdz pat šim brīdim potenciālus riskus INDE XO grupas mārketinga un pārdošanas stratēģijai rada Covid-19 pandēmija un ģeopolitiskie saspiļējumi.

Tirgus risks. Tirgus risks ir iespējama zaudējumu rašanās no pārvaldāmo aktīvu vērtības pārvērtēšanas finanšu instrumentu, patēriņa preču un to atvasinājumu tirgus cenas izmaiņu rezultātā, kuras savukārt radījušas izmaiņas ārvalstu valūtu maiņas likmēs un procentu likmēs, kā arī citi faktori. INDEXO nav vērtspapīru portfeļu vai citu aktīvu, kurus varētu ietekmēt tirgus risks, izņemot pārvaldībā esošos aktīvus INDEXO pārvaldīto pensiju plānu ietvaros. Tomēr saskaņā ar pasīvās pārvaldības filozofiju, kas prospektā aprakstīta pie katra pensiju plāna, INDEXO aktīvi neiejaucas plāna portfelī tirgus riska apsvērumu dēļ.

Saimnieciskās darbības riski. INDEXO Grupu var ietekmēt saimnieciskās darbības riski, kas var rasties nepietiekami izpildītu vai nerealizētu iekšējo procesu, iesaistīto cilvēku neatbilstoši veiktu iekšējo procesu, nepietiekamu vai nefunkcionējošu sistēmu vai ārējo apstākļu rezultātā, tostarp juridisko risku rezultātā. Riska faktoru rezultātā var rasties normatīvo aktu prasību pārkāpumi, nepareizi līdzekļu pārvaldības plānu vērtību aprēķini, saistību pret trešajām personām pārkāpumi, īslaicīga pakalpojumu tehniska nepieejamība, esošo vai potenciālo klientu zaudējums, dažādi IT/kiberdrošības/datu aizsardzības riski, kaitējums reputācijai vai īslaicīgs uzņēmējdarbības nepārtrauktības pārtraukums.

Ar ārpalpojumiem/trešajām personām – pakalpojumu sniedzējiem saistītie riski. Savā uzņēmējdarbībā INDEXO grupa daļēji ir balstīta uz trešo personu – pakalpojumu sniedzēju sniegtajiem pakalpojumiem, produktiem un zināšanām. Piemēram, INDEXO grupa izmanto ārpalpojumu, lai nodrošinātu savas grāmatvedības un iekšējā audita funkcijas. Tāpat arī INDEXO grupa ļauj uz trešajām personām – pakalpojumu sniedzējiem – saistībā ar savām IT sistēmām, tostarp ārpalpojumu INDEXO grupas IT sistēmu darbības nodrošināšanai. Tādējādi INDEXO grupa ir būtiski atkarīga no šīm trešajām personām ne tikai savlaicīgu un augstas kvalitātes pakalpojumu nodrošināšanā, bet arī spēkā esošo normatīvo aktu prasību ieviešanā un savu trešajām personām – pakalpojumu sniedzējiem – noteikto ētiskas uzņēmējdarbības principu ieviešanā.

Ar IT/kiberdrošību/datu aizsardzības pārkāpšanu saistītie riska faktori. Tāpat kā citi finanšu pakalpojumu sniedzēji arī INDEXO grupa pagātnē bijusi un nākotnē var kļūt par kibernetizācijas vai citu ārēju vai iekšēju krāpniecisku darbību mērķi. Jebkurš no šiem riska faktoriem var būtiski negatīvi ietekmēt INDEXO grupas reputāciju, pakļaut INDEXO finanšu riskiem, piemēram, pārvaldāmo aktīvu samazinājumam, soda naudām, sodiem un atbildību iespējamās tiesvedības ietvaros, papildu izdevumiem sistēmu atjaunošanai, kā arī esošo vai potenciālo klientu zaudējumam. INDEXO grupa var arī zaudēt svarīgu konfidencialu iekšējo informāciju.

Regulatīvo (atbilstības) prasību un likumdošanas izmaiņu riski. INDEXO darbība ir pakļauta vietējiem nacionālajiem un Eiropas Savienības normatīvajiem aktiem, kā arī Latvijas Bankas un Eiropas Vērtspapīru un tirgus iestādes (ESMA) vadlīnijām un rekomendācijām. Spēkā esošā normatīvā regulējuma neieviešana var radīt INDEXO grupai soda naudu un citu soda veidu piemērošanas risku, kam var būt būtiska negatīva ietekme uz INDEXO grupas reputāciju, uzņēmējdarbību, finanšu stāvokli un darbības rezultātiem.

Ar galvenajām stratēģijām saistītie riski. Ieguldījumu pārvaldes uzņēmuma turpmāko attīstību var ietekmēt makroekonomiskie riski, konkurences risks pensiju pārvaldības segmentā, un riska faktori, kas saistīti ar neveiksmīgu jaunu produktu un pakalpojumu izveidi. Bankas darbības licences saņemšanu un INDEXO Bankas dibināšanu galvenokārt var ietekmēt nepieciešamo finanšu resursu nepietiekamība, kam par iemeslu būtu potenciālo ieguldītāju nepietiekama interese turpmāko piedāvājumu ietvaros, kā arī nespēja pilnībā izpildīt visas likumā noteiktās prasības regulatora apstiprinājuma saņemšanai. INDEXO grupa jau ir ieguldījusi ievērojamus finanšu resursus, lai licencētu vai iegādātos tehnoloģiju no trešajām personām INDEXO Bankai. Tomēr, lai saņemtu licenci INDEXO Bankas izveidei, ir jāiegulda papildu finanšu līdzekļi, lai izpildītu prudenciālās prasības. Līdz ar to, galvenokārt nepiesaistot nepieciešamos finanšu resursus, var tikt ietekmēta bankas licences iegūšana.

Ar INDEXO grupas reputāciju un zīmola atpazīstamību saistītie riska faktori. Reputācija ir viens no visbūtiskākajiem aktīviem saistībā ar INDEXO grupas attiecībām ar klientiem. INDEXO grupas darbības jomā klientu uzticība un paļāvība, kā arī integritāte ir vissvarīgākais. Turklāt INDEXO grupa ir izveidojusi atpazīstamu un spēcīgu zīmolu. INDEXO grupas klientu sūdzības vai jebkāda veida negatīva publicitāte saistībā ar pakalpojumiem, darbinieku darba apstākļiem, klientu datu saglabāšanu un drošības pasākumiem, kas pieejama plašākai sabiedrības daļai, var būtiski negatīvi ietekmēt INDEXO grupas uzņēmējdarbību, finansiālo stāvokli un darbības rezultātus.

Likviditātes risks. Likviditātes risks ir saistīts ar INDEXO grupas spēju laikus izpildīt savas līgumiskās saistības, neradot būtiskus zaudējumus un nespēju reaģēt uz neplānotām izmaiņām uzņēmuma resursos un/vai tirgus situācijā likvidu aktīvu nepietiekamības dēļ. Jebkāds neplānots notikums vai apstākļi var negatīvi ietekmēt INDEXO grupas uzņēmumus, to darbības rezultātus un finanšu stāvokli.

Sadarbības partneru kredītrisks. Kredītrisks ir saistīts ar zaudējumu rašanās iespēju, ja parādnieks nepilda savas noteiktās līgumsaistības. INDEXO grupai kredītrisks rodas saistībā ar debitoru parādiem, naudu un tās ekvivalentiem un citiem ieguldījumiem. INDEXO grupas aktīvi glabājas Latvijas kredītiestādēs, kuras uzskatāmas par INDEXO grupas sadarbības partneriem.

Ārvalstu valūtu riski. INDEXO grupa nav pakļauta tiešiem valūtas riskiem, kas varētu rasties no dažādu valūtu konvertācijas likmju svārstībām. INDEXO grupai nav posteņu ārvalstu valūtās un tuvākajā nākotnē tādi netiek plānoti, izņemot pārvaldāmos līdzekļus INDEXO pārvaldīto pensiju plānu ietvaros. INDEXO pārvaldītajos pensiju plānos pārvaldāmie līdzekļi tiek ieguldīti indeksu fondos, no kuriem daudzi tālāk iegulda dažādos valūtu aktīvos, tādējādi pārvaldīto līdzekļu vērtība pensiju plānu ietvaros ir būtiski pakļauta netiešam ārvalstu valūtas riskam. Tomēr saskaņā ar pasīvās pārvaldības filozofiju, kas aprakstīta plāna prospektā, tā neparedz aktīvu iejaukšanos plāna portfeļa sastāvā valūtu riska dēļ.

1.2.3. Informācija par vērtspapīriem

Kādas ir vērtspapīru galvenās iezīmes?

Veids, kategorija un ISIN

Visas INDEXO Akcijas (tostarp Piedāvājuma akcijas) ir dematerializētas akcijas ar nominālvērtību 1 EUR. Akcijas ir reģistrētas Nasdaq CSD ar ISIN LV0000101863 un tiek glabātas dematerializētā formā. Nav izsniegtas un netiks izsniegtas nekādas akciju apliecības.

Emitēto akciju valūta, paritāte, nominālvērtība, skaits un to termiņš

Šī Vērtspapīru apraksta sagatavošanas datumā INDEXO Akciju skaits ir **3,795,407**. Piedāvājuma akciju skaits nepārsniedz 1,150,000. Tāpēc INDEXO Akciju skaits pēc veiksmīgas pamatkapitāla palielinājuma reģistrācijas būs ne vairāk kā 4,945,407, tomēr ar nosacījumu, ka Piedāvājuma akciju skaits atbilstoši noteikumiem un nosacījumiem netiek mainīts. Tāpēc tieši pirms Piedāvājuma pastāvošais INDEXO akciju turējums Piedāvājuma rezultātā tiks mazināts par ne vairāk kā 23,25%. Akciju valūta ir eiro un tām noteicošie ir Latvijas normatīvie akti, kā arī Piedāvājuma valūta būs eiro. Visas esošās Akcijas nodrošina akcionāriem vienādas tiesības (tostarp arī viena akcija – viena balss).

No vērtspapīriem izrietošās tiesības

Attiesme pret visiem Sabiedrības akcionāriem ir vienlīdzīga. Katra INDEXO Akcija piešķir tās īpašniekam vienādas tiesības uz INDEXO aktīviem un peļņu. INDEXO likvidācijas gadījumā akcionāriem ir tiesības uz daļu no aktīvu atlikuma proporcionāli viņiem piederošajām Akcijām (likvidācijas kvota). Katra Akcija dod šādas tiesības: (1) tiesības rīkoties ar akcijām; (2) tiesības saņemt dividendes; (3) tiesības balsot; (4) tiesības piedalīties Akcionāru kopsapulcē; (5) tiesības saņemt likvidācijas kvotu; (6) pirmpirkuma tiesības; (7) tiesības saņemt informāciju.

Akciju pakārtotība emitenta kapitāla struktūrā maksātnespējas gadījumā

Akcijām nepiemīt nekādas īpašas tiesības piedalīties sadalē (tostarp likvidācijas gadījumā) papildus tiesībām, kuras pastāv Latvijas Maksātnespējas likuma ietvaros, kas nosaka, ka atlikušie INDEXO līdzekļi pēc INDEXO maksātnespējas procesa izmaksu segšanas un kreditoru prasījumu apmierināšanas tiktu sadalīti Sabiedrības akcionāru starpā proporcionāli viņiem piederošo akciju skaitam.

Akciju brīvas atsavināšanas ierobežojumi

Akciju atsavināšana netiek piemēroti nekādi īpaši ierobežojumi, nedz saskaņā ar Latvijas normatīvajiem aktiem, nedz uz Statūtu pamata.

Dividenžu politika

2022. gada 24. martā Akcionāru kopsapulce apstiprināja INDEXO Dividenžu politiku. Dividendes akcionāriem izmaksā proporcionāli attiecīgajam akcionāram piederošo INDEXO akciju skaitam. Dividendes aprēķina un izmaksā tikai par pilnībā apmaksātām akcijām. Dividendes izmaksā naudā, ar bankas pārskaitījumu uz akcionāra norādītajiem kontiem samaksas dienā. Ikgadējās dividendes var izmaksāt reizi gadā atbilstoši maksājumu grafikam pēc Akcionāru kopsapulces, kurā apstiprina iepriekšējā finanšu gada pārskatu. Saskaņā ar Latvijas normatīvajiem aktiem ārkārtas dividendes izmaksājamas tikai, ja tās paredzētas uzņēmuma statūtos. INDEXO Statūtos ārkārtas dividendes nav noteiktas. Kopš sava dibināšanas brīža INDEXO nav paziņojis par dividenžu izmaksu no tīrās peļņas. Saskaņā ar pašreizējo biznesa stratēģiju INDEXO neplāno izmaksāt dividendes līdz 2027. gadam. INDEXO saimnieciskajai darbībai pieejamais kapitāls tiks ieguldīts INDEXO izaugsmē, tāpēc INDEXO plāno sākt dividenžu izmaksu, kad INDEXO peļņa pārsniegs aizdevumu portfeļa izaugsmes iespējas.

Kur tiks tirgotas Akcijas?

Veiksmīga Piedāvājuma gadījumā Akcijas tiks tirgotas Nasdaq Riga Baltijas Oficiālajā sarakstā. Par Akciju tirdzniecību nav iesniegts un netiks iesniegts pieteikums nevienā citā biržā. Tirdzniecības uzsākšana ar INDEXO Akcijām Nasdaq Riga paredzēta tajā pašā datumā, kad Piedāvājuma akcijas saņems pastāvīgo ISIN LV0000101863, kas ir paredzēts aptuveni 2024. gada 10. janvārī.

Kādi ir galvenie ar vērtspapīriem saistītie riski?

Akciju cenas un akciju likviditātes risks. Salīdzinājumā ar citiem vērtspapīru tirgiem ar ilgāku pastāvēšanas vēsturi Nasdaq Riga ir ievērojami mazāk likvīda un būtiski nepastāvīgāka. Nasdaq Riga salīdzinoši nelielā tirgus kapitalizācija un zemā likviditāte var ietekmēt akcionāru iespējas pārdot Akcijas Nasdaq Riga vai palielināt Akciju cenas nepastāvību, jo atsevišķo darījumu ietekme var izrādīties būtiska attiecībā uz Akciju tirgus cenu.

Piedāvājuma anulēšana un parakstīšanas atsaukšana. INDEXO nesniedz nekādas garantijas, ka Piedāvājums būs veiksmīgs un ka ieguldītāji saņems Piedāvājuma akcijas, uz kurām tie parakstījušies. INDEXO ir tiesības anulēt Piedāvājumu.

Akciju vērtības pazemināšanās risks. INDEXO akcionāriem piederošo akciju proporcija var mazināties, ja nākotnē tiek palielināts INDEXO pamatkapitāls un tiek emitētas jaunas Akcijas. Nākotnes līdzdalības piedāvājumi var arī būt ar vērtību, kas ir zemāka par tirgus vērtību, un INDEXO var lemt par akciju piedāvājumu ar atlaidi iepretim tajā brīdī spēkā esošajai tirgus cenai. Tāpat arī nākotnes līdzdalības piedāvājums var samazināt Akciju tirgus vērtību.

Riski saistībā ar dividendu izmaksas spēju. Nepastāv nekādas garantijas, ka INDEXO nākotnē izmaksās dividendes. INDEXO spēju izmaksāt dividendes var ierobežot korporatīvās tiesības un tās finanšu darījumos noteiktie ierobežojumi. Valdes rekomendācijas peļņas sadalei būs atkarīgas no Uzņēmuma pašreizējā un nākotnes finanšu stāvokļa, darbības rezultātiem, kapitāla nepieciešamības, likviditātes vajadzībām un citiem aspektiem, kurus tā jebkurā laikā var uzskatīt par vērā ņemamiem.

Riski, kas saistīti ar akciju atpirkšanas programmu (ja tāda tiek uzsākta). 2022. gada jūlijā INDEXO pabeidza sākotnējo publisko piedāvājumu, ar kuru tā piesaistīja 7,49 miljonus eiro ar mērķi iegūt licenci kredītiestādes dibināšanai. Tika apstiprināta akciju atpirkšanas programma, kas paredz, ka maz ticamā gadījumā, ja INDEXO Bankas licencēšana saskaņā ar spēkā esošajiem normatīvajiem aktiem būs neveiksmīga 24 mēnešu laikā pēc visu INDEXO akciju iekļaušanas biržas Nasdaq Riga Baltijas Oficiālajā sarakstā (2022. gada 15. jūlijā), INDEXO īstenošas akciju atpirkšanas programmu, ar kuras palīdzību sākotnējā publiskā piedāvājuma ieņēmumi tiks atgriezti tiem investoriem, kuri kvalificējas un piedalās akciju atpirkšanas programmā.

1.2.4. Informācija par vērtspapīru publisku piedāvājumu un tirdzniecības atļaušanu regulētā tirgū

Ar kādiem nosacījumiem un kādā termiņā es varu ieguldīt šajā vērtspapīrā?

Piedāvājuma mērķauditorija ir privātie ieguldītāji Latvijā un Igaunijā, kvalificētie ieguldītāji un citi ieguldītāji saistībā ar noteiktiem atbrīvojumiem, kas pieejami attiecīgo dalībvalstu normatīvajos aktos.

Plānots, ka INDEXO Akciju tirdzniecība tiks uzsākta Nasdaq Riga tajā pašā datumā, kad Piedāvājuma akcijas saņems pastāvīgo ISIN LV0000101863, kas ir paredzēts aptuveni 2024. gada 10. janvārī. Piedāvājuma periods ir laika periods, kurā personas, kurām ir tiesības piedalīties Piedāvājumā var iesniegt Akciju Parakstīšanas pieteikumu. Piedāvājuma periods sākas 2023. gada 11. decembrī pulksten 10:00 pēc Latvijas un Igaunijas vietējā laika un beidzas 2023. gada 29. decembrī pulksten 15:30 pēc Latvijas un Igaunijas vietējā laika, ja tas netiek saīsināts vai pagarināts. Piedāvājuma indikatīvais laika grafiks ir šāds:

Piedāvājuma perioda sākums	2023. gada 11. decembris
Piedāvājuma perioda beigas	2023. gada 29. decembris
Piedāvājuma rezultātu paziņojums un piešķiršana	Aptuveni 2024. gada 2. janvāris
Piedāvājuma norēķini	Aptuveni 2024. gada 4. janvāris
Piedāvājuma akcijas saņems pastāvīgo ISIN LV0000101863	Aptuveni 2024. gada 10. janvāris
Pirmā tirdzniecības diena Nasdaq Riga	Tajā pašā datumā, kad Piedāvājuma akcijas saņems pastāvīgo ISIN LV0000101863

Ieguldītājs, kas piedalās Piedāvājumā var pieteikties uz Piedāvājuma akcijām tikai par Piedāvājuma cenu. Minimālā ieguldījuma summa ir 12 EUR, par kuru ieguldītājs var parakstīties uz vienu Akciju. Ieguldītāji, kas piedalās Piedāvājumā, iesniedz Parakstīšanas pieteikumu tikai un vienīgi eiro. Ieguldītājs sedz visas izmaksas un maksājumus saistībā ar Parakstīšanas pieteikuma iesniegšanu, anulēšanu vai grozīšanu un atbilstoši attiecīgās Parakstīšanas pieteikumu pieņemošās finanšu institūcijas, kura ir Nasdaq Riga biedrs, cenrādim.

Šī Vērtspapīru apraksta sagatavošanas datumā INDEXO Akciju skaits ir 3,795,407. Piedāvājuma akciju skaits nepārsniedz 1,150,000. Tāpēc tieši pirms Piedāvājuma pastāvošais INDEXO akciju turējums Piedāvājuma rezultātā tiks mazināts par ne vairāk kā 23,25%. Tiek lēsts, ka ar Piedāvājumu tieši saistītie izdevumi ir aptuveni 180 000 EUR.

Kāpēc tiek veidots šis Prospekts?

Piedāvājuma tīro ieņēmumu summa ir plānota līdz 13,620,000 EUR. Piedāvājuma galvenais iemesls ir piesaistīt kapitālu INDEXO Bankas izveidei.

Uz Piedāvājumu neattiecas emisijas izplatīšanas līgums, pamatojoties uz stingri noteiktām saistībām.

Atsevišķiem INDEXO valdes un padomes locekļiem un atsevišķiem galvenajiem darbiniekiem pieder INDEXO Akcijas, tāpēc šīs personas ir ieinteresētas INDEXO turpmākajā labklājībā un panākumos, tostarp Piedāvājuma panākumos. Tomēr no Piedāvājuma viedokļa nav citu būtisku personisku interešu un nav būtisku interešu konfliktu attiecībā uz Piedāvājumu vai atļauju veikt tirdzniecību.

1.3. Summary in Estonian (Kokkuvõtte eesti keeles)

1.3.1. Sissejuhatus ja hoiatused

Väärtpaberite nimi ja rahvusvaheline identifitseerimisnumber (ISIN)

INDEXO aktsia, rahvusvaheline väärtpaberite identifitseerimisnumber (ISIN): LV0000101863.

Emitendi nimi ja kontaktandmed, sealhulgas tema juriidilise isiku tunnus (LEI)

IPAS „Indexo“ on Lätis asutatud aktsiaselts (*akciju sabiedrība*), mis on registreeritud äriregistris 10. jaanuaril 2017 registrikoodiga 40203042988 ja mille registrijärgne aadress on Elizabetes tn 13-1A, Riia, LV-1010. Ettevõtte e-posti aadress on info@indexo.lv, telefoninumber on +371 20006088. Selle juriidilise isiku tunnus (LEI) on 875500AT8JI5HU41AY20.

Prospekti kinnitanud pädeva asutuse nimi ja kontaktandmed

Käesoleva prospekti on pädeva asutusena kinnitanud Läti Pank (läti keeles: Latvijas Banka), aadress: Krišjāņa Valdemāra tn 2A, Riia, LV-1050, e-post: info@bank.lv, telefoninumber: +371 67022300, vastavalt määrusele (EL) 2017/1129.

Prospekti kinnitamise kuupäev

Käesolev Prospekt kinnitati 6. detsembril 2023.

Hoiatused

Kokkuvõtte on koostatud kooskõlas määruse (EL) 2017/1129 artikliga 7 ja seda tuleks käsitleda prospekti sissejuhatusena. Väärtpaberitesse investeerimise otsus peaks põhinema investori kaalutlusel prospekti kui terviku suhtes. Investor võib kaotada investeeritud kapitali täielikult või osaliselt. Kui kohtusse esitatakse nõue seoses prospektis sisalduva teabega, võib hagejast investoril olla siseriikliku õiguse kohaselt kohustus kanda prospekti tõlkimise kulud enne kohtumenetluse algatamist. Tsiviilvastutus on ainult nendel isikutel, kes on esitanud kokkuvõtte, sealhulgas selle mis tahes tõlke, kuid ainult juhul, kui kokkuvõtte on eksitav, ebatäpne või prospekti muude osadega koos loetuna vastuolus või kui see ei sisalda koos prospekti muude osadega lugedes põhiteavet, mis aitaks investoritel otsustada, kas sellistesse väärtpaberitesse investeerida.

1.3.2. Peamine teave äriühingu kohta

Kes on väärtpaberite emitent?

Alaline asukoht, õiguslik vorm, LEI kood, õigus, mille alusel ta tegutseb, ja asutamisriik

INDEXO on asutatud Lätis ja tegutseb Läti Vabariigi seaduste alusel, registreeritud aadressil Elizabetes tn 13-1A, Riia, LV-1010, ja selle LEI kood on 875500AT8JI5HU41AY20. INDEXO on asutatud ja registreeritud aktsiaseltsina (*akciju sabiedrība*) Läti äriregistris registrikoodiga 40203042988.

Põhitegevusalad

INDEXO tegutseb Läti varahaldusturul seoses pensionisäästude haldamisega ning tegutseb järgmistes turusegmentides: 1) riikliku kogumispensioniskeemi varade haldamine (2. pensionisammas); ja 2) erapensionifondide varade valitsemine (3. pensionisammas). Seega tegutseb INDEXO peamiselt Läti pensionisüsteemis varahaldusteenuseid osutades. Samal ajal töötab INDEXO pangarenduse segmendis INDEXO Banki loomisel: teeb koostööd regulaatoriga krediitiasutuse litsentsi saamiseks, uue pangateenuse pakkumise väljatöötamiseks, IT-süsteemide ja riskijuhtimismudelite loomiseks ning muudes panga tulevase tegevusega seotud küsimustes.

Peamised tugevused

Läbipaistvus. INDEXO pakub klientidele õiglasi tingimusi; paljastab kõik kaudsed kulud; kvartaliaruanded varahaldusplaani tulemuste kohta; püüab suurendada oma klientide finantsteadlikkust.

Ainulaadsed, lihtsad ja arusaadavad tooted. INDEXO usub, et tal on parim strateegia oma klientide vara haldamiseks ja annab seetõttu selge nägemuse iga toote eelistest, pakkumata ebaselgeid varahaldusvõimalusi. Selge suhtlemine klientidega selle kohta, mis neile kõige rohkem kasu toob, on see, mis eristab INDEXO-t konkurentidest.

INDEXO on suunanäitaja. INDEXO turule sisenemise tulemusena on finantsteadlikkus ja juurdepääs headele toodetele oluliselt suurenenud. Kui INDEXO esimese madalate tasudega indeksfondide pensioniskeemide pakkujana turule tuli, vallandas see pensionisäästude haldamise turul tõelise konkurentsi.

Strateegia

INDEXO strateegia tugineb neljale alussambale: 1) passiivne varahaldus; 2) aktiivne ja sihipärane klientide hankimine; (3) INDEXO kaubamärk – positiivsete muutuste looja; 4) kulude ja tasude läbipaistvus; lihtsus toodete pakkumisel ja suhtlemisel.

Peamised aktsionärid

INDEXO on juba emitent, kelle aktsiatega kaubeldakse reguleeritud turul. INDEXO suurimad aktsionärid, kellele kuulub üle 5% kõigist INDEXO aktsiatest, on toodud allolevas tabelis.

Aktsionäri nimi	Omatud protsent (%) kõigist INDEXO aktsiatest
SIA PERFECT MATCH	7,94
SIA VSCAP	5,41

INDEXO suurim aktsionär on SIA PERFECT MATCH, registrikoodiga 40003663126, kellele kuulub 7,94% INDEXO aktsiatest. Äriühingu SIA PERFECT MATCH lõplik kasusaaja on Henrik Karmo. INDEXO suuruselt teine aktsionär on SIA VSCAP, registrikoodiga 50103872951, kellele kuulub 5,41% INDEXO aktsiatest. Äriühingu SIA VSCAP lõplik kasusaaja on Valdis Siksnis.

Väärtpaberikirjelduse kuupäeva seisuga ei kuulu ühelegi teisele INDEXO aktsionäri rohkem kui 5% kõigist INDEXO aktsiatest. Väärtpaberikirjelduse kuupäeva seisuga ei ole INDEXO-l ühtegi füüsilist ega juriidilist isikut, kellel oleks INDEXO-s oluline osalus.

Emitendi ja äriühingu ühegi aktsionäri vahel ei ole sõlmitud aktsionäride lepingut.

Juhtkonna võtmeisikud

Allpool on esitatud andmed äriühingu peamiste juhtorganite liikmete kohta väärtpaberikirjelduse kuupäeva seisuga.

Nimi	Ametikoht	Ametisse määramise kuupäev	Volituste lõppemise tähtpäev
Nõukogu			
Valdis Vancovičs	Nõukogu esimees	19. aprill 2023	29. märts 2028*
Svens Dinsdorfs	Nõukogu aseesimees	19. aprill 2023	29. märts 2028*
Renāts Lokomets	Nõukogu liige	19. aprill 2023	29. märts 2028*
Ramona Miglāne	Nõukogu liige	19. aprill 2023	29. märts 2028*
Ivita Asare	Nõukogu liige	19. aprill 2023	29. märts 2028*
Juhatus			
Valdis Siksnis	Juhatusesimees	25. aprill 2022	24. aprill 2027
Henrik Karmo	Juhatuses liige	5. juuli 2023	4. juuli 2028
Ieva Bauma	Juhatuses liige	1. juuni 2022	31. mai 2027
Auditikomitee			
Svens Dinsdorfs	Auditikomitee liige	24. märts 2022	23. märts 2025
Renāts Lokomets	Auditikomitee liige	24. märts 2022	23. märts 2025
Ieva Jāgere	Auditikomitee liige	24. märts 2022	23. märts 2025
Võtmetöötajad			
Artūrs Roze	Finantsjuht	2021	-
Līga Katrīna Kļaviņa	Operatsiooniriskide vanemjuht	2021	-

* - Vastavalt aktsionäride koosoleku 30. märtsi 2023. aasta otsusele algas ametiaeg 30. märtsil 2023.

Vannutatud audiitorite andmed

SIA KPMG Baltics, registrikood: 40003235171, registreeritud asukoht: Vesetas tn 7, Rii, LV-1013, Läti, kes oli INDEXO audiitor aruandeperioodidel 10.01.2017 kuni 31.12.2019.

PricewaterhouseCoopers SIA, registrikood: 40003142793, registreeritud asukoht: Kr. Valdemāra tn 21-21, Rii, LV-1010, Läti, kes oli ja on INDEXO audiitor aruandeperioodidel alates 01.01.2020 kuni 31.12.2023.

Milline on peamine finantsteave emitendi kohta?

Auditeeritud finantsaruanded ja läbivaatamata vahearauanded on lisatud universaalsele registreerimisdokumentidele. Auditeeritud finantsaruanded ja vahearauanded on koostatud vastavalt rahvusvahelistele raamatupidamisstandarditele, mille on välja andnud Rahvusvaheliste Raamatupidamisstandardite Nõukogu, rahvusvahelistele finantsaruandlusstandarditele ja Euroopa Liidu poolt heaks kiidetud IFRS-i tõlgendamise komitee standarditõlgendustele. 31. detsembril 2021 lõppenud aastal alustas INDEXO konsolideeritud finantsaruannete koostamist, kuna tütarettevõtte AS „Indexo Atklātais Pensiju Fonds“ hakkas klientidele pakkuma 3. pensionisamba tooteid ja alustas oma tegevust. INDEXO jätkab tasudest saadava tulu kasvatamist. Aastal, mis lõppes 31. detsembril 2022, kasvas INDEXO tasudest saadud tulu 31. detsembril 2021 lõppenud aastaga võrreldes 41,2% summalt 1,60 miljonit eurot summani 2,26 miljonit eurot 31. detsembril 2022 lõppenud aastal (vs 64,7% kasvu võrreldes 31. detsembril 2020 lõppenud aastaga summas 972 tuhat eurot summani 1,6 miljonit eurot 31. detsembril 2021 lõppenud aastal).

INDEXO Grupi ja INDEXO valitud konsolideeritud ja konsolideerimata koondkasumiaruanded (EUR)

	31. detsembril lõppenud aasta			30. septembril lõppenud 9-kuuline periood
	Konsolideeritud			
	2020	2021	2022	2023
Vahendustasude tulu	972 467	1 602 021	2 277 620	2 210 634
Halduskulud	(1 007 218)	(1 581 787)	(3 514 964)	(4 286 230)
Intressitulu, mis on arvatatud efektiivse intressimäära alusel	-	-	2495	31 576
Intressikulud	(643)	(1 386)	(3 147)	(1 680)
Muud tegevuskulud	(3 557)	(9 947)	(32 738)	(41 677)
Kasum/(kahjum) enne ettevõtte tulumaksu	(38 951)	8 901	(1 270 734)	(2 087 377)
Aruandeaasta kasum või kahjum	(38 951)	8 901	(1 271 803)	(2 091 528)
Aasta koondkasum/(-kahjum), mis omistatakse aktsionäridele aasta kohta	(38 951)	8 901	(1 271 803)	(2 091 528)

	31. detsembril lõppenud aasta			30. septembril lõppenud 9-kuuline periood
	Konsolideerimata			
	2020	2021	2022	2023
Vahendustasude tulu	972 467	1 598 445	2 257 065	2 179 706
Halduskulud	(979 002)	(1 372 791)	(3 269 188)	(2 433 240)
Intressitulu, mis on arvatatud efektiivse intressimäära alusel	-	-	2 495	18 252
Intressikulud	(643)	(1 386)	(3 147)	(1 680)
Muud tegevuskulud	(3 557)	(3 557)	(3 557)	(27 130)
Kasum/(kahjum) enne ettevõtte tulumaksu	(10 735)	220 711	(1 016 332)	(264 092)
Aruandeaasta kasum või kahjum	(10 735)	220 711	(1 017 401)	(267 459)
Aasta koondkasum/(-kahjum), mis omistatakse aktsionäridele aasta kohta	(10 735)	220 711	(1 017 401)	(267 459)

INDEXO Grupi ja INDEXO valitud konsolideeritud ja konsolideerimata finantsseisundi aruanded (EUR)

	31. detsembril lõppenud aasta			30. septembril lõppenud 9-kuuline periood
	Konsolideeritud			
	2020	2021	2022	2023
Varad kokku	1 793 153	2 041 656	8 792 656	7 233 346
Kohustused kokku	387 393	387 393	701 415	664 801
Omakapital ja reservid kokku	1 654 263	1 654 263	8 091 241	6 568 545
Omakapital ja kohustused kokku	2 041 656	2 041 656	8 792 656	7 233 346

	31. detsembril lõppenud aasta			30. septembril lõppenud 9-kuuline periood
	Konsolideerimata			
	2020	2021	2022	2023
Varad kokku	1 820 288	2 199 872	9 123 689	9 296 198
Kohustused kokku	146 709	305 582	538 019	409 155
Omakapital ja reservid kokku	1 673 579	1 894 290	8 585 670	8 887 043
Omakapital ja kohustused kokku	1 820 288	2 199 871	9 123 689	9 296 198

INDEXO Groupi ja INDEXO konsolideeritud ja eraldiseisvad rahavoogude aruanded (EUR)

	31. detsembril lõppenud aasta			30. septembril lõppenud 9-kuuline periood
	Konsolideeritud			
	2020	2021	2022	2023
Raha ja raha ekvivalentide suurenemine / (vähenemine) äritegevusest	(400 335)	(78 987)	(1 292 370)	(2 372 581)
Raha ja raha ekvivalentide suurenemine / (vähenemine) investeerimistegevusest	(67 596)	(72 400)	(145 652)	(1 234 783)
Raha ja raha ekvivalentide suurenemine / (vähenemine) finantseerimistegevusest	814 712	(16 201)	7 506 304	223 027
Raha ja raha ekvivalentide suurenemine / (vähenemine)	346 781	(167 588)	6 068 282	(3 384 338)

	31. detsembril lõppenud aasta			30. septembril lõppenud 9-kuuline periood
	Konsolideerimata			
	2020	2021	2022	2023
Raha ja raha ekvivalentide suurenemine / (vähenemine) äritegevusest	(463 183)	92 961	(1 285 545)	(324 900)
Raha ja raha ekvivalentide suurenemine / (vähenemine) investeerimistegevusest	(401 525)	(219 499)	(2 048 250)	(2 972 901)
Raha ja raha ekvivalentide suurenemine / (vähenemine) finantseerimistegevusest	814 712	(16 201)	7 506 304	223 509
Raha ja raha ekvivalentide suurenemine / (vähenemine)	(42 638)	(142 739)	4 172 509	(3 243 872)

Millised on emitendiga seotud konkreetsed põhiriskid?

Väline risk. Väramatu jõu risk on seotud sündmuste/olukordadega, mis ei ole INDEXO Groupi mõistliku kontrolli all ja mis mõjutavad seetõttu INDEXO Groupi äri ning tegevust ettearvamatul viisil. Viimastel aastatel ja tänaseni avaldavad Covid-19 pandeemia ning geopoliitilised pinged potentsiaalset riski INDEXO Groupi turundus- ja müügistrateegiale.

Tururisk. Tururisk on valitsetavate varade ümberhindlusest tulenev kahjumi võimalus finantsinstrumentide, kaupade ja nende tuletisinstrumentide turuhinna muutuste tõttu, mis tulenevad valuutakursside, intressimäärade ja muude tegurite muutustest. INDEXO-l ei ole väärtpaberite portfelle ega muid varasid, mida tururisk võib mõjutada, välja arvatud INDEXO hallatavate pensioniskeemide all valitsetavad varad (edaspidi ka AUM). Vastavalt iga pensioniskeemi passiivsele juhtimisfilosoofiale ei sekku aga INDEXO aktiivselt plaani portfelli tururiski kaalutlustel.

Tegevusriskid. INDEXO Groupi võivad mõjutada tegevusriskid, mis võivad tuleneda ebapiisavatest või ebaõnnestunud sisemistest protsessidest, sisemiste protsesside nõuetele mittevastavast rakendamisest kaasatud inimeste poolt, ebapiisavatest

või ebaõnnestunud süsteemidest või välistest asjaoludest, sealhulgas õiguslikest riskidest. Riskitegurid võivad põhjustada regulatiivsete nõuete rikkumist, varahaldusplaani väärtuse ebaõiget arvutamist, juriidiliste kohustuste rikkumist kolmandate isikute suhtes, teenuste ajutist tehnilist kättesaamatust, olemasolevate või potentsiaalsete klientide kaotust, mitmesuguseid IT/küberturvalisuse/andmekaitsega seotud riske, maine kahjustamist või talitluspidevuse ajutist katkemist.

Allhankimise / kolmandatest isikutest teenusepakkujatega seotud riskid. INDE XO Group tugineb oma äritegevuses osaliselt kolmandatest isikutest teenusepakkujate teenustele, toodetele ja teadmistele. Näiteks on INDE XO Group oma raamatupidamis- ja siseauditi funktsiooni allhankinud. Samuti tugineb INDE XO Group kolmandatest isikutest teenusepakkujatele oma IT-süsteemidega seoses, sealhulgas allhanketeenusele INDE XO Grupi IT-süsteemide käitamiseks. Seetõttu sõltub INDE XO Group suuresti nendest kolmandatest isikutest mitte ainult õigeaegsete ja kvaliteetsete teenuste osutamisel, vaid ka kohaldatavate seaduste ja määruste järgimisel ning oma eetiliste äriootuste järgimisel kolmandatest isikutest pakkujate suhtes.

IT / küberturvalisuse / andmelekkega seotud riskitegurid. INDE XO Group, nagu ka teised finantsteenuste osutajad, on varem olnud ja võib tulevikus olla küberkuritegevuse või muu välise või sisemise pettuse sihtmärk. Kõik eespool nimetatud riskitegurid võivad oluliselt kahjustada INDE XO Grupi mainet, tekitada INDE XO-le finantsriske, nagu valitsetavate varade (AUM) vähenemine, trahvid, karistused ja vastutusele võtmine võimalikes kohtuvaidlustes, lisakulude tekkimine süsteemide taastamiseks, samuti olemasolevate või potentsiaalsete klientide kaotus. INDE XO Group võib kaotada ka olulise konfidentsiaalse sisemise teabe.

Regulatiivsete (vastavus)nõuete ja regulatiivsete muudatuste riskid. INDE XO äritegevus allub riiklikele ja ELi õigusaktidele ja määrustele ning Läti Panga (läti keeles: Latvijas Banka) ning Euroopa Väärtpaberiturujärelevalve (ESMA) suunistele ja soovitudele. Kohaldatavate eeskirjade ja seaduste eiramine võib INDE XO Groupile kaasa tuua rahatrahvid ja muud karistused, millel võib olla oluline negatiivne mõju INDE XO Grupi mainele, äritegevusele, finantsseisundile ja tegevustulemustele.

Põhistrateegiatega seotud risk. Varahaldustegevuse edasist arengut võivad mõjutada makromajanduslikud riskid, konkurentsirisk pensionihalduse segmendis ning riskitegurid, mis on seotud uute toodete ja teenuste ebaõnnestunud arendamisega. Pangandusliitsentsi saamist ja INDE XO Banki asutamist võib peamiselt mõjutada vajalike rahaliste vahendite puudumine, mis on tingitud potentsiaalsete investorite ebapiisavast huvist tulevaste pakkumiste vastu, samuti suutmatus täpselt täita kõiki regulatiivseid nõudeid, et saada reguleeriva asutuse heakskiit. INDE XO Group on juba investeerinud märkimisväärseid rahalisi vahendeid, et litsentsida või omandada INDE XO Banki jaoks kolmandatelt isikutelt tehnoloogiat. INDE XO Banki asutamiseks liitsentsi saamiseks tuleb siiski investeerida täiendavaid rahalisi vahendeid, et täita usaldatavusnõudeid. Seetõttu võib pangaliitsentsi saamist mõjutada peamiselt vajalike rahaliste vahendite kaasamata jätmine.

INDE XO Grupi maine ja kaubamärgi tuntusega seotud riskitegurid. Maine on üks olulisemaid varasid seoses INDE XO Grupi kliendisuhetega. Klientide usaldus ja kindlustunne ning ausus on valdkonnas, kus INDE XO Group tegutseb, ülimalt tähtsad. Lisaks on INDE XO Group loonud tuntud ja tugeva kaubamärgi. INDE XO Grupi klientide kaebused või mis tahes negatiivne reklaam teenuse, töötajate töötingimuste, kliendiandmete säilitamise ja turvatavade kohta, mis on suurele osale ühiskonnast avalikult kättesaadavad, võivad avaldada olulist negatiivset mõju INDE XO Grupi äritegevusele, finantsseisundile ja tegevustulemustele.

Likviidsusrisk. Likviidsusrisk on seotud INDE XO Grupi suutlikkusega täita oma lepingulisi kohustusi õigeaegselt ilma märkimisväärseid kahjusid kandmata ning suutmatusena toime tulla planeerimata muutustega ettevõtte ressurssides ja/või turutingimustes, mis on tingitud ebapiisavatest likviidsetest varadest. Mis tahes ettenägematu sündmus või asjaolud võivad avaldada negatiivset mõju INDE XO Grupi äritegevusele, tegevustulemustele ja finantsseisundile.

Vastaspoole krediidirisk. Krediidirisk on seotud võimalusega kanda kahju, kui võlgnik ei täida oma lepingulisi kohustusi. INDE XO Group on allutatud krediidiriskile, mis on seotud nõuete, raha ja raha ekvivalentide ning muude investeringutega. INDE XO Grupi varasid hoitakse Läti krediidiasutustes, mida loetakse INDE XO Grupi vastaspoolteks.

Välisvaluuta riskid. INDE XO Grupi ei ole avatud otsesele valuutariskile, mis võib tuleneda erinevate valutatade vahetuskursside kõikumisest. INDE XO Groupil ei ole välisvaluutaposisioone ja neid ei planeerita lähitulevikus, välja arvatud INDE XO hallatavate pensioniskeemide all valitsetavad varad (AUM). INDE XO hallatavate pensioniskeemide all valitsetavad varad (AUM) investeeritakse indeksfondidesse, millest paljud investeerivad edasi erinevas valuutas nomineeritud varadesse, mistõttu on valitsetavate varade väärtus pensioniskeemides suures ulatuses avatud kaudsele valuutariskile. Passiivse juhtimisfilosoofia kohaselt ei sekku INDE XO aga valuutariskiga seotud põhjustel aktiivselt plaani portfelli.

1.3.3. Põhiteave väärtpaberite kohta

Mis on väärtpaberite põhitunnused?

Tüüp, liik ja ISIN

Kõik äriühingu aktsiad (sh pakkumise aktsiad) on dematerialiseeritud aktsiad, millest igaühe nimiväärtus on 1 euro. Aktsiad registreeritakse Nasdaq CSD-s ISIN-LV0000101863 all ja neid hoitakse registrikande vormis. Aktsiatähti ei ole emiteeritud ega emiteerita.

Vääring, nimiväärtus, arvestuslik väärtus, emiteeritud aktsiate arv ja kestus

Väärtpaberikirjelduse kuupäeva seisuga on INDEXO aktsiate arv **3 795 407**. Pakkumise aktsiate arv on kuni 1 150 000. Seetõttu on INDEXO aktsiate arv pärast INDEXO aktsiakapitali suurendamise edukat registreerimist kuni 4 945 407, kuid tingimusel, et pakkumise aktsiate arvu ei muudeta vastavalt tingimustele. Seetõttu lahjendatakse vahetult enne pakkumist olemasolevaid osalusi INDEXO-s pakkumise tulemusena kuni 23,25%. Aktsiad on vääringustatud eurodes ja nende suhtes kohaldatakse Läti õigust ning pakkumise valuutaks on euro. Kõik olemasolevad aktsiad annavad aktsionäridele võrdsed õigused (sh üks aktsia, üks hääli).

Aktsiatega kaasnevad õigused

Kõiki INDEXO aktsionäre koheldakse võrdselt. Iga INDEXO aktsia annab selle omanikule samad õigused osale INDEXO varadest ja kasumist. INDEXO likvideerimise korral on aktsionäridel õigus saada osa varade ülejäägist proportsionaalselt talle kuuluvate aktsiate arvuga (likvideerimiskvoot). Iga aktsiaga kaasnevad järgmised õigused: 1) aktsiate käsutamise õigus; 2) õigus dividendidele; 3) hääleõigus; 4) aktsionäride üldkoosolekul osalemise õigus; 5) õigus likvideerimiskvoodile; 6) ostueesõigus; 7) õigus saada teavet.

Aktsiate järk emitendi kapitalisstruktuuris maksejõuetuse korral

Aktsiatega ei kaasne mingeid erioigusi jaotuses osalemiseks (sh likvideerimise korral), välja arvatud need, mis on sätestatud Läti maksejõuetusseaduses, mis näeb ette, et need INDEXO vahendid, mis jäävad alles pärast INDEXO maksejõuetusmenetluse kulude tasumist ja võlausaldajate nõuete rahuldamist, jagatakse äriühingu aktsionäride vahel proportsionaalselt nende osaluse suurusega.

Aktsiate vaba võõrandatavuse piirangud

Aktsiate võõrandatavusele ei kohaldata mingeid konkreetseid piiranguid ei Läti seaduste ega põhikirja alusel.

Dividendipõhimõtted

24. märtsil 2022 kiitis aktsionäride üldkoosolek heaks INDEXO dividendipõhimõtted. Aktsionäridele makstakse dividende proportsionaalselt aktsionäridele kuuluvate INDEXO aktsiate koguarvuga. Dividende saab arvutada ja välja maksta ainult täielikult sisse makstud aktsiate eest. Dividendid tasutakse sularahas pangaülekandega aktsionäride kontodele maksepäeval. Iga-aastaseid dividende saab välja maksta üks kord aastas vastavalt maksegraafikule pärast aktsionäride koosolekut, kus on kinnitatud eelmise majandusaasta finantsaruanne. Läti seaduste kohaselt võib erakorralisi dividende maksta ainult põhikirjas sätestatud juhtudel. Erakorralisi dividende INDEXO põhikirjas ette nähtud ei ole. INDEXO ei ole alates äriühingu asutamise kuupäevast dividendimakseid puhaskasumilt välja kuulutanud. Praeguse äristrateegia kohaselt ei plaani INDEXO dividende välja kuulutada enne 2027. aastat. INDEXO äritegevuseks olemasolev kapital investeeritakse INDEXO kasvu, mistõttu INDEXO plaanib hakata dividende deklareerima, kui INDEXO kasum ületab laenuportfelli kasvuvõimalusi.

Kus aktsiatega kaubeldakse?

Eduka pakkumise korral kaubeldakse aktsiatega Nasdaq Riia börsi Balti reguleeritud turu Balti põhinimekirjas. Ühelgi teisel väärtpaberibörsil ei ole aktsiatega kauplemiseks esitatud ega esitata edaspidi ühtegi avaldust. INDEXO aktsiatega kauplemine algab Nasdaq Riia börsil eelduslikult samal kuupäeval, mil pakutavad aktsiad saavad püsiva ISIN-LV0000101863, mis peaks toimuma 10. jaanuaril 2024. aastal või selle paiku.

Mis on väärtpaberitele omased põhiriskid?

Aktsia hind ja aktsia likviidsusrisk. Nasdaq Riia on oluliselt vähem likviidne ja oluliselt volatiilsem võrreldes teiste väljakujunenud ja pikema ajalooga väärtpaberiturgudega. Nasdaq Riia suhteliselt väike turu kapitalisatsioon ja madal likviidsus võivad pärssida aktsionäride võimet müüa aktsiaid Nasdaq Riia börsil või suurendada aktsiate hinna volatiilsust, kuna üksikute tehingute mõju võib olla aktsiate turuhinna suhtes märkimisväärne.

Pakkumise tühistamine ja alamärkimine. INDEXO ei saa tagada, et pakkumine on edukas ja investorid saavad kätte pakutavad aktsiad, mida nad märgivad. INDEXO-l on õigus pakkumine tühistada.

Aktsia väärtuse lahjenemise oht. INDEXO aktsionäridele kuuluva osaluse osakaalu võib lahjendada, kui INDEXO aktsiakapitali suurendatakse ja tulevikus emiteeritakse uusi aktsiaid. Tulevased aktsiapakkumised võivad toimuda ka alla turuväärtuse ja INDEXO võib otsustada pakkuda aktsiaid valitsevast turuhinnast madalama hinnaga. Tulevane aktsiapakkumine võib vähendada ka aktsiate turuväärtust.

Dividendide maksmise võimega seotud riskid. Puudub garantii, et INDEXO tulevikus dividende jagab. INDEXO võimet maksta dividende võivad piirata äriühinguõigus ja äriühingu finantskolekulepetes sisalduvad piirangud. Juhatuse soovitusel kasumi jaotamiseks sõltuvad äriühingu olemasolevast ja tulevases finantsseisundist, tegevustulemustest, kapitalinõuetest, likviidsusvajadustest ja muudest küsimustest, mida võidakse aeg-ajalt asjakohaseks pidada.

Aktsiate tagasiostuprogrammiga seotud riskid (kui see algatatakse). 2022. aasta juulis viis INDEXO lõpule esmase avaliku pakkumise, mille käigus kaasati 7,49 miljonit eurot eesmärgiga omandada krediitiasutuse asutamise litsents. Kiideti heaks

aktsiate tagasiostuprogramm, mis näeb ette, et ebatõenäolisel juhul, kui INDEXO Banki litsentsi hankimine ei õnnestu vastavalt kehtivatele seadustele ja määrustele 24 kuu jooksul pärast kõigi INDEXO aktsiate noteerimist ja kauplemisele võtmist Nasdaq Riia Balti põhinimekirjas (15. juuli 2022), rakendab INDEXO aktsiate tagasiostuprogrammi, mille kaudu tagastatakse esmasest avalikust pakkumisest saadud tulu investoritele, kes selleks kvalifitseeruvad ja kes osalevad aktsiate tagasiostuprogrammis.

1.3.4. Põhiteave väärtpaberite avaliku pakkumise ja reguleeritud turul kauplemisele võtmise kohta

Millistel tingimustel ja millise ajakava alusel saan ma sellesse väärtpaberisse investeerida?

Pakkumine on suunatud jaeinvestoritele Lätis ja Eestis, kutselistele investoritele ja teistele investoritele, tuginedes teatud eranditele, mis on sätestatud vastavate liikmesriikide seadustes.

INDEXO aktsiatega kauplemine algab Nasdaq Riia börsil eelduslikult samal kuupäeval, mil pakutavad aktsiad saavad püsiva ISIN-LV0000101863, mis peaks toimuma 10. jaanuaril 2024. aastal või selle paiku. Pakkumisperiood on periood, mille jooksul isikud, kellel on õigus pakkumises osaleda, võivad esitada aktsiate märkimiskorraldusi. Pakkumisperiood algab Lätis ja Eestis 11. detsembril 2023 kell 10.00 kohaliku aja järgi ning lõpeb Lätis ja Eestis 29. detsembril 2023 kell 15.30 kohaliku aja järgi, kui seda ei lühendata ega pikendata. Pakkumise orienteeruv ajakava on järgmine.

Pakkumisperioodi algus	11. detsember 2023
Pakkumisperioodi lõpp	29. detsember 2023
Pakkumise ja jaotamise tulemuste väljakuulutamine	2. jaanuar 2024 või selle paiku
Pakkumise eest arveldamine	4. jaanuar 2024 või selle paiku
Pakutavad aktsiad saavad alalise ISIN-LV0000101863	10. jaanuar 2024 või selle paiku
Esimene kauplemispäev Nasdaq Riia börsil	Sama kuupäev, mil pakutavad aktsiad saavad püsiva ISIN-LV0000101863

Pakkumises osalev investor võib taotleda pakutavaid aktsiaid üksnes pakkumishinnaga. Minimaalne investeeringusumma on 12 EUR, mille eest investor saab märkida ühe aktsia. Kõik pakkumises osalevad investorid võivad esitada märkimiskorraldusi ainult eurodes. Investor kannab kõik kulud ja tasud, mida võetakse seoses märkimiskorralduse esitamise, tühistamise või muutmisega vastavalt selle finantsasutuse hinnakirjale, kes on Nasdaq Riia liikmeks ja võtab märkimiskorralduse vastu.

Väärtpaberikirjelduse kuupäeva seisuga on äriühingu aktsiate arv 3 795 407. Pakkumise aktsiate arv on kuni 1 150 000. Seetõttu lahjendatakse pakkumise tulemusena vahetult enne pakkumist eksisteerinud osalusi INDEXO-s kuni 23,25%. Pakkumisega otseselt seotud kulud on hinnanguliselt ligikaudu 180 000 eurot.

Miks see prospekt koostatakse?

Pakkumise puhastulu on eeldatavasti kuni 13,620,000 eurot. Pakkumise peamine põhjus on kapitali kaasamine INDEXO Banki asutamiseks.

Pakkumuse suhtes ei kehti siduva kohustuse alusel märkimislepingut.

Teatavatele juhatuse ja nõukogu liikmetele ning teatavatele INDEXO võtmeisikutele kuuluvad osalused INDEXO-s ja seetõttu on need isikud huvitatud INDEXO tulevases heaolust ja edust, sealhulgas pakkumuse edukusest. Siiski puuduvad pakkumuse seisukohast muud olulised isiklikud huvid ning pakkumuse või kauplemisega seoses ei esine olulisi huvide konflikte.

2. INTRODUCTORY INFORMATION

2.1. Responsible Persons and Limitation of Liability

IPAS "Indexo" (the "INDEXO") and its Management Board is responsible for the information provided in this Securities Note. INDEXO and its Management Board accepts responsibility for the correctness and accuracy of the information contained in this Securities Note. Having taken all reasonable care, INDEXO and its Management Board believes that the information in this Securities Note is, to the best of the INDEXO's and its Management Board's knowledge, in conformity with the facts and excludes no information likely to affect the meaning of this Securities Note.

signed with a safe electronic signature

Chairman of the Management Board
Valdis Siksnis

signed with a safe electronic signature

Member of the Management Board
Henrik Karmo

signed with a safe electronic signature

Member of the Management Board
Ieva Bauma

2.2. Presentation of Information

Unless expressly stated otherwise, this Securities Note provides information as of the date of signing of the Securities Note. If information has been provided as of any other date than the date of this Securities Note (i.e., the date of signing), it is indicated with reference to the specific date.

Approximation of numbers

Numerical and quantitative values in this Securities Note (e.g., monetary values, percentage values) are presented with such precision that INDEXO deems necessary in order to provide adequate and sufficient information on the relevant matter while avoiding an excessive level of detail. In some cases, quantitative values have been rounded up to the nearest decimal place or whole number to avoid an excessive level of detail. As a result, certain values may not necessarily add up to the respective totals due to the effects of the approximation. Exact numbers can be examined and derived from the Audited Financial Statements to the extent that the relevant information is reflected therein.

Currencies

In this Securities Note, financial information is presented in Euro (EUR), the official currency of the EU Member States participating in Economic and Monetary Union, including Latvia.

Updates

INDEXO will only update the information contained in this Securities Note to such extent, with the regularity, and by such means as required by the applicable law or considered necessary and appropriate by the Management Board. INDEXO is under no obligation to modify or update the Section 5 for "REASONS FOR THE OFFERING AND USE OF PROCEEDS" of this Securities Note).

Definitions of terms

In this Securities Note, terms with capitalised first letters have the meaning given to them in Section 9 "GLOSSARY", unless the context evidently requires the contrary, whereas the singular includes plural and vice versa. Other terms may be defined elsewhere in the Securities Note.

References to the INDEXO Website

This Securities Note contains references to the INDEXO website (<https://indexo.lv/en/for-investors/>). INDEXO does not incorporate the information available on the website in the Securities Note, i.e., the information on the website is not part of this Securities Note and has not been verified or confirmed by the Bank of Latvia (in Latvian: Latvijas Banka). This does not apply to the hyperlinks indicating information incorporated by way of reference.

2.3. Use of this Securities Note

This Securities Note is prepared solely for the purposes of the Offering as well as for listing and Admission to trading of the Offer Shares on the Baltic Main List of Nasdaq Riga. No public offering of the Offer Shares is conducted in any jurisdiction other than Latvia and Estonia, and, consequently, dissemination of this Securities Note in other countries may be restricted or prohibited by law. This Securities Note may not be used for any other purpose than deciding on participating in the Offering or investing in the Shares. Copying, reproduction (other than for private and non-commercial use) or dissemination of this Securities Note without the express written consent of INDEXO is prohibited.

2.4. Notice to US investors

The Offer Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”) or with any securities regulatory authority of any state of the United States. This Securities Note, the Universal Registration Document and its Summary is not to be distributed to the United States or in any other jurisdiction where it would be unlawful. Accordingly, the Offer Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into or from the United States absent registration under the US Securities Act or an exemption therefrom, and in compliance with applicable state securities laws.

2.5. Approval of this Securities Note

This Securities Note has been approved by the decision of the Bank of Latvia (in Latvian: Latvijas Banka), dated 6 December 2023, as competent authority under the Prospectus Regulation. The approval by the Bank of Latvia (in Latvian: Latvijas Banka) merely confirms that this Securities Note is in accordance with the standards of completeness, comprehensibility and consistency laid down in the Prospectus Regulation. Registration of this Securities Note should not be regarded as an endorsement of the Offer Shares. Prospective investors should assess the suitability of investing in the Offer Shares by themselves.

2.6. Documents on Display

This Securities Note and the Summary that accompanies the Universal Registration Document will be available in electronic form on the website of the Bank of Latvia (in Latvian: Latvijas Banka) (<https://www.bank.lv/>) and the Nasdaq Riga website (www.nasdaqbaltic.com). In addition, the following documents can be accessed through INDEXO’s website (<https://indexo.lv/>) during the validity period of this Securities Note, Universal Registration Document and Summaries (the Prospectus): Securities Note (including the Summaries in Latvian and Estonian) and Universal Registration Document (available at: <https://indexo.lv/en/for-investors/>).

Any interested party may download the above documents from the INDEXO website free of charge or request delivery of electronic copies of the documents from INDEXO.

2.7. References incorporated into this Securities Note

The following information has been incorporated into this Securities Note by reference: the Universal Registration Document registered by the Bank of Latvia (in Latvian: Latvijas Banka) on 6 December 2023.

3. RISK FACTORS

An investment in the Offer Shares is subject to a certain number of risks, which may independently or collectively have an adverse effect on the business of INDEXO or INDEXO Group, financial results, operations or prospects and result in a corresponding decline in the value of the Shares. As a result, investors could lose a part or all of the value of their investment. Each prospective investor should carefully consider, among other information contained in this Securities Note, the factors and risks associated with the shares of INDEXO. In case of any doubts about the investment, prior to investing, each prospective investor should seek professional advice.

INDEXO believes that the risks described below are the material risks relating to the Shares, as at the date of this Securities Note. Nevertheless, it must be noted that the following list is not an exhaustive list of all risks that a prospective investor might face upon investment and that additional risks and uncertainties not currently known to INDEXO or that INDEXO currently considers immaterial may also individually or cumulatively have a material adverse effect on INDEXO's or INDEXO's Group business, brand, financial results of operations or prospects.

To the extent that no quantitative assessment is possible, the risk factors have been qualified according to the likelihood of their occurrence and the scale of potential adverse effect on the business of INDEXO or the INDEXO Group, and described as "low", "medium" or "high" where possible and relevant. The category and the materiality of each risk must be estimated as the view and opinion of the Management Board which in turn is based on the internal risk assessment methodology and regular risk self-assessments. Risk categories have been provided for ease of reference and cannot be understood separately from the description of each risk.

Moreover, the risk factors given are relevant for the current business and operations of INDEXO Group. Therefore, investors need to take into consideration that the risk factors included in this Universal Registration Document and their assessment may change if IDX1R successfully acquires a credit institution licence and INDEXO Bank is established as part of INDEXO Group.

3.1. Risk factors related to Shares

Share price and share liquidity risk

Nasdaq Riga is considerably less liquid and considerably more volatile compared to other established securities markets with a longer history. The fairly small market capitalisation and low liquidity of Nasdaq Riga may impair the ability of Shareholders to sell the Shares on Nasdaq Riga, or could increase the volatility of the price of the Shares as the impact of individual transactions may be significant with respect to the market price of the Shares. Low general levels of transactional activity may cause material differences in the total consideration of overall sale and purchase transaction in the Shares. The decision of one or more new companies could have a significant impact on the market capitalisation and liquidity of Nasdaq Riga as a whole.

In INDEXO's assessment, the degree of risk associated with share price and share liquidity risk is medium.

Risk of share dilution

The proportion of shareholding held by the shareholders in INDEXO may be diluted if the share capital of INDEXO is increased and new Shares are issued in the future. In such case, the shareholders will be entitled to the right to subscribe for such new shares of INDEXO proportionally to their existing shareholding in INDEXO. Such preferential right can, however, be excluded by a respective resolution of the Shareholders' meeting, which requires the affirmative vote of three-quarters of the votes represented at the Shareholders' meeting. Furthermore, shareholders will not be able to exercise the preferential right to subscribe for new shares of INDEXO proportionally to their existing shareholding in INDEXO with respect to the shares to be issued within the Share Option Plans (please see Section 15.2. "Personnel Share Option Plans for Management Board and Employees" of the Universal Registration Document) due to regulatory aspects arising from the Latvian Commercial Law which regulates the personnel share option institute in Latvia.

Future equity offerings may also be conducted below market value and INDEKO may decide to offer shares at a discount to the prevailing market price if it believes that this would be appropriate in the context of the financing options available to it. A future equity offering could also depress the market value of the Shares.

In INDEKO's assessment, the degree of risk associated with share dilution is medium.

Risks related to the ability to pay dividends

INDEKO has not distributed dividends during the period covered by the Audited Financial Statements. There is no assurance that INDEKO will distribute dividends in the future. For example, INDEKO may not be able to, or its Shareholders' meeting may choose not to, pay any dividends. INDEKO's ability to pay dividends may be limited by corporate law and restrictions contained in its financial arrangements. The Management Board's recommendations for distribution of profit will depend on INDEKO's existing and future financial condition, results of operations, capital requirements, liquidity needs and other matters that it may consider relevant from time to time, including, without limitation, its capital needs, financial performance, strategic considerations and prevailing equity market conditions which may not necessarily coincide with the short-term interests of all the Shareholders. Payment of dividends and the amount thereof will be subject to the ultimate discretion of the Shareholders' meeting of INDEKO.

In addition to the above mentioned, the current business strategy of INDEKO and its Dividend Policy foresees that INDEKO is not planning to declare dividends until the year 2027. The available capital for the business operations of INDEKO will be invested into the growth of INDEKO, therefore INDEKO plans to start declaring dividends when the profits from INDEKO exceed the loan book growth opportunities.

In INDEKO's assessment, the degree of risk associated with risk related to the ability to pay dividends is medium.

Lack of adequate analyst coverage

There is no guarantee of continued (or any) analyst research coverage for INDEKO. Over time, the amount of third-party research available in respect of INDEKO may increase or decrease with little or no correlation with the actual results of its operations, as INDEKO has no influence on the analysts who prepare such research. Negative or insufficient third-party coverage would be likely to have an adverse effect on the market price and the trading volume of Shares.

In INDEKO's assessment, the degree of risk associated with risk related to the lack of adequate analyst coverage is high.

Risks related to changes in the tax regime

The current tax regime applicable to dividends and/or capital gains upon future sale of the Shares may increase the tax burden on the Shareholder and consequently may affect the rate of return from the investment. Since the current tax regime is relatively new and is a result of wider tax reform in Latvia, the risk profile relating to changes of the tax regime applicable to dividend income or capital gains is assessed as low.

Risks posed to investors whose principal currency is other than EUR

The Shares of INDEKO are, and any dividends to be paid in respect of them will be, denominated in EUR. An investment in INDEKO's shares by investors whose principal currency is other than EUR exposes those investors to foreign currency exchange rate risk. Any depreciation of EUR in relation to the investor's principal currency will reduce the value of investment in the shares of INDEKO or any dividends in relation to such currency.

INDEKO's assessment of the risk profile posed to investors whose principal currency is other than EUR is low.

3.2. Risk factors related to the Offering

Risks related to the Share Buy-Back Program (if initiated)

On July 2022 INDE XO completed an Initial Public Offering whereby it raised 7.49 million euros with the objective of acquiring a licence for establishment of a credit institution.

In accordance with the offering document (prospectus) relevant for the Initial Public Offering, a share buy-back program was approved which provides that in the unlikely event that INDE XO Bank licensing in accordance with the applicable laws and regulations is unsuccessful within 24 months of listing and admission to trading of all INDE XO Shares on the Baltic Main List of Nasdaq Riga (15 July 2024), INDE XO will implement a share buy-back program via which the proceeds generated by the Initial Public Offering will be returned to those investors who qualifies and takes part in the share buy-back program.

In such event, INDE XO would not use the capital generated not in accordance with its business objectives but will use it to return the capital raised via the Initial Public Offering to the investors that participated in the respective capital raising. Subsequently, the number of Shares outstanding would be reduced and potentially the Share price would decrease.

INDE XO's assessment of the risk profile related to Share Buy-Back Program (if initiated) is low.

Cancellation of Offering and undersubscription

Best efforts will be made by INDE XO to ensure that the Offering is successful; however, there can be no assurances by INDE XO that the Offering will be successful and that investors will receive the Offer Shares they subscribe for. INDE XO is entitled to cancel the Offering (please see Section 7.12 "Postponement or Cancellation of the Offering" of this Securities Note).

In INDE XO's assessment, the degree of risk associated with cancellation of Offering and undersubscription is low.

4. CAPITALISATION AND INDEBTEDNESS

4.1. Working Capital Statement

Considering INDEXO's existing assets, financial position and future plans, in the opinion of the Management Board INDEXO's working capital is sufficient to cover all liabilities for the upcoming 12 months after the date of this Securities Note and there is no need to involve additional external funds to cover working capital needs. The proceeds of the Offering have not been included in the calculation of INDEXO's working capital.

4.2. Capitalisation and Indebtedness

The tables below present INDEXO's capitalisation and indebtedness as at 30 September 2023, which is based on unreviewed financial data. The information presented does not account for the Offering and use of proceeds therefrom, which will potentially have a significant impact on INDEXO's capitalisation and indebtedness (please see Section 5 "REASONS FOR THE OFFERING AND USE OF PROCEEDS" of this Securities Note). Investors should read this Section in conjunction with Section 5 "REASONS FOR THE OFFERING AND USE OF PROCEEDS" of this Securities Note.

Capitalisation of INDEXO (EUR)

Negative Retained Earnings are largely related to investment of client acquisition throughout the years.

Table 4.2.1

	As at 30 September 2023
Total current debt (including current portion of non-current debt) *	69,257
Guaranteed	-
Secured	-
Unguaranteed / unsecured	69,257
Total non-current debt (excluding current portion of non-current debt) *	-
Guaranteed	-
Secured	-
Unguaranteed / unsecured	-
Shareholder equity	8,885,655
Share capital	3,795,407
Legal reserve(s)	-
Other reserves (share and option premium)	7,581,803
Other reserves (retained earnings)	(2,491,555)
Total capitalisation	8,954,912

Indebtedness of INDEXO (EUR)

		As at 30 September 2023
A	Cash	1,728,653
B	Cash equivalents	-
C	Other current financial assets	-
D	Liquidity (A + B + C)	1,728,653
E	Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	-
F	Current portion of non-current financial debt *	69,257
G	Current financial indebtedness (E + F)	69,257
H	Net current financial indebtedness (G - D)	(1,659,396)
I	Non-current financial debt (lease liabilities) *	-
J	Debt instruments	-
K	Non-current trade and other payables	-
L	Non-current financial indebtedness (I + J + K)	-
M	Total financial indebtedness (H + L)	(1,659,382)

**[Unaudited management assumption used to split long-term lease liability into current and non-current portions based on audited data]*

Financial debt as per Table 3.2.2 consists only of liabilities related to leases.

5. REASONS FOR THE OFFERING AND USE OF PROCEEDS

The expected amount of gross proceeds of the Offering is up to EUR 13,800,000. Expenses directly related to the Offering are estimated to be approximately EUR 180 000, including fees and commissions to be paid to the consultants of the Offering. Therefore, the net proceeds of the Offering are expected to be up to EUR 13,620,000.

The key reason for the Offering is to raise additional capital for establishment of INDE XO Bank and development of the INDE XO Group.

5.1. The idea of INDE XO Bank

Over recent years an ever-increasing domination of the local market by foreign-owned banks has started to show signs of underserving the Latvian economy. Latvian households have least leverage amongst EU countries. Relative to GDP Latvia's banking sector has the smallest loan portfolio with one of the highest interest margins in Eurozone. Comparison with Estonia and Eurozone average indicators suggest a lending gap of over 4 billion *euros*.

In addition, recent major AML-related scandals in the Baltic market have also had the unwelcome and unnecessary side-effect of making banking very difficult for fully legitimate enterprises with a non-standard or export-related business model. Finally, the largest banks in the Latvian market have in the past decade underinvested in developing their product and technological offerings.

To improve competition in the Latvian banking market, as it did in the pension savings' market, INDE XO plans to create a new, local, digitally focused bank. In addition, INDE XO Bank intends to provide competitive, low-cost custody service to INDE XO ensuring predictable and growing revenue for the new bank. INDE XO Bank also intends to fill the gap that current market players have left in retail banking and offer customer centric digital banking services to Latvian residents leveraging the existing INDE XO customer base and well recognised brand.

By gradual and strategical roll out of services, INDE XO Bank could generate significant revenue and on a group level be self-sustainable, enabling further product development to undertake traditional banking services exceptionally well.

INDE XO Bank plans to enter Latvian banking market by launching its mobile daily banking and payment cards for all retail clients, executed with insights from the best European banking and fintech market participants. This should enable INDE XO Group to execute its consumer lending plan in the Latvian market which is currently underserved by existing market participants. One year from retail banking rollout, INDE XO Bank intends to roll out its corporate segment offerings, enabling cash management and commercial loans with an emphasis on the underserved SME market. INDE XO Bank will also provide custody services to IPAS.

Advantages of INDE XO Bank

INDE XO Bank will have several competitive advantages:

- Lacking the encumbrance of historical products and service channels, INDE XO Bank will be able to launch a modern, **convenient digital banking product**. The absence of legacy IT systems should enable INDE XO Bank to operate with a high level of automation and offer products and services at attractive pricing.
- Since it will be starting from a clean slate, INDE XO Bank will not need to offboard problematic historical clients, and using existing INDE XO Group customer base will rapidly build **a fully legitimate, resident-only Latvian client base**.
- Exceptional management talent with in-depth local market knowledge should put INDE XO at a market advantage compared to competitors with centralized foreign decision-making.

Products and services offered by INDEXO Bank

The first products offered by INDEXO Bank after licensing would be resident retail customers financial services, *inter alia*, deposits, payments and consumer loans. INDEXO has a significant number of active customer contacts and a strong retail brand supporting the entry into this market. Given the wide lending gap to Latvian households, INDEXO Bank will develop offering of the lending products, at a later stage expanding its offering to retail mortgage loans. Given that INDEXO already operates in retail financial services market by offering pension management for 6 years and has overcome trust issues inherent to start-ups in financial services field, INDEXO is confident that INDEXO Bank will be able to attract customer deposits as funding for financing lending. Upon licensing INDEXO Bank will be part of the deposit guarantee fund that protects client funds up to 100 000 euros deposited in the licensed bank.

At the second part of the first year of INDEXO Bank operation Indexo Bank plans to launch custody services and necessary brokerage infrastructure to supplement the existing INDEXO pension business. Moving away from using competitors' custody services will increase the independence of INDEXO, reduce certain business risks via diversification, and significantly reduce costs. The cost reduction will allow INDEXO to offer its customers cheaper pension products in the medium term.

In year two of INDEXO Bank financial plan, INDEXO Bank plans to start offering services to corporates. Taking into account that the KYC and AML demands for corporate sector are more complex and INDEXO Bank will have limited capital at the early years, INDEXO bank will need time to grow the organisation to ensure that best practices to avoid risks of handling corporate money flows are in place. Therefore, the provision of finances to corporates will be restricted and mostly targeting the SMEs.

5.2. Financial plan of INDEXO Bank

A financial plan covering four years has been developed by the Management Board of INDEXO to support the business case of establishing a new bank. In the following subsection "Forward looking financial projections" key planned indicators are provided for both – INDEXO Group and INDEXO Bank standalone. According to financial projections which assume to begin banking operations in the first part of 2024, INDEXO Bank is expected to become profitable in year 2025.

As mentioned in Section 3.1 "Risk factors related to Shares", INDEXO has for licensing purposes made a financial forecast whereby no more capital will be injected to the company beyond the current issue. The long-term financial targets and detailed forecast of that scenario are included in this section.

During the entire 4-year business plan horizon, INDEXO Bank expects to grow its total loan portfolio to 361 million euros. It is expected that the loan portfolio will be fully funded by local customer deposits.

INDEXO expects to maintain financial ratios well above the regulatory requirements on CAR, LCR, and NSFR.

Table 5.2.1

	Key tasks for Bank licensing	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	...	Q1 2027
1	Bank licensing, incl. preparation of key policies, approval of business plan										
2	Preparation of IT infrastructure										
3	Recruitment and training of personnel										

ROA *****	ratio, %	(2.0%)	1.4%	2.5%	2.9%
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* CAR = Capital adequacy ratio calculated according to relevant regulation

** Revenue = Net commission income + Net interest income

*** Dividend payout = Dividends / Annual profits * 100%

**** Calculated as Net income divided by closing equity value on balance sheet * 100%

***** Calculated as Net income divided by closing asset value on balance sheet *100%

Detailed management forecast until 2027:

Table 5.2.3

Consolidated		Profit and Loss statement			
Year		2024	2025	2026	2027
Interest income		3,748,535	11,200,382	20,726,404	31,634,287
Interest expense		(525,793)	(2,340,468)	(3,156,180)	(3,714,585)
Net interest income / (expense)		3,222,742	8,859,914	17,570,224	27,919,702
Commission income		5,366,116	8,609,958	11,586,078	14,434,805
Commission expense		(527,325)	(1,331,275)	(1,968,310)	(2,507,222)
Net commission income / (expense)		4,838,791	7,278,683	9,617,768	11,927,583
Administrative expenses		(3,839,334)	(5,448,878)	(7,094,240)	(9,535,647)
Marketing & Customer acquisition expenses		(2,530,400)	(2,538,110)	(2,904,308)	(3,225,085)
IT expenses		(2,301,901)	(2,532,091)	(2,785,300)	(3,342,360)
Other expenses		(14,576)	(54,872)	(105,609)	(161,375)
Depreciation		(791,835)	(1,297,310)	(1,831,356)	(2,356,902)
Loss provisions & writeoffs		(750,965)	(519,556)	(1,363,261)	(2,482,925)
Operating profit		(2,167,478)	3,747,780	11,103,917	18,742,990
Other income (investments)		0	0	0	0
Earnings before tax		(2,167,478)	3,747,780	11,103,917	18,742,990
Corporate tax		0	0	0	0
Net profit		(2,167,478)	3,747,780	11,103,917	18,742,990

Consolidated		Balance sheet			
Year		2024	2025	2026	2027
Assets		107,387,054	273,430,356	440,965,325	650,782,100
Intangible assets		3,487,101	5,050,920	5,953,962	6,340,459
Fixed assets		147,500	146,500	92,000	4,500
Investments in subsidiaries		108,400	108,400	108,400	108,400

Deferred income	1,593,264	1,781,714	1,964,344	2,143,000
Loans	44,959,313	98,475,913	190,158,446	361,962,180
Other debtors	344,132	344,132	344,132	344,132
Cash at central bank	56,603,113	167,522,777	242,344,040	279,879,430
Liabilities	92,449,730	254,684,083	411,053,966	602,066,583
Deposits	92,007,247	254,241,600	410,611,483	601,624,100
Taxes	17,603	17,603	17,603	17,603
Other creditors	129,946	129,946	129,946	129,946
Accrued liabilities	294,934	294,934	294,934	294,934
Equity	14,937,324	18,746,273	29,911,359	48,715,517
Share capital	21,001,496	22,262,665	24,673,833	27,085,002
Retained earnings	(6,064,172)	(3,516,392)	5,237,526	21,630,515

The tables above on long-term financial targets of INDEXO Group (to be attained by the end of 2027) has been compiled and prepared on a basis which is both comparable with the historical financial information and consistent with the accounting policies of INDEXO Group. The prospective financial information included herein has not been subject to an audit, review or any other form of attestation by independent auditors. It was prepared by the Management Board of INDEXO based on its internal financial plan.

The financial targets provided were based on these main assumptions:

- **Client acquisition in asset management.** In order to continue growing the asset management business, INDEXO Group expects to continue attracting market-average new clients throughout the forecast period. Client acquisition is higher through to 2024, when client acquisition investment slows due to more significant market share. INDEXO Group plans on growing its market share from 7.7% at the end of 2021 to 20% at the end of 2027. At the end of September of 2023, our market share was 12.3%.
- **Asset management metrics.** When forecasting asset development for INDEXO Group asset management business, simplified assumptions are used for long-term annual returns. In the short to medium term financial market results can be increasingly volatile and those fluctuations will have an effect on INDEXO Group revenue.
- **Banking license.** INDEXO Bank expects to receive a license to begin operations of a credit institution in the first part of 2024.
- **Client acquisition in banking.** INDEXO Group expects to attract new clients in INDEXO Bank in order to grow deposit and loan portfolios. Expected loan and deposit portfolios will reach 362 million *euros* and 602 million *euros* by the end of 2027. The client acquisition will be driven by INDEXO Group brand recognition, active sales and strong demand due to underfunded households and economy.
- **Investments in the capital of INDEXO Bank.** INDEXO Group sees significant growth prospects in the banking sector.
- **Profitability.** INDEXO Group is expected to be loss-making in its early stages while team, processes, systems and lending of INDEXO Bank are being set up and client acquisition in the asset management business remains high. Once at scale, the INDEXO Group is expected to become profitable by year 2025 and go on to earn cumulatively 40 million *euros* per annum by the end of 2027. This will be driven by INDEXO Bank achieving a loan portfolio of 362 million *euros* and annual profit of 19 million *euros* at the end of 2027.

- **Dividends.** Banking is a capital-intensive business. In order to achieve high growth and provide sufficient capital adequacy, additional capital will be needed. Therefore, INEXO Group does not expect to distribute its profits over the forecast period.

5.3. Own funds and prudential requirements of INEXO Bank

INDEXO expects no dividend payment to Shareholders during the forecast period. Moreover, it is foreseen that the profit of INEXO Group and INEXO Bank will be reinvested into Tier 1 capital of INEXO Bank, apart from INEXO profit necessary to cover INEXO capital requirements and business development needs.

Risk weighted assets

The risk weighted assets will be based on a standardized approach (SA) for credit risk, and a basic indicator approach (BIA) for operational risk.

Mortgage loans will be underwritten in compliance with strict criteria defined in mortgage product underwriting rules. Mortgage lending will be fully secured by mortgages on residential property that is or will be occupied by the borrower, or that is rented, and therefore eligible for 35% risk weight. In order to be prudent and allow for potential exceptions.

Credit cards, consumer loans, commercial loans to small enterprises will comply with the criteria for inclusion in retail exposures and will therefore be 100% risk weighted. The high-level criteria that will be followed include:

- They are revolving and/or personal term loans, leases or small business loans;
- They are sufficiently diversified;
- There are no large individual exposures;
- They are homogenous exposures with standardized underwriting requirements.

Capital Adequacy

The INEXO Bank will maintain a strong capitalization structure at all times that considers the forecasted business development, assumed risks, expected minimum regulatory requirements, and an additional management buffer.

Throughout the forecast period, the INEXO Bank is anticipated to be funded only through Tier 1 capital. Additional capital injections will be done by INEXO. The loan portfolio will be lent out based on capital adequacy availability and with strict emphasis on targets fulfilments.

The main risk exposure amounts will be due to credit risk and operational risk requirements.

Internally, the minimum total capital adequacy target ratio for the INEXO Bank will be set at 14.5%, which will be above the minimum levels. It is not possible to predict the individual capital adequacy ratio requirements given to each individual bank by the regulators. Currently, INEXO is forecasting CAR of 15% throughout the forecast period. All regulatory requirements will be subject to the approval and guidance of the Bank of Latvia (in Latvian: Latvijas Banka) and ECB.

Liquidity Coverage Ratio

INDEXO Bank will hold liquid assets required to meet the LCR ratio target of at least 120% of net outflows at all times. To mitigate potential liquidity risks and while having no historical data on expected customer behaviour, the LCR target for the first 3 years will be significantly higher and expected to exceed 200%. It is expected that a large volume of customer deposits will provide ample liquidity in the forecast period.

Regarding yield on liquid assets, it is assumed that all liquid assets will be held in an account in Bank of Latvia (in Latvian: Latvijas Banka), yielding an interest rate of 3.75%.

Net Stable Funding Ratio

The INDEXO Bank plans to attract sufficient CET1 capital in order to maintain NSFR above the regulatory requirement at all times. The minimum target ratio for NSFR is set at 120%.

5.4. Corporate governance of INDEXO Bank

The corporate governance of INDEXO Bank will be developed by taking into account the proportionality principle which will aim to ensure that internal governance arrangements are evolving together with the individual risk profile and business model of INDEXO Bank. Thereby, the objectives of the applicable regulatory requirements are effectively achieved.

Corporate values and code of conduct

INDEXO Bank will develop, adopt, adhere and promote high ethical and professional standards, taking into account the specific needs and characteristics of INDEXO Bank. INDEXO Bank will also make ensure that such standards will be implemented in the day-to-day activity of INDEXO Bank.

The implemented standards will aim at enhancing INDEXO Bank's robust governance arrangements and reducing the risks to which INDEXO Bank will be exposed, in particular operational and reputational risks, which can have a considerable adverse impact on INDEXO Bank's profitability and sustainability through fines, litigation costs, restrictions imposed by competent authorities, other financial and criminal penalties, and the loss of brand value and consumer confidence.

INDEXO Bank will ensure that there is no discrimination of staff based on gender, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of national minority, property, birth, disability, age or sexual orientation.

The management board of INDEXO Bank will develop and document policies on how the ethical and professional standards described above should be met. The policies will:

- remind staff that all INDEXO Bank's activities should be conducted in compliance with the applicable law and with the corporate values of INDEXO Bank;
- promote risk awareness through a strong risk culture;
- set out principles on and provide examples of acceptable and unacceptable behaviours linked in particular to financial misreporting and misconduct, economic and financial crime, including but not limited to fraud, money laundering and terrorist financing (ML/TF), anti-trust practices, financial sanctions, bribery and corruption, market manipulation, mis-selling and other violations of consumer protection laws, tax offences, whether committed directly or indirectly, including through unlawful or banned dividend arbitrage schemes;
- clarify that in addition to comply with legal and regulatory requirements and internal policies, staff are expected to conduct themselves with honesty and integrity and perform their duties with due skill, care and diligence; and
- ensure that staff are aware of the potential internal and external disciplinary actions, legal actions and sanctions that may follow misconduct and unacceptable behaviours.

Governance framework

INDEXO Bank will have a two-tier governance structure, divided into a supervisory board, responsible for the supervision function and oversight of the internal control framework, and a management board, responsible

for the executive and operational functions of INDEXO Bank, including the effective functioning of the established internal controls.

The role and composition of the management and supervisory boards and committees

Supervisory board. The supervisory board will be the managing body of the INDEXO Bank that supervises the activities of the management board and will oversee the compliance of their activities within the applicable legislation and internal rules.

The supervisory board's role will be to overview, monitor and constructively challenge the strategy, business plan, internal governance framework, general principles of the activities, and risk strategy of the INDEXO Bank.

Furthermore, the supervisory board will oversee the integrity of the financial information, reporting, and the internal control framework, which includes well-functioning independent internal risk management, compliance, and audit functions possessing sufficient authority, stature, capacity, and resources to perform their functions.

Regarding the internal control function, the supervisory board will be responsible for overseeing and approving the INDEXO Bank's current and future risk strategy, including, but not limited to:

- Verifying that the incentive schemes included in the remuneration system take into account risk, capital, liquidity, profitability, and timing;
- Confirming that all related risks have been considered when setting prices and tariffs for financial services and products offered to the INDEXO Bank's clients;
- Approving the INDEXO Bank's risk appetite framework;
- And, if any non-compliance is detected, preparing corrective action plans.

Regarding the INDEXO Bank's internal audit function, the supervisory board will directly oversee the work of the internal audit function and will execute the oversight of the compliance system and auditing processes. The supervisory board will ensure that INDEXO Bank has sound internal controls, governance, and risk management in place, that accounting policies are effective, and that financial reporting is reliable, objective, and performed in compliance with applicable laws, regulations, and accounting standards.

The supervisory board will identify and appoint the best candidates for the management board and key position holders. It will be responsible for assessing the structure, performance, knowledge, skills, and experience of the management board collectively and its members individually.

The supervisory board will perform other duties as required by the applicable laws and regulations. Its duties and responsibilities will be described in detail in the articles of association of INDEXO Bank.

Management board. The management board will be the management body of INDEXO Bank that manages and directs INDEXO Bank's day-to-day activities according to the strategies and general principles approved by the supervisory board of INDEXO Bank. The management board will monitor the activities of the staff and will be responsible for the performance of financial services in accordance with the applicable laws and regulations.

The management board initially will consist of seven members, with the Bank of Latvia (in Latvian: Latvijas Banka) assessing and European Central Bank approving all members. The supervisory board of INDEXO Bank will appoint the Chairman of the management board from amongst the management board members.

The Supervisory Council will determine the responsibilities of each Management Board member as defined in the Charter of the Management Board, which will be prepared by the Management Board and approved by the Supervisory Council.

Among other obligations, the Management Board will be required to:

- Develop a business and financial plan for the implementation of the strategy approved by the Supervisory Council;
- Ensure that the risk tolerance of the business operations is in line with the risk appetite approved by the Supervisory Council;
- Establish and regularly review operational as well as risk management principles and procedures;
- Develop and approve the operational structure of INDE XO Bank based on the principles provided in the articles of association of the INDE XO Bank and according to the principles approved by the Supervisory Council.

The management board will be required to organize the effective functioning of the internal control system of the INDE XO Bank to ensure monitoring of compliance with legislation and internal documents and rules, and to perform other duties as required by applicable laws and regulations or the resolutions or directives of the supervisory board of INDE XO Bank.

It is planned that the management board of INDE XO Bank initially will have seven members – Chief Executive Officer (*CEO*), Chief Financial Officer (*CFO*), Chief Compliance Officer (*CCO*), Chief Risk Officer (*CRO*), Chief Technology Officer (*CTO*), Head of Retail Banking and Chief Marketing Officer (*CMO*).

Internal control system of INDE XO Bank

The internal control system of INDE XO Bank will be organized in accordance with the Financial and Capital Market Commission Regulation No. 227 and in such a way that the management of INDE XO has reasonable confidence that:

- The INDE XO Bank's assets are secured against losses and unauthorized use;
- Risks arising from the activities of INDE XO Bank are continuously identified and managed;
- The funds available to INDE XO in terms of their size, composition and weights are sufficient to cover both inherent and possible risks;
- Transactions take place in accordance with the defined internal procedures;
- INDE XO Bank operates soundly, prudently and effectively in full compliance with the requirements of laws and other legal acts.

The management board of INDE XO Bank will be responsible for the establishment and effective functioning of the internal control framework, and the supervisory board will oversee the internal control framework.

The core elements of the internal control framework will be:

- Setting the development strategy – short-term (1 year) and long-term (at least 3 years) planning of activities;
- Prudent organization of business activities;
- Identification and management of all material risks arising from the undertaken activities, including measurement, assessment, control and reporting of risks;
- Capital adequacy assessment processes and validation of the sufficiency of available capital;
- Sound procedures to maintain transparent and detailed accounting records to ensure high quality financial reporting;
- Implementation of management information systems;
- Safeguarding of assets and information systems;

- Regular reviews of the internal control framework, assessment of the effectiveness and enhancement in accordance with changes in the activities and external factors influencing the activities of INDEXO Bank;
- Risk based remuneration system that limits excessive incentives on risk taking.

In order to fully address and manage the assumed risks and to identify the responsible functions, INDEXO Bank will apply the three lines of defence approach to internal control:

- The first line of defence will be embedded in the operational management of INDEXO Bank's activities. Business units will own their daily risk management and internal controls on an operational level. Business units will be responsible for maintaining their risk profile and the quality of their assets and products within the pre-defined risk limits described in the risk management strategy. Business units will also be responsible for ensuring that business activities are compliant with the defined internal and external requirements.
- The second line of defence will be composed of independent risk management and compliance functions. The primary task of the second line of defence will be maintaining continuous monitoring, control and analysis of business activities, and reporting on any identified issues. Risk management and compliance functions will be represented in the management board and will be entirely independent from the first line of defence. Risk management and compliance functions will be organized so as to support business units and to encourage business units to seek advice from the risk management and compliance functions.
- Internal audits will be the third line of defence, which will provide assurance that the internal governance, risk controls, and defined procedures are functioning well within the first and second lines of defence. This will be achieved by regular assessments of business processes, identification of potential gaps in procedures, and providing recommendations on improvements and risk mitigation. Internal audits will be organized so that potential evolving risks are identified and captured within the audit plan. INDEXO Bank will promote internal audits to other functions as value adding and supporting. INDEXO Bank will promote an open culture that invites assessments performed by internal audits and implements the issued recommendations. Internal audits will be independent from the first and second line of defence and report directly to the supervisory board.

Risk management function

The INDEXO Bank's strategic aim is to achieve an appropriate balance between risks assumed by the INDEXO Bank and returns and minimize the potential adverse effect on the Bank's financial performance and operations. The risk management function will be integrated in the framework of the INDEXO Bank's internal control based on the effective bank supervision requirements laid down by the Bank of Latvia (in Latvian: Latvijas Banka) and the Basel Committee on Banking Supervision to provide for a risk control function and operational compliance control function independent from business units. Risk measurement, assessment and control functions will be separated from the business functions.

The INDEXO Bank will identify all significant risks and develop documents and implement appropriate policies for risk management, including measurement, assessment, control, mitigation, and risk reporting and disclosures. Policies will be reviewed at least on an annual basis in line with changes in the INDEXO Banks' operations and external factors impacting the INDEXO Bank's activities.

The risk management function will promote risk awareness within the organization and will support and advise other functions regarding risk management and risk mitigation. Risk management function is expected to be improved and built together with enhancements in INDEXO Bank's product line.

In order to identify risks in due time and completely and assess the acceptable levels of risks prior to launching new products and services INDEXO Bank will assess the potential risks and will approve internal normative

documents related to risk management that include appropriate procedures, restrictions and limits, and hedging methods.

The duties and responsibilities of the risk management function will be documented, and specific tasks will be assigned to employees in charge of risk management, including, but not limited to:

- Identification and measurement of all material risks and their interaction;
- Development of policies and procedures for management of all material risks;
- Active participation in the development of the risk management strategy and decision making related to risk management;
- Control of compliance with the risk management strategy, policies and procedures, including defining limits and restrictions;
- Regular updating and enhancement of risk management policies and procedures to ensure that they are up-to-date and reflect the changes in the business activities and external factors;
- Preparation of regular reports on risk profile assessment and risk management to the management board and supervisory board, enabling the organization to assess risks affecting the ability of INDEXO Bank to achieve its objectives and, if necessary, to take decisions on corrective measures.

Compliance function

For compliance management to be successful, merely following the right strategies, adopting the right tools, and "doing the same old thing" is not sufficient. Therefore, a culture of compliance will be created at INDEXO Bank across the organization, with the goal that compliance shouldn't have to be imposed on employees, but rather should come from within. INDEXO Bank will have a well-defined process as well as well-documented policies, procedures, and guidelines for compliance management. Corporate leadership will communicate expectations and values.

One of the competitive advantages and a cornerstone of the INDEXO Bank's value proposition will be the ability to design KYC and compliance processes from scratch that will permit INDEXO Bank to make these processes not only effective, but also efficient. By carefully constructing CRM, KYC & AML systems that work as a cohesive whole, INDEXO aims to minimize customer bureaucratic burden while still insuring a full, industry-leading level of compliance.

INDEXO will ensure that all customer-related information is processed centrally and available to relevant AML, compliance and risk units on a need-to-know basis, so that INDEXO Bank employees always have access to the most up-to-date customer information needed for effective risk control, and so that the customer is never asked to provide the same information twice (except in cases where it is necessary to confirm the customer's competence or truthfulness). INDEXO Bank will also adopt a principle of compiling in-house all customer information that can be collected from reliable public sources, reducing the burden on the client.

In achieving its ambitious compliance standards, INDEXO Bank will rely on a highly experienced, skilled and proven banking technology team, which will implement an industry-leading CRM system for consistently storing and accessing client data across internal functions and structural units.

In practice, INDEXO's vision means expanding the role of the compliance unit beyond offering advice on statutory rules, regulations, and laws by also emphasizing customer experience in compliance processes with a consistently friendly, warm and convenient approach. The unit must also generate practical perspectives on the applicability of laws, rules and regulations across businesses and processes and how they translate into operational requirements, become an active co-owner of risks, and provide an independent oversight of the control framework.

The INDEXO Bank's compliance function will be independent and will have the resources to carry out its responsibilities effectively. The scope and breadth of the activities of the compliance function must be subject to periodic review by the internal audit function. Compliance must be regarded as a core risk management activity within the INDEXO Bank. Specific tasks of the compliance function may be outsourced, but they will remain subject to appropriate oversight by the head of compliance.

To support independence, at INDEXO Bank compliance will be a stand-alone function, positioned similarly to internal audit with a clear separation from business, thus significantly rising its profile. This will also create the need for strong coordination and a high level of collaboration among all those who will be involved in various areas of compliance, including senior management and the compliance and risk management teams. The Compliance function will be headed by the Chief Compliance Officer (CCO). The CCO will be appointed as a member of the management board and will have direct contact to the supervisory board. The Chief Compliance Officer will not assume duties related to performing tasks of the business units to be controlled by them but will be authorized and enabled to directly interact with the business units controlled. INDEXO Bank will ensure that the Chief Compliance Officer has sufficient experience, knowledge and skills for their duties.

Internal audit function

The key task of the internal audit function will be to carry out independent supervision of the internal control framework and assess whether the framework is both sufficient and effective in order to help the supervisory board, management board, and the heads of the structural units of INDEXO Bank be effective in performing their functions and controls.

The duties of Internal audit will include:

- Assessment of the results and effectiveness of the activities of INDEXO Bank;
- Compliance assessment of all activities and actions made by the structural units of INDEXO Bank with the relevant strategies, plans, policies and procedures;
- Verification of the capital adequacy assessment process of INDEXO Bank, including the assessment of their effectiveness, completeness and compliance with relevant regulations, policies and procedures;
- Assessment of the effectiveness of the risk management function and compliance function;
- Evaluation of the accounting and reporting systems;
- Evaluation of the information systems;
- Evaluation of the functioning of the internal control procedures;
- Evaluation of the credibility and completeness of financial information, as well as evaluation of how such information is identified, measured, classified and disclosed;
- Carrying out special examinations and investigations.

The procedure for appointing and dismissing the head of Internal audit ensures that the head of Internal audit is independent from the Management Board in their decision making and the conduct of their duties. The Bank's organizational chart, policies and reporting procedures clearly state that the head of Internal audit has a direct reporting line to the supervisory board of INDEXO Bank.

In carrying out its duties, Internal audit will consider the financial and operational plans approved by the supervisory board and define the activities to be performed during the reporting period accordingly. The internal audit plan will outline the following:

- Areas to be inspected during the reporting period, regularity of inspections, and resources necessary for the performance of inspections;

- Risk identification and assessment methods for the areas to be verified, as well as criteria for the assessment of risk control procedures;
- Requirements for the documentation of the results of inspections;
- Procedure for the submission of results of inspections to the supervisory board, management board, and regulatory body;
- Procedure for follow up on implementation of the issued recommendations.

Internal audit will prepare reports on facts discovered as a result of each performed inspection, including weaknesses in the internal control framework, violations of policies and procedures, and insufficiently identified or managed risks, and will submit recommendations for addressing the problems discovered. The internal audit function will ensure that the discovered facts are discussed, and that opinions and recommendations are prepared as a result of each performed inspection at the relevant level of management. It will also follow up on the implementation of its issued recommendations. The internal audit function, at least on an annual basis, will prepare a report on its performed inspections and on the main problems discovered, expressing its view on the effectiveness of the internal control framework.

Internal audit assessments will include the activities performed by outsourced service providers, functions performing the first line of defence, and functions performing second line of defence. Internal audit will not define risk limits and will not describe the control mechanisms and operational procedures that it audits.

5.5. Risk management framework

INDEXO Bank's risk management framework will be defined and documented in the INDEXO Bank's management strategy, policies, rules, guidelines, and related operating procedures. INDEXO Bank will only assume risks that can be identified, measured, assessed and controlled. INDEXO will maintain policies for all material risks and will define appropriate limits for material risks within the risk appetite statement embedded in the risk management strategy.

Risk Appetite Statement

The INDEXO Bank will be conservative in risk taking, will evaluate profitability on a risk-adjusted basis, and shall allocate sufficient capital to cover any unexpected losses or stress scenario outcomes. INDEXO Bank will not reward excessive risk taking in seeking profitability targets.

For all material risks, INDEXO Bank will define limits that prevent excessive exposure to a particular risk area. The risk management strategy and INDEXO Bank's risk appetite will be reviewed and approved by the supervisory council at least once per year. As part of its strategic planning sessions, INDEXO Bank will test its financial plan against the limits defined in risk management strategy. In case of identified potential breaches, corrective measures will be put in place to align the business strategy with the risk management strategy. The INDEXO Bank's risk management strategy will define both quantitative and qualitative targets for material risks. Actual risk exposures and compliance with the risk appetite statement will be reported at least quarterly. Breaches of risk limits will be identified and escalated to the management board and supervisory board.

Limits will be defined, considering identified material risk exposures within the Business Plan and Bank of Latvia (in Latvian: Latvijas Banka) requirements on required risk indicators. Limits will be defined in three levels:

- the target level indicates the comfort level at which no corrective measures are required;
- the trigger level indicates that corrective measures need to be considered and escalated to the management board for the decision making;

- the regulatory minimum should always be more conservative than trigger level for corrective measures to be initiated before the actual breach of regulatory ratios.

Identification and measurement of risks

Risk identification and measurement will be embedded within the internal capital adequacy assessment (ICAAP) and internal liquidity adequacy assessment (ILAAP) processes carried out annually. Risk identification will be performed based on the following methods:

- assessment of the Business plan and financial plan to identify emerging risks and changes in balance sheet risk exposures;
- review of internal and external audit findings, correspondence with regulatory bodies, and other internal and external reports;
- expert sessions with management bodies and risk owners;
- stress testing and review of stress testing results;
- other methods.

INDEXO Bank will perform risk assessment including, but not limited to, the following risks:

- Compliance risk;
- AML/CFTP/IS risk;
- Operational risk (including IT risk);
- Liquidity risk;
- Credit risk;
- Market risk;
- Interest rate risk in the banking book (IRRBB);
- Concentration risk;
- Reputation risk;
- Business risk;
- Other risks affecting the activities of INDEXO Bank.

If a risk is identified as material, INDEXO Bank will develop risk measurement methods and will include in the ICAAP assessment the amount of capital required to cover the particular risk. In case the minimum capital requirement under CRR for the particular risk is insufficient, INDEXO Bank will adjust its Business plan activities to maintain strong and adequate capital position. When measuring risks, the INDEXO Bank will apply analytical approach proportionate to the specifics and complexity of the particular risk and utilizes stress testing, scenario analysis, and other methods to assess the potential unexpected loss in adverse scenarios.

Management of identified risks

For all material risks, INDEXO Bank will develop, document, and implement appropriate risk management policies and control procedures, specifying:

- The methods and regularity of risk measurement (for quantifiable risks) and assessment (for other risks that can be assessed, but not directly quantified);

- Appropriate risk control procedures in accordance with the risk management strategy, determining the restrictions and limits specifying the maximum risk amount that can be tolerated and control procedures for mitigating the risks that cannot be measured using quantitative figures;
- The procedure under which the supervisory board, the management board, the Chief Risk Officer, and heads of the functions receive regular information about the risks inherent to the activities of the institution, the scale and trends, the impact of risks on the amount and capital adequacy of the institution, as well as other information necessary for making decisions;
- Allocation of duties, powers, and responsibilities within the risk management function.

INDEXO Bank will report on risk exposures in accordance with its risk management strategy and regulatory requirement on a regular basis.

Risks related to the establishment and operation of INDEXO Bank

Receiving a licence

The acquisition of credit institution license is subject to the Bank of Latvia (in Latvian: Latvijas Banka) and ECB approvals and involves multiple key components. INDEXO Bank has submitted to the Bank of Latvia (in Latvian: Latvijas Banka) licensing documents package, including the Business Plan, and has held several working discussions with the Bank of Latvia (in Latvian: Latvijas Banka) about INDEXO Bank's Business plan.

The Bank of Latvia (in Latvian: Latvijas Banka) has issued a confirmation to INDEXO Bank, that on 13 September 2023 the Bank of Latvia (in Latvian: Latvijas Banka) has received the clarifications and documents necessary to start the evaluation of documents necessary to issue the licence for the activity of credit institution to INDEXO Bank and that the Bank of Latvia (in Latvian: Latvijas Banka) and the European Central Bank acknowledge that the submitted documents are complete. The evaluation process shall be completed within three months, however, the regulators have the right to prolong the term of the document evaluation for up to 12 months if additional information requests arise.

Taking into account the milestone mentioned above and the communication that INDEXO has had during the licencing process with the Bank of Latvia (in Latvian: Latvijas Banka), INDEXO considers that the receipt of the credit institution licence at the date of this Securities Note is subject to the successful execution of the Offering.

Therefore, INDEXO is reasonably confident that the issuance of the licence for the activity of the credit institution to INDEXO Bank shall occur after Offering once it is determined that the necessary additional capital has been raised for the commencement of INDEXO Bank operations.

In case INDEXO Bank will not be licensed by 15 July 2024, INDEXO will implement a share buy-back program via which the proceeds generated by the Initial Public Offering will be returned to those investors who qualifies and takes part in the share buy-back program.

Qualifying shareholders

Please see Section "Shareholding structure and qualifying holding of INDEXO Bank" of this Securities note for a detailed explanation on qualifying shareholder requirements.

Currently no Shareholder besides Valdis Siksnis and Henrik Karmo directly or indirectly holds more than 5% of INDEXO Shares. INDEXO cannot guarantee or control that any individual Shareholder will not acquire a sufficiently large stake through share trading on the public market or through private deals such that they would become subject to regulatory approval for INDEXO and INDEXO Bank shareholding.

Regulatory environment

INDEXO is already a regulated entity with capital requirements, internal procedures and ample regulatory oversight. Existing processes will be adapted, elaborated, and improved to achieve credit institution standards. The management team outlined in the business plan has sufficient experience to perform the necessary tasks.

The INDEXO Bank will be subject to the risks some of which INDEXO is currently not subject to, including, but not limited to:

Counterparty Credit Risk: Counterparty credit risk is inherent to the core operations of the INDEXO Bank – counterparty credit risk is the risk of potential loss which may arise from a counterparty's inability to meet its obligations to the INDEXO Bank.

Geographical Markets Risk: INDEXO Bank operations will be inherently exposed to the Latvian market.

Market Risk: Market risk would arise from the INDEXO Bank's trading and investment activities in the financial markets, primarily in interest rate products, as well as from borrowing activities and other means of taking in financial resources or allocating liquidity buffers.

Interest Rate Risk: The credit operations of INDEXO Bank will be inherently exposed to interest rate risk through lending (loans to customers) and borrowing (deposits from customers) activity.

Liquidity Risk: Liquidity risk relates to the ability of the INDEXO Bank to meet its contractual obligations on time. The liquidity risk arises from the difference between the assets (loans provided to the clients) and the liabilities (deposits).

Access to Funding on Favorable Terms: The banking business is reliant on its ability to finance its current operations at reasonable terms. Access to, and the cost of, financing raised by the INDEXO Group through the money and capital markets is affected, among other things, by general interest rate levels, the situation on the financial markets, or a downturn in the performance of market participants.

Dependency on Qualified Staff: The current market for qualified staff in Latvia is highly competitive and labour costs for the hiring and training of new employees are increasing. The results of operations of the INDEXO Bank will depend highly on the ability to engage and retain qualified, skilled and experienced staff.

Strategic Risk: Strategic risk is a possible source of loss that might arise from the pursuit of wrong strategic decisions. For reasons of corporate growth, the INDEXO Group's strategic risk is estimated to exceed the strategic risk of a bank positioned in a stable stage.

Reputational Risk: Reputational risk is a risk of loss resulting from any deterioration of the Group's reputation before its clients, investors and general public.

Changes in Economic Environment: The INDEXO Bank will be affected by general economic and geopolitical conditions, the worsening of which would be outside of the INDEXO Bank's control.

Exposure to Regulative Changes: INDEXO Bank will operate in Latvia and most of the risks, which affect it, are related to the economic situation, legal and regulatory framework of Latvia. The INDEXO Bank will operate in highly regulated fields of business and its operations will be subject to a number of laws, regulations, policies, guidance and voluntary codes of practice. Since the global financial crisis, financial services regulation has changed materially and may continue to develop in the future.

Maintaining Capital Adequacy Ratios: INDEXO Bank as Credit institutions must adhere to strict capital adequacy requirements subject to frequent reforms and changes.

Risks Related to Money Laundering and Financing of Terrorism: Efforts may be made by the INDEXO Bank's potential customers to use the Bank's products and services for illegal purposes, including money laundering

and financing of terrorism, which would expose the INDEXO Bank to several risks, above all, risk of regulatory investigations and actions and reputational risk.

Credit Risk: INDEXO Bank will only provide loans against the predictable and measurable cash flows of borrowers.

Credit risk will be measured through detailed stress testing scenarios, including key macroeconomic indicators such as GDP and unemployment rates, and modelling the impact of the scenario on loan default rates, recoverable collateral values, changes in provisions, and write-offs. Credit risk will be managed by imposing limits on loan portfolio quality, maximum allowable NPL rates, changes in NPL volumes.

Any failure to correctly assess the credit risk of potential clients may have a material adverse effect on the INDEXO Bank business, financial condition, results of operations.

Operational risk (including IT risk): INDEXO Bank will be exposed to the risk of a complete or partial failure of internal processes to comply with the requirements of applicable laws, external regulations and internal regulations. This may arise as a result of a variety of factors, including the acts of INDEXO staff, inadequate system operations, irregularities in internal processes, acts of third parties and other external conditions.

Any failure or interruption in breach of INDEXO Bank information technology (IT) systems may result in lost business and other losses. INDEXO Bank will rely on its IT systems and security to conduct business and protect its data. Although INDEXO Bank has invested substantial resources in IT systems and IT security, INDEXO Bank may not be able to successfully maintain or upgrade its IT systems or security in the future, resulting in performance or security issues.

INDEXO Bank will rely upon third-parties for the performance of certain outsourced activities and these third-parties, their employees and their IT systems may fail to perform adequately or may be vulnerable to cyber-attacks which may also compromise the IT security, client data protection and operations of INDEXO Bank. INDEXO Bank will have backup and disaster recovery systems in place, if INDEXO Bank's IT systems fail and INDEXO Bank will be able to continue to serve clients needs.

Any failures of INDEXO Bank IT systems or outsourced IT systems may have a material adverse effect on INDEXO Group's business, financial condition, results of operations.

5.6. Shareholding structure and qualifying holding of INDEXO Bank

It is anticipated that INDEXO Bank will be a 100% owned subsidiary of INDEXO. Please see section 16 of the Universal Registration Document about shareholders for INDEXO shareholding structure.

The European Central Bank together with the Bank of Latvia (in Latvian: Latvijas Banka) recommendation can refuse the licencing (authorisation) to commence the activity of a credit institution if, taking into account the need to ensure the sound and prudent management of a credit institution, they are not satisfied as to the suitability of the shareholders or members (members of management board, members of supervisory board or any member of senior manager who will direct the business of the credit institution, such as head of the internal audit, risk manager, the person responsible for the conformity control of the operation, the person responsible for the fulfilment of the requirements of AML).

The Bank of Latvia (in Latvian: Latvijas Banka) will need to approve any individual who holds 10% or more of INDEXO Bank Shares outstanding, or any Bank management board or supervisory board member or any member of senior manager who will direct the business of the credit institution, such as head of the internal audit, risk manager, the person responsible for the conformity control of the operation, the person responsible for the fulfilment of the requirements of AML.

INDEXO has been subject to equivalent requirements, and existing Management Board members and Supervisory Board members have been assessed and approved by the Bank of Latvia (in Latvian: Latvijas Banka). The potential members of the management board and supervisory board of INDEXO Bank will need

to be assessed similarly by the European Central Bank together with the Bank of Latvia (in Latvian: Latvijas Banka) recommendation before they can start performing their duties as a part of INDEXO Bank.

Furthermore, INDEXO as the sole shareholder will be acquiring the qualifying holding with respect to INDEXO Bank in accordance with the Latvian Credit Institution Law. Therefore, several requirements will need to be fulfilled by INDEXO, including submitting information on its members of Management Board and Supervisory Board. Subsequently the members of Management Board and Supervisory Board of INDEXO will be indirectly subject, *inter alia*, to fulfilling the requirements of applicable laws and regulations (for example, with respect to past professional experience, education, etc) on the acquisition of qualifying holding by INDEXO with respect to INDEXO Bank.

6. INFORMATION ON THE SECURITIES

6.1. Resolution to increase share capital and to issue Offer Shares

The Offering will involve the issue of new Shares up to 1,150,000 shares as subscribed for in the course of the Offering. The Shares will be allocated to investors in accordance with the terms described in Section 7 “TERMS AND CONDITIONS OF THE OFFERING” of this Securities Note.

On 23 November 2023, the Shareholders' meeting of INDEXO resolved to issue new shares up to 1,150,000 and thus to increase the share capital up to EUR 4,945,407 and instructed the Management Board of INDEXO to determine the Offer Price within the range of EUR 11 to EUR 15. During the Shareholders' meeting, Shareholders waived their pre-emptive rights for the Offering. Please see Section 7.1 “The Offering” of this Securities Note for the indicative timetable of the Offering (the expected timeline for the completion of the Offer Shares issue).

Based on the authorisation of the Shareholders' meeting of INDEXO, the Management Board determined the Offer Price.

The newly issued INDEXO Offer Shares are expected to be registered in the accounting system of Nasdaq CSD, as well as included in the Baltic Regulated Market of Nasdaq Riga (the Baltic Main List).

6.2. Shareholder rights

This Section aims to provide a general overview of the scope of rights conferred upon shareholders of INDEXO in accordance with the applicable rules of Latvian law.

This general overview is not intended to be exhaustive, nor does it purport to cover all legal issues that may arise in connection with ownership of the Shares.

Under the applicable laws, all shareholders of INDEXO are subject to equitable treatment. Each Share of INDEXO confers upon its holder the same rights to a share of INDEXO assets and profits. In the event of liquidation of INDEXO, shareholders are entitled to a share of the surplus of assets in the proportion to the number of Shares held. No restrictions apply with respect to the transferability of the Shares.

The following rights attach to each Share:

Right of Share Disposal: Each shareholder of INDEXO has the right to dispose of the Share(s) owned. Disposal includes sale (transfer of ownership) and other forms of disposal. No restrictions apply to the transferability of the Shares, either under the statutory provisions of Latvian law or under the Articles of Association.

Right to Vote: Shareholders have the right to participate and vote at Shareholders' meetings. A shareholder is eligible to participate and vote at a Shareholders' meeting if it is a shareholder of record (i.e., recorded as a shareholder in the shareholders' register of INDEXO) at least five working days prior to the date of the Shareholders' meeting. Each fully paid-up Share, including the Offer Shares, confers upon each shareholder at least one vote at the Shareholders' meeting.

Right to Participate in Shareholders' meetings: The Annual Shareholders' meeting must be held once a year pursuant to the procedure and at a time set forth by law. The Annual Shareholders' meeting adopts resolutions on approval of INDEXO's annual report, reports by the Management Board and Supervisory Board, and application of profit reported in the previous financial year, as well as on other matters included in the agenda of the Annual Shareholders' meeting.

Convening of Shareholders' meeting: Shareholders' meetings, both Annual and Extraordinary, are convened by the Management Board. Apart from the Management Board, the right to request the convening of an Extraordinary Shareholders' meeting is also vested in the Shareholders representing at least one-

twentieth (5%) of INDEXO share capital. In specific instances, where the Management Board fails to convene a Shareholders' meeting, it may be convened by the Supervisory Board or by the Latvian Enterprise Register at the request of INDEXO's auditor or Shareholders representing at least one-twentieth (5%) of INDEXO share capital.

Right to Include Particular Matters in the Agenda of the Shareholders' meeting: Shareholders representing at least one-twentieth (5%) of INDEXO share capital may request the Management Board to include particular matters into the agenda of the next Shareholders' meeting, provided that such request is made no later than within seven days from the date of receipt by the Shareholders of the notice convening the Shareholders' meeting.

Right to Information: The Management Board has an obligation, upon receipt of a written request by any Shareholder submitted to the Management Board at least 14 days prior to the date of the Shareholders' meeting, to provide the requesting shareholder with information regarding all matters included in the agenda of the Shareholders' meeting. The Management Board is entitled to refuse to provide the requested information if provision of such information would be detrimental to important economic interests of INDEXO, would result in disclosure of a trade secret or if disclosure is prohibited by law.

Right to dividends: All Shareholders of INDEXO have the right to participate in distribution of profits. A Shareholder shall be paid a share of the profit (dividend) according to the nominal or book value of the shareholder's Shares. Payment of dividends and the amount thereof shall be decided by the Shareholders' meeting. Dividends may be paid on the basis of the approved annual report, whereby a proposal for distribution of profit approved by the Supervisory Board is submitted to the Shareholders' meeting by the Management Board either as part of the annual report or as a separate document attached to the annual report. The list of Shareholders who are entitled to participate in the distribution of profit and receive dividends shall be determined on the basis of the list of Shareholders as maintained by the Nasdaq CSD SE, which is fixed on the date determined by the Shareholders' meeting, whereas in respect of companies listed on Nasdaq Riga, such date may not occur earlier than on the tenth trading day after the General Meeting where the nature or extent of the rights arising from the securities were determined (rights conferred on holders of securities or their scope). If a Shareholder fails to take out dividends within 10 years, these become the property of INDEXO unless the statute of limitations is deemed to be discontinued or suspended by law. While distributing profit and making dividend payments to shareholders, a public limited company is under the obligation to treat all shareholders equally. The same procedures and rights with respect to dividend payments are applied both to residents and non-residents of Latvia with the exception of taxation requirements.

Revocation of Resolutions Adopted by the Shareholders' meeting: A resolution of the Shareholders' meeting which is unlawful and is in breach of the Articles of Association is detrimental to the purposes and interests of INDEXO, or is aimed at aggrieving a Shareholder, may be appealed by way of legal action seeking revocation of the resolution. Legal action seeking revocation of resolutions adopted by the Shareholders' meeting shall be brought against INDEXO within three months from the day when a person should have got to know the decision of the meeting, but not more than a year from the day the meeting occurred.

Right to Liquidation Quota: Upon liquidation of INDEXO, each Shareholder is entitled to receive a liquidation quota in proportion to its existing shareholding, in the instances and accordance with the procedures established by the provisions of statutory law.

Quorum: According to Latvian law and the Articles of Association, the Shareholders' meeting is quorate (i.e., a sufficient number of shareholders is present to adopt resolutions) if Shareholders representing more than 50% of the total number of votes are present at the meeting.

Pre-Emption Rights: In the event of an increase in the amount of INDEXO's share capital, each Shareholder has a right of pre-emption to purchase newly issued shares in the proportion to the total nominal value of Shares already owned. If a Shareholder fails to exercise the right of pre-emption within the specified period, the newly issued shares must be offered for subscription to those Shareholders who have exercised their pre-emption rights according to the procedure specified in the terms of share capital increase.

Redemption Provisions: Because the Shares are fully paid up, no redemption provisions are intended or applied.

Conversion of Shares: Latvian law stipulates no specific statutory procedure for conversion of shares from one category to another (nor is conversion prohibited). In order to enable conversion of Shares, the Articles of Association must be amended and corresponding adjustments must be made to the INDEXO shareholders' register. Currently, the Articles of Association do not provide for conversion of Shares.

Shareholder Rights in Case of Mandatory Bid, Sell-Out, and Squeeze-Out: Latvian law requires a mandatory bid for all Shares to be made by one or more persons acting in concert who seek to do any of the following:

- (1) acquire the voting rights attaching to the Shares, directly or indirectly, in an amount such that the voting power exercised by those person(s) would correspond to or exceed 30% of the total number of voting shares of INDEXO; or
- (2) have voted at a Shareholders' meeting in favour of excluding the Shares from a stock exchange.

The person(s) responsible for making a mandatory bid make a bid in accordance with the procedure specified in statutory law, once the making of the bid is permitted by the Bank of Latvia (in Latvian: Latvijas Banka).

A mandatory bid for the repurchase of Shares shall not be expressed by a qualifying person or persons if a shareholding stake which reaches or exceeds 30% of the total number of voting shares of INDEXO is acquired prior to listing of INDEXO shares on a regulated market and the shareholding stakes acquired prior to the listing of INDEXO shares are disclosed in the prospectus.

If any legal entity owns, directly or indirectly, Shares in INDEXO representing 90% or more of INDEXO share capital, any remaining minority Shareholder has a right to require that the respective legal entity purchases all of the Shares belonging to the minority Shareholders, whereas the legal entity has the obligation to purchase such Shares. The purchase price of the Shares belonging to the minority Shareholders is then determined by the majority Shareholder in accordance with the provisions of statutory law, or by a court in case of a dispute.

A squeeze-out offer can be made by a single Shareholder acquiring 95% or more of the total number of Shares. The acquiring Shareholder can offer that all of the other Shareholders sell to the acquiring Shareholder all of the remaining Shares owned by them on terms and conditions to be approved by the Bank of Latvia (in Latvian: Latvijas Banka). The offer to sell, if made, shall be considered a final offer.

If a Shareholder entitled to accept a final offer to sell fails to accept the offer within the specified term, the Shares shall be deemed to have been blocked on the day following the expiration of the final offer to sell, while all rights conferred upon the holder of such Shares shall be deemed to have been forgone.

A settlement with respect to shares acquired pursuant to a final Share purchase offer shall take place in accordance with the rules governing the final share purchase prospectus. The final share purchase prospectus shall be compliant with the provisions of statutory law. A final share purchase offer can only be made following review of the offer prospectus by the Bank of Latvia (in Latvian: Latvijas Banka) and grant of permission to proceed with the offer.

The Bank of Latvia (in Latvian: Latvijas Banka) monitors and ensures compliance of the final share purchase, and settlement of the purchase, in accordance with the provisions of the Bank of Latvia (in Latvian: Latvijas Banka).

The provisions relevant to mandatory bids, sell-out and squeeze-out offers are established, primarily, under the Latvian Share Buy-back Law, the Latvian Financial Instrument Market Law and Latvian Group of Companies Law.

7. TERMS AND CONDITIONS OF THE OFFERING

7.1. The Offering

INDEXO is offering up to 1,150,000 newly issued Shares (the “Offer Shares”).

The Offer consists of a public offering in Latvia and Estonia and listing and admission to trading of the Offer Shares (the “Offering”).

The Offering will take place in Latvia and Estonia after the Bank of Latvia (in Latvian: Latvijas Banka) has approved this Securities Note and the Summary relating to the Universal Registration Document and notified the competent authority in Estonia (the Estonian Financial Supervision and Resolution Authority) of approval of this Securities Note and the Summary in accordance with Article 25 of Prospectus Regulation and the Securities Note together with the Summary translated into Estonian has been published in Estonia.

The Shares are dematerialised shares with a nominal value of EUR 1 each (as also the Offer Shares will be). The Shares are registered with Nasdaq CSD under the ISIN LV0000101863 and are kept in book-entry form. No share certificates have been or may be issued. The Offer Shares are denominated in Euro and governed by the laws of Latvia. The Offer Shares are freely transferrable. All Shares since 15 July 2022 are listed and admitted to trading on the Baltic Main List of Nasdaq Riga.

All the Shares, including the Offer Shares, are of one class, rank *pari passu* with each other and carry equal voting rights. The Offer Shares will give rights to dividends (if any) declared by INDEXO. For further description of the rights attached to the Shares, including the Offer Shares (please see Section 6.2 “Shareholder rights” of this Securities Note).

Allocation of the Offer Shares has not been predetermined and will be decided by INDEXO in accordance with the principles described in Section 7.7 “Allocation of the Offer Shares and Offering Structure” of this Securities Note. The total amount of Offer Shares may decrease if any part of the Offering is cancelled. (Please see Section 7.12 “Postponement or Cancellation of the Offering” of this Securities Note).

INDEXO will submit a listing application to Nasdaq Riga for listing and admission to trading of the Offer Shares on the Baltic Main List of Nasdaq Riga. Trading with INDEXO Shares is expected to commence on Nasdaq Riga on the same date when the Offer Shares will receive the permanent ISIN LV0000101863, which is expected to occur on or about January 10, 2024. The indicative timetable and statistics of the Offering are the following:

Table 7.1.1

The indicative timetable of the Offering

Start of the Offer Period	December 11, 2023
End of the Offer Period	December 29, 2023
Announcement of results of the Offering and Allocation	On or about January 2, 2024
Settlement of the Offering (during the settlement, the Offer Shares will carry a temporary ISIN*)	On or about January 4, 2024
Registration of the Offer Shares in the Latvian Commercial Register	On or about January 9, 2024
The Offer Shares will receive the permanent ISIN LV0000101863	On or about January 10, 2024

First trading day on Nasdaq Riga	Same as the date when the Offer Shares will receive the permanent ISIN LV0000101863
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*The Offer Shares that are credited into investor's securities account with a temporary ISIN carries a right to a Share attaching the shareholder rights provided in Section 6.2 "Shareholder rights" with permanent ISIN LV0000101863.

Table 7.1.2

The Offering statistics

Percentage of share capital being offered in the Offering	23,25
Number of Shares issued immediately following the Offering	up to 1,150,000
Expected (maximum) market capitalisation of INDEXO at the Offer Price (EUR) ¹	59,344,884
Estimated net proceeds of the Offering receivable by INDEXO (EUR) ²	up to 13,620,000

7.2. Offer Period

The Offer Period is the period during which persons who have a right to participate in the Offering may submit Subscription Undertakings for the Offer Shares. The Offer Period commences on 11 December 2023 at 10:00 local time in Latvia and Estonia and terminates on 29 December 2023 at 15:30 local time in Latvia and Estonia unless it is shortened or extended (described in more detail in the Section 7.10 "Change to the Offer Price and Offer Period" of this Securities Note).

The time of the termination of the Offer Period on 29 December 2023 has been indicated subject to the closing of auction system of Nasdaq Riga through which each financial institution that is a member of Nasdaq Riga will register the received Subscription Undertaking.

It cannot be guaranteed that each financial institution that is a member of Nasdaq Riga will provide the possibility to submit the Subscription Undertaking until 29 December 2023 at 15.30 local time in Latvia and Estonia as the timetable of closing the respective systems may vary. Investors are recommended to contact the financial institutions that are members of Nasdaq Riga for more details with respect of the deadline of submission of Subscription Undertakings on 29 December 2023.

7.3. Rights to Participate in the Offering

The Offering is directed to retail investors in Latvia and Estonia, qualified investors within the meaning of Article 2(e) of the Prospectus Regulation in Latvia and member states of the European Economic Area where the exemptions provided for in Article 1 part 4(a) of the Prospectus Regulation are applicable, and to other investors in reliance on certain exemptions available in the laws of respective member states.

The Offering is not addressed to investors who are Russian or Belarusian nationals or natural person residing in Russia or Belarus. The latter shall not apply to nationals of a Member States of the European Union or natural persons holding a temporary or permanent residence permit in a Member State of the European Union.

¹ The market capitalisation of INDEXO at any given time will depend on the market price of the Shares at that time. There can be no assurance that the market price of a Share will be equal to or exceed the Offer Price.

² The estimated net proceeds receivable by INDEXO are stated after deduction of estimated fees and expenses relating to the Offer (including VAT) payable by INDEXO.

The Offering is also not addressed to investors that is a legal person, entity or body established in Russia or Belarus.³

For the purposes of the Offering, a natural person is considered to be “in Latvia or in Estonia”, if such person has a securities account opened with a financial institution of the investor’s choice which is a member of Nasdaq Riga and licensed to provide such services within the territory of Latvia or Estonia, respectively, and such person’s residential address recorded with that financial institution in connection with that person’s securities account is located in Latvia or Estonia, respectively.

A legal person is considered to be “in Latvia or Estonia” if such person has a securities account with a financial institution of the investor’s choice which is a member of Nasdaq Riga and licensed to provide such services within the territory of Latvia or Estonia, respectively, and such person’s legal address recorded with that financial institution in connection with such person’s securities account is located in Latvia or Estonia, respectively, or if that person is registered in the Latvian Commercial Register or Estonian Commercial Register, respectively.

7.4. Subscription Undertakings

Subscription Undertakings may only be submitted during the Offer Period. An investor participating in the Offering may apply for the Offer Shares for the Offer Price only. The minimum investment amount is EUR 12 for which an investor can subscribe for one share. All investors participating in the Offering may submit Subscription Undertakings in Euro only. An investor shall bear all costs and fees charged in connection with the submission, cancellation or amendment of a Subscription Undertaking pursuant to the price list of the respective financial institution that is a member of the Nasdaq Riga accepting the Subscription Undertaking.

In order to subscribe for the Offer Shares an investor must submit its Subscription Undertaking through the member of Nasdaq Riga, the Subscription Undertakings submitted within the Offering are registered through the auction system of Nasdaq Riga. Investors may open a securities account through a financial institution which is a member of Nasdaq Riga. A list of financial institutions that are members of Nasdaq Riga is available on the webpage of Nasdaq Riga at <https://nasdaqbaltic.com/statistics/en/members> (in order to review the list of members of the Nasdaq Riga, the selection “Riga” should be made).

Special provisions of the Law on Investment Management Companies

Upon submitting a Subscription Undertaking, an investor must take into consideration the special provisions of the Law on Investment Management Companies applicable to acquiring a holding in an investment management company. A person that intends to acquire a direct or indirect qualifying holding in an investment management company or increase its holding so that it exceeds 10%, 20%, 33% or 50% of the investment management company’s share capital or votes or undertake a transaction as a result of which an investment management company would become a company controlled by that person, is, inter alia, obliged to notify the Bank of Latvia (in Latvian: Latvijas Banka) of such intention beforehand and submit the information and documents required under the applicable law.

If a person that is suspected of having acquired a qualifying holding in an investment management company does not provide or refuses to provide the information set in the Law on Investment Management Companies or the holding of that person in total amounts to 10% or more of the company’s share capital or number of voting shares, that person may not exercise the voting rights attached to all shares they own.

If a person disregards the Bank of Latvia (in Latvian: Latvijas Banka) prohibition and acquires or increases a qualifying holding, that person is not entitled to exercise voting rights attached to all shares they own, and the decisions of the Shareholders’ meeting that have been taken by using the voting rights of those shares shall

³ The prohibitions imposed in accordance with Article 5e and 5f of Regulation (EU) No. 833/2014 (as amended by Council Regulation (EU) No. 2022/328 and 2022/394) and Article 1x and 1y of Regulation (EC) No. 765/2006 (as amended by Council Regulation (EU) No 2022/398).

not be valid from the time of their adoption and may not, on the basis of these decisions, be required to make entries in the Commercial Register and other public registers.

Special provisions of the Credit Institution Law

Based on the information provided in Section 5 “REASONS FOR THE OFFERING AND USE OF PROCEEDS” of this Securities Note, upon submitting a Subscription Undertaking, an investor must take into consideration that if INDEXO becomes the sole shareholder in a licensed credit institution, the investor will become an indirect shareholder in the respective credit institution.

Therefore, special provisions of the Credit Institution Law and CRR will become applicable to acquiring a holding (also indirect) in a credit institution. A person who intends to acquire an indirect qualifying holding in a credit institution (bank) or increase its holding exceeding 10%, 20%, 33% or 50% of the credit institution's share capital or votes or undertakes a transaction as a result of which the credit institution would become a company controlled by that person, is, inter alia, obliged to notify the Bank of Latvia (in Latvian: Latvijas Banka) of such intention beforehand and submit the information and documents required under the applicable law. The Bank of Latvia (in Latvian: Latvijas Banka) will forward the notification documents to the European Central Bank which will decide on approving or refusing acquisition of a qualifying or controlling holding.

If a person that is suspected of having acquired a qualifying holding in an investment management company does not provide or refuses to provide the information set in the Law on Investment Management Companies or the holding of such person in total amounts to 10% or more of the company's share capital or number of voting shares, that person may not exercise the voting rights attached to all shares they own.

7.5. Terms and conditions for submission of Subscription Undertaking

An investor wishing to subscribe for the Offer Shares must contact a financial institution which is a member of Nasdaq Riga and manages that investor's securities account and submit a Subscription Undertaking for the purchase of Offer Shares in a form accepted by the financial institution and in conformity with the terms and conditions of the Securities Note. The investor may use any method that that investor's account operator offers to submit the Subscription Undertaking (e.g., physically at the client service venue of the account operator, via internet bank or by other means).

An investor may submit a Subscription Undertaking through a nominee account only if that investor authorises in writing the holder of the nominee account to disclose in writing the investor's identity to Nasdaq Riga. Subscription Undertakings submitted through nominee accounts shall be taken into account in allocation only if the owner of the nominee account has disclosed in writing to Nasdaq Riga the investor's identity, place of residence or seat, personal identification number or registry code, the number of securities subscribed for and the total amount of the transaction. Among others, the person's permanent address, personal identification number or the registered address in the case of a legal person must be disclosed. An investor may submit a Subscription Undertaking either personally or through a representative whom the investor has authorised to submit the Subscription Undertaking.

A Subscription Undertaking is deemed submitted from the moment Nasdaq Riga receives a duly completed transaction instruction from the financial institution managing an investor's securities account. An investor must ensure that all information contained in the Subscription Undertaking is correct, complete and legible. INDEXO reserves the right to reject any Subscription Undertakings which are incomplete, incorrect or illegible, or which have not been completed and submitted during the Offer Period in accordance with all the terms and conditions of the Securities Note.

By submitting a Subscription Undertaking each investor:

- (1) confirms that they have read this Securities Note, Universal Registration Documents and the Summary, including (but not limited to) the risk factors set out in this Securities Note and the Universal Registration Document and a description of rights and obligations resulting from ownership of the Shares;

- (2) accepts the terms and conditions of the Offering set out in this Section and elsewhere in this Securities Note and agrees with INDEXO that such terms will be applicable to the investor's acquisition of any Offer Shares;
- (3) acknowledges that the Offering does not constitute a binding offer for sale of the Offer Shares, and that submission of a Subscription Undertaking does not constitute acceptance of a binding sales offer, and therefore does not in itself entitle the investor to acquire the Offer Shares, nor does it result in an agreement for sale of the Offer Shares between INDEXO and the investor;
- (4) accepts that the number of Offer Shares indicated in the Subscription Undertaking will be regarded as the maximum number of Offer Shares which the investor wishes to acquire (the "**Maximum Amount**") and that the investor may receive less (but not more) Offer Shares than the Maximum Amount (described in more detail in the Section 7.7 "Allocation of the Offer Shares and Offering Structure" of this Securities Note);
- (5) undertakes to acquire and pay for any number of Offer Shares allocated to them in accordance with these terms and conditions up to the Maximum Amount;
- (6) authorises the financial institution and instructs them to forward the registered Subscription Undertaking to Nasdaq Riga;
- (7) consents to processing of the investor's personal data to the extent such data processing is required for the purposes of the Offering in accordance with this Securities Note;
- (8) accepts that INDEXO at its sole discretion has a right to refuse to allocate all or part of the subscribed Offer Shares to any investor due to AML and Sanctions regulations compliance risk.
- (9) authorises the financial institution, or Nasdaq Riga, as the case may be, to amend the information contained in the Subscription Undertaking, including to (a) specify the value date of the transaction and (b) specify the number of Offer Shares to be purchased by the investor and the total amount of the transaction, which results by multiplying the Offer Price by the number of Offer Shares allocated to the respective investor.

Investors have the right to amend or cancel their Subscription Undertakings at any time until the end of the Offer Period. To do so, the investor must contact a financial institution which is a member of Nasdaq Riga through whom the Subscription Undertaking in question has been made and carry out the procedure required by the financial institution for amending or cancelling the Subscription Undertaking (such procedures may differ between different financial institutions).

7.6. Offer Price

The Offer Price is **EUR 12** per one Offer Share, of which EUR 1 is the nominal value of one Offer Share and EUR 11 is the premium payment.

By submitting a Subscription Undertaking, each investor authorises the financial institution managing the investor's current account connected to their securities account to immediately block the whole transaction amount on the investor's current account until settlement is completed or funds are released in accordance with the terms and conditions of this Securities Note. The transaction amount to be blocked will be equal to the subscription price multiplied by the Maximum Amount. An investor may only submit a Subscription Undertaking when sufficient funds are in the current account. The Offer Shares allocated to the investor shall be paid for in the manner described in the Section 7.8 "Settlement and Trading".

Depending on the terms and conditions of the financial institution, which is a member of Nasdaq Riga, the financial institution which operates the current account connected to the investor's securities account may immediately block the whole transaction amount on the investor's current account until settlement is completed or funds released in accordance with the terms and conditions described in this Securities Note. The Offer Shares allocated to the investor shall be paid for in the manner described in Section 7.8 "Settlement and Trading".

7.7. Allocation of the Offer Shares and Offering Structure

Allocation of the Offer Shares is expected to take place after closing of the Offer Period on or about January 2, 2024, subject to acceleration or extension of the timetable for the Offering. Allocation of the Shares to investors who subscribed for the Offer Shares will be determined by INDEXO on the basis of the respective demand within the Offering and on the quantitative and the qualitative analysis of the order book, and full discretion will be exercised as to whether or not and how to allocate the Offer Shares subscribed for. Treatment of Subscription Undertakings in the allotment may not be determined on the basis of which firm they are made through or by.

A Subscription Undertaking is deemed submitted from the moment Nasdaq Riga receives a duly completed transaction instruction from the financial institution managing an investor's securities account (please see Section 7.5 "Terms and conditions for submission of Subscription Undertaking" of this Securities Note).

Upon allocation, all Subscription Undertakings submitted by one investor shall be aggregated.

If the Offering is undersubscribed, INDEXO may reduce the number of the Offer Shares accordingly, or cancel the Offering as described in the Section 7.12 "Postponement or Cancellation of the Offering".

If the Offering is over-subscribed, the Offer Shares will be allocated by giving priority, firstly, to investors participating in the Offering with the highest investment amounts, secondly to the Existing Shareholders of INDEXO participating in the Offering, thirdly, to Eligible Customers participating in the Offering, and, lastly, to other investors.

For the purposes of the allocation, "Existing Shareholders" should be understood as natural or legal persons who directly or indirectly own Shares of INDEXO as of the date of this Securities Note.

For the purposes of the allocation, "Eligible Customer" should be understood as 3rd pension pillar customer of INDEXO Atklātais Pensiju Fonds who has concluded an individual membership agreement with INDEXO Atklātais Pensiju Fonds by accepting its terms on INDEXO's webpage and has received a notification on the conclusion of the membership agreement to an e-mail address provided by the customer until December 6, 2023.

The funds blocked on the current account of an investor who participated in the Offering will be released in the amount corresponding to the Offer Price multiplied by the number of Shares not allocated to that investor as described under the Section 7.11 "Release of Funds" of this Securities Note.

INDEXO is not aware whether any major Shareholders or any other members of management or senior management intend to subscribe for the Offering, or whether any person intends to subscribe for more than 5% of the Offering. INDEXO expects to announce the results of the allocation process on the website of Nasdaq Riga <https://nasdaqbaltic.com/> and the website of INDEXO at <https://indexo.lv/investors/> on or about January 2 2024.

7.8. Settlement and Trading

Settlement

Settlement of the Offering will be carried out by Nasdaq CSD. The Offer Shares allocated to investors will be transferred to their securities account on or January 4, 2024, through the "delivery versus payment" method simultaneously with transfer of payment for such Offer Shares, in accordance with the rules of Nasdaq CSD. During the settlement of the Offering, the Offer Shares will carry a temporary ISIN*, which will be changed to the permanent ISIN LV0000101863 after registration of the Offer Shares in the Latvian Commercial Register.

**The Offer Shares that are credited into investor's securities account with a temporary ISIN carries a right to a Share attaching the shareholder rights provided in Section 6.2 "Shareholder rights" with permanent ISIN LV0000101863.*

If an investor has submitted several Subscription Undertakings through several securities accounts, the Offer Shares allocated to that investor will be transferred to all such securities accounts proportionally to the number of shares indicated in the Subscription Undertakings submitted for each account, rounded up or down as necessary, in order to ensure that a whole number of Offer Shares is transferred to each securities account. If the transfer cannot be completed due to lack of sufficient funds on the investor's current account, the Subscription Undertaking of that investor will be rejected and the investor will lose all rights to the Offer Shares allocated to that investor.

Trading

INDEXO will submit a listing application to Nasdaq Riga for listing of the Offer Shares of INDEXO on the Baltic Main list of Nasdaq Riga. INDEXO will take all necessary measures in order to comply with the rules of Nasdaq Riga to ensure that the application is approved. The expected date of listing and Admission to trading of the Offer Shares on the Baltic Main List of Nasdaq Riga is expected on the same date when the Offer Shares will receive the permanent ISIN LV0000101863, which is expected to occur on or about January 10, 2024.

7.9. Agreements related to the Offering

Agreements on organising INDEXO share subscription process

INDEXO has appointed AS Signet Bank as the Nasdaq Auction Arranger. INDEXO will sign an agreement with AS Signet Bank with respect to the Offering and the assistance of AS Signet Bank with thereof on or about November 30, 2023. INDEXO will also sign an agreement with AS Signet Bank and Nasdaq Riga on the organizing the share subscription process (the **"Agreement about organizing IPAS INDEXO share subscription process"**) on or about November 30, 2023.

AS Signet Bank has undertaken to initiate the start of the Offering (auction) in Nasdaq Riga trading system, provide assistance with Allocation process and other undertakings in accordance with the Agreement about organizing AS "Indexo" share subscription process.

7.10. Change to the Offer Price and Offer Period

In accordance with the Prospectus Regulation, INDEXO may be required to draw up a supplement to the Securities Note if the Offer Price of the Offering is changed. The supplement to this Securities Note will be published after registration thereof in the same way as this Securities Note and the Summaries. Furthermore, in accordance with the Prospectus Regulation, every significant new factor, material mistake or material inaccuracy relating to the information included in this Securities Note which may affect assessment of the securities and which arises or is noted between the time this Securities Note is approved and the time INDEXO Offer Shares are listed on Nasdaq Riga, shall be mentioned in a supplement to the Securities Note. All other changes will be disclosed on the website of Nasdaq Riga <https://nasdaqbaltic.com/> and on the INDEXO website <https://indexo.lv/en/for-investors/>.

If INDEXO is required to publish a supplement to the Securities Note, an investor who has submitted a Subscription Undertaking in the Offering before publication of the supplement to the Securities Note has a right to withdraw within two working days (or within another time period as specified in the supplement to this Securities Note) after publication of the supplement to the Securities Note in accordance with the procedure described under the Section 7.5 "Terms and conditions for submission of Subscription Undertaking" of this Securities Note.

The Management Board of INDEXO has the right to shorten or prolong the Offer Period by publishing the respective information on the website of Nasdaq Riga <https://nasdaqbaltic.com/> and on the INDEXO website <https://indexo.lv/en/for-investors/>. Should such a decision be made, a supplement to the Securities Note may not be required to be registered.

7.11. Release of Funds

If the Offering or part thereof is cancelled in accordance with the terms and conditions described in this Securities Note, if the investor's Subscription Undertaking is rejected or if the allocation deviates from the amount of Offer Shares applied for, the funds blocked on the investor's current account, or part thereof (the amount in excess of payment for the allocated Offer Shares) is expected to be released by the respective account operator within two working days. Regardless of the reason for which funds are released, INDEXO shall not be liable for release of the respective funds and for payment of interest on the released funds for the time they were blocked.

7.12. Postponement or Cancellation of the Offering

INDEXO has reserved the right to postpone or cancel the Offering in full or in part at any time until the end of the Offer Period. The reason for postponement or cancellation of the Offering could be, among others, the following circumstances:

- unexpected and significant change in the economic or political situation in Latvia or the world which may affect financial markets, the economic situation or the prospects and operations of INDEXO;
- significant change or development which affects the general situation, management, financial position, capital or results of operations of INDEXO;
- insufficient demand for the Offer Shares.

Any cancellation of the Offering will be announced on the website of Nasdaq Riga <https://nasdaqbaltic.com/> and through the INDEXO website (<https://indexo.lv/en/for-investors/>). All rights and obligations of the parties in relation to the cancelled part of the Offering will be considered terminated as of the moment when such announcement is made public.

7.13. Conflicts of Interest

Certain members of the Management Board and Supervisory Board and certain Key Personnel of INDEXO own shareholdings in INDEXO and therefore those persons are interested in the future wellbeing and success of INDEXO, including the success of the Offering (the size of the shareholdings is described in more detail under section 14 of the Universal Registration Document about management and supervisory bodies, remuneration and benefits).

According to the knowledge of the INDEXO Management Board, the persons connected with the Offering have no other material personal interests from the viewpoint of the Offering. The Management Board is not aware of any conflict of interest related to the Offering.

7.14. Dilution

As of the date of this Securities Note, the number of the Shares of INDEXO is 3,795,407. The number of the Offer Shares is up to 1,150,000. Therefore, the number of the Shares of INDEXO after successful registration of the increase in the share capital of INDEXO will be up to EUR 4,945,407, provided, however, that the number of the Offer Shares is not changed in accordance with the terms and conditions described in the Section 7.12 "Postponement or Cancellation of the Offering". Therefore, the shareholdings in INDEXO existing immediately prior to the Offering will be diluted by up to 23,25% as a result of the Offering.

INDEXO net asset value per share is EUR 0.58 as at 30 September 2023. Further information on the price formation of Offer Shares in the course of the Offering is provided under the Section 7.6 "Offer Price".

The following table shows the size of the holding of the Existing Shareholders in INDEXO as at the date of this Securities Note and the assumed size after completion of the Offering (assuming that the Shareholders will not subscribe for additional shares during the Offering and that the Offer Shares are issued in full volume).

Table 7.14.1

The size of the holding of the Shareholders in INDEXO and maximum sizes after completion of the Offering

	<i>As at the date of Securities Note</i>		<i>After completion of the Offering, the maximum dilution of the Shareholders, assuming the sale of all Offer Shares</i>	
	Number of shares	% of votes	Number of shares	% of votes
Total Shareholder Shares	3,795,407	100%	3,795,407	76,75
Total Offer Shares	-	-	1,150,000	23,25
Total Shares	3,795,407	100	4,945,407	100%

8. TAXATION

The following sections are based on tax laws, regulations, rulings and Double Taxation Treaties as in effect in the respective jurisdictions at the date of this Securities Note. The overview below outlines the key principles of the Latvian and Estonian tax regimes that may be relevant to acquisition, holding and transfer of the Shares as well as a general overview of taxation principles applicable to INDEXO as a Latvian tax resident. Legislative, judicial or administrative changes or interpretations may, however, be forthcoming that could affect or modify the statements set forth herein. Any such changes or interpretations may be retroactive and may have a material adverse effect on the owners of the Shares. The tax legislation of the investor's Member State and of Latvia, i.e., INDEXO's country of incorporation, may have an impact on the income received from the securities.

The section does not constitute a comprehensive or exhaustive explanation of all possible taxation aspects that may be of relevance to the owners of the Shares and shall not be treated as tax or legal advice to prospective investors. Any persons interested in acquisition of the Offer Shares are strongly encouraged to seek individual professional tax advice in order to assess particular tax implications of acquiring, holding or transferring the Shares.

Tax legislation of the investor's Member State and Latvia may have an impact on the income received from the Offer Shares.

Please see Section 3 "RISK FACTORS" of this Securities Note for summary of risks associated with taxation and changes in the applicable tax regime. Future increase of applicable tax rates or imposing of additional taxes by the Latvian or Estonian governments may affect taxation of dividends or capital gains of the shareholders.

8.1. Latvian tax implications

Taxation of INDEXO

This section outlines a general overview of taxation principles applicable to INDEXO as a Latvian tax resident.

INDEXO is subject to a number of tax obligations, including corporate income tax (CIT), value added tax, personal income tax (PIT) (to the extent PIT is withheld at source as payroll tax or withholding tax, which may apply to other sources of income of private individuals), mandatory social insurance contributions, real estate tax, natural resource tax, vehicle operation tax and company car tax, along with other taxes. The tax policy of the government may change in a manner creating material adverse effects on business, prospects, financial condition, results of operations or cash flows of INDEXO.

CIT

The CIT regime in Latvia differs from traditional CIT systems, meaning that the profits of a Latvian company are not taxed upon accrual but are taxed upon distribution (actual or deemed profit distribution). Retained and reinvested profits are not taxable to CIT. Consequently, management fees received by INDEXO are not subject to CIT unless further profit distribution (actual or deemed) occurs.

The CIT rate is 20% and is applicable to the taxable base divided by a coefficient of 0.8 (i.e. distributions are taxed at the rate on 20/80 of the net amount).

Distribution of profits includes: dividends, payments equivalent to dividends and conditional dividends calculated upon completion of liquidation or reduction of share capital. Deemed distribution of profits includes, inter alia: business non-related expenses, bad debts, transfer pricing adjustments, liquidation quota, certain loans to related parties, certain transfer of assets upon reorganization, certain transfer of assets to a permanent establishment abroad.

The CIT charged on the above is payable only at the level of INDEXO with INDEXO being responsible for calculating, declaring and paying the respective CIT. CIT paid upon profit distribution (actual or deemed) is the company's tax and shall not be treated as a withholding tax or income tax for a recipient of profits.

Dividends and capital gains are treated as regular income at the legal entity level, and hence are not taxed upon accrual, but only upon further profit distribution. Nevertheless, several tax exemptions also apply to distribution of profits accrued from dividends or capital gains received. A legal entity shall not apply CIT to distribution of profits in the amount of:

- (1) dividends received from subsidiaries that are CIT payers or if tax was withheld at source (except when received from a low-tax or no-tax jurisdiction);
- (2) profits from sale of shares of a subsidiary company that are held for at least 36 months (with the exception of disposal of shares in a company established in a low-tax or no-tax jurisdiction; or if in the accounting year of disposal or the previous year more than 50% of the assets of the respective company are immovable property located in Latvia).

When dividends or profits received from disposal of shares to which tax exemption may be applied exceed distributed dividends by the legal entity within the respective tax period, the excess amount is attributable to profit distributions of the legal entity within the next tax periods in chronological order.

Taxation of Shareholders

A "resident individual" under this section means a private individual who is deemed a Latvian tax resident under Latvian laws and any applicable Double Taxation Treaty as outlined below.

Under Latvian laws a resident individual is a private individual with a declared place of residence in Latvia or present in Latvia for 183 days or longer during any twelve-month period, or a Latvian citizen employed abroad by the government of Latvia.

Whenever a private individual qualifies as a tax resident under Latvian laws and the laws of other jurisdictions, the tax residency of that person is determined by applying the rules of the Double Taxation Treaty entered into between Latvia and the respective country: the individual shall be deemed to be a resident of the country in which they have a permanent home available; an individual who maintains permanent homes in both countries shall be deemed to be a resident only of the country with which their personal and economic relations are closer (centre of vital interests); if the country in which the individual has their centre of vital interests cannot be determined, or if the individual has no permanent home available to them in either country, they shall be deemed to be a resident only of the country in which they have an habitual abode; an individual who has a habitual abode in both countries or in neither of them shall be deemed to be a resident only of the country of which they are a national; if the individual is a national of both countries or neither of them, the competent authorities of both countries shall settle the question by mutual agreement.

"Resident entity" under this section means a legal person that is deemed a Latvian tax resident under Latvian laws and any applicable Double Taxation Treaty.

Under Latvian laws a resident entity is a Latvian resident primarily if it is established and registered in Latvia or if it should have been established and registered in Latvia according to Latvian laws, due to performance of certain activities in Latvia.

Permanent establishment is treated as a regular taxpayer in Latvia. Whenever any activity by a non-resident entity is performed in Latvia, whether such activity creates a permanent establishment under Latvian laws and the applicable Double Taxation Treaty, if any, should be evaluated.

"Non-resident individual" and "non-resident entity" in this section means all private individuals and legal persons that do not qualify as a resident individual or resident entity under Latvian laws.

Dividend income of Shareholders

No withholding tax is applied to dividends upon distribution by INDEXO to resident and non-resident individuals or entities (except upon dividend payment to non-residents residing, located, established, or registered in low-tax or no-tax jurisdictions, when 20% withholding tax is applicable. Such jurisdictions are specified in accordance with the Regulations of the Cabinet of Ministers No. 333 of 27 June 2023).

Resident individuals do not pay PIT on dividends received if CIT is applied upon profit distribution by the respective company or if the distributed dividends are tax exempt under applicable tax exemption.

Considering that generally no withholding tax applies to a dividend payment, non-resident individuals should determine if any tax payment and reporting obligations apply under the domestic laws in their country of residence. Non-resident individuals might not be able to credit any tax payments from INDEXO to the tax liabilities in their country of residence, as the tax paid in Latvia is CIT of the respective dividend distributor and not a withholding tax attributable to or PIT of the dividend recipient. Each non-resident individual therefore should seek professional advice with respect to any tax obligations under the domestic law of their country of residence.

Resident entities do not pay CIT upon receipt of dividends.

Non-resident entities should determine if any tax and reporting obligations apply under the domestic laws of the country of residence. The possibility to credit CIT paid by INDEXO in Latvia upon profit distribution must be evaluated in each individual case in line with the domestic laws of the respective jurisdiction and applicable Double Taxation Treaty, if any.

Capital gains of the Shareholders

Resident private individuals pay PIT of 20% from the capital gains obtained by a resident individual from the sale of the Shares. Capital gains are determined as the difference between the sale price and acquisition value of an asset. Losses from sale of assets within a tax year may be offset against income from sale of other assets of the same type within the same tax year.

Non-resident private individuals do not pay PIT in Latvia from capital gains on the sale of publicly traded shares (i.e., the Shares). A non-resident individual might have an obligation to pay income tax from the sale of publicly traded shares in their country of residence.

Other capital gains of a non-resident overall are subject to PIT of 20% in Latvia, unless specific provisions of a Double Taxation Treaty allow application of tax exemption in Latvia.

Non-resident individuals should always seek professional advice to determine whether any tax and reporting obligations apply under the domestic law of their country of residence.

Resident entities do not pay CIT upon receipt of capital gains from the disposal of Shares irrespective of the percentage of shareholding and holding period. The holding period of the Shares, however, might affect taxation of further profit distribution by a resident entity to its shareholders.

Non-resident entities do not pay CIT in Latvia upon receipt of capital gains from sale of Shares. No withholding tax is applied in Latvia to the respective income of non-resident entities, except when a non-resident entity is registered, located or established in a low-tax or no-tax jurisdiction and payment of income is made by a Latvian resident, obliged to withhold tax of 20% at source.

Non-resident entities should determine if any tax or reporting obligations apply under the domestic law of their country of residence.

Investment Account

Whenever private individuals use an investment account that qualifies as such under Latvian Law on Personal Income Tax for investments (including acquisition of the Shares), PIT of 20% is applied to the difference between the amount paid into the investment account and the amount paid out from the investment account, minus dividend income and interest income that is already taxed upon payment and therefore not subject to additional PIT and minus income from Latvian or other EU or European Economic Area states and local government securities. As long as transactions with assets are performed through the investment account, no PIT is payable from the profits unless funds are transferred from the investment account to a regular account in an amount that exceeds payments into the investment account. Thus, if the Shares are acquired through a qualified investment account, the shareholder may benefit from the so-called deferred tax payment regime.

Other Taxes

No transfer tax, value added tax, stamp duty or similar taxes are assessed on the purchase, sale or other transfer of the Shares. No net wealth tax is applied in Latvia.

8.2. Estonian tax implications

INDEXO is not considered to be an Estonian tax resident. This section outlines key principles of Estonian taxation system that may apply to the acquisition, holding and transfer of the Shares for shareholders that are tax residents of Estonia.

Taxation of Shareholders

“Resident individual” under this section means a private individual who is deemed an Estonian tax resident under Estonian laws and any applicable Double Taxation Treaty.

Under Estonian laws a resident individual is a private individual whose place of residence is Estonia or who stays in Estonia for at least 183 days over the course of a period of twelve consecutive calendar months. Estonian diplomats in foreign service are also deemed to be Estonian residents for tax purposes.

If a private individual qualifies as a tax resident under Estonian law and the domestic law of another country, the tax residency of the respective person is determined by applying the Double Taxation Treaty entered into between Estonia and the respective country, if any.

“Resident entity” under this section means a legal person that is deemed an Estonian tax resident under Estonian laws and any applicable Double Taxation Treaty, if any.

Under Estonian laws a resident entity is primarily a tax resident in Estonia if it is established pursuant to Estonian laws. European public limited companies (SE) and European associations (SCE) whose seat is registered in Estonia are also tax residents in Estonia.

“Non-resident individual” and “non-resident entity” in this section means all private individuals and legal persons that do not qualify as a resident individual or resident entity under Estonian laws.

Dividend income of Shareholders

No withholding tax is applied to dividends upon distribution by INDEXO to Estonian resident individuals or entities; however INDEXO pays CIT upon profit distribution to its shareholders.

Estonian resident individuals do not pay PIT on dividends received from foreign entities, provided that either the underlying profits out of which dividends are paid have been subject to foreign CIT or similar tax, or if income tax was withheld at source from the respective dividends (corresponding documents shall be provided). In other cases Estonian resident individuals shall pay PIT of 20% on dividend income received from a foreign entity.

Estonian resident entities do not pay CIT upon receipt of dividends. Estonian resident entities pay CIT of 20% at 20/80 of the net amount only upon profit distribution by the Estonian resident entity to its shareholders.

Distribution of profits includes dividends, liquidation proceeds, share buy-backs, capital reductions, certain loans issued to a shareholder or a partner, deemed profit distributions (such as transfer pricing adjustments, business non-related expenses and payments). Reduced CIT at the rate of 14% at 14/86 of the net amount applies when Estonian resident entities make regular profit distributions: dividends are paid in an amount below or equal to the extent of taxed dividends paid during the three preceding years. Certain CIT exemptions might be applicable for further distribution of profits to shareholders of an Estonian resident entity.

Capital gains of Shareholders

Estonian resident individuals pay PIT of 20% on capital gains from the disposal or exchange of shares. Capital losses can be offset against capital gains. Nevertheless, similarly as in Latvia, a tax-exempt investment account scheme is applicable for Estonian resident individuals, under which individuals can defer the moment of taxation of investment income and capital gains derived from qualified securities. Under certain conditions, individuals can reinvest respective income without paying any income tax.

Estonian resident entities do not pay CIT upon receipt of capital gains. General CIT principles apply to the income of Estonian resident entities from the disposal of a shareholding. Namely, Estonian resident entities pay CIT of 20% at 20/80 of the net amount (or in certain cases 14% at 14/86 of the net amount) upon profit distribution by an Estonian resident entity to its shareholders and no tax is levied upon accrual of income.

Other Taxes

No transfer tax, value added tax, stamp duty or similar taxes are assessed on the purchase, sale or other transfer of the Shares. No net wealth tax is applied in Estonia.

9. GLOSSARY

The following definitions apply throughout this Securities Note unless the context requires otherwise. They are not intended as technical definitions and are provided purely for assistance in understanding certain terms used in this Securities Note.

Table 9.1

AML	Anti-money laundering.
Articles of Association	Articles of Association of INDEXO effective as of the date of this Securities Note.
Audited Financial Statements	Audited financial statements of INDEXO pertaining to the three financial years which ended on 31 December 2022, 31 December 2021, 31 December 2020.
AUM	Assets under management.
Baltic Main List of Nasdaq Riga	A list of shares and other capital securities of the Baltic Regulated market operated by Nasdaq Riga.
Bank of Latvia (in Latvian: Latvijas Banka)	An autonomous public institution of the Republic of Latvia, which carries out supervision of Latvian banks, credit unions, insurance companies and insurance brokerage companies, participants of the financial instruments market, as well as private pension funds, payment institutions and electronic money institutions.
Belarus	Republic of Belarus.
CIT	Corporate income tax.
CFT	Combating the financing of terrorism.
Commercial Register	The Register of Enterprises of the Republic of Latvia.
CRR	Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.
Delegated Regulation	Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004.
Double Taxation Treaty	General reference to any applicable tax treaty for the avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income that is concluded by Latvia or Estonia.
Estonia	The Republic of Estonia.
EU	The European Union.
EUR	Euro, the official currency of eurozone countries, including Latvia and Estonia.
Existing Shareholders	Natural or legal person(s) holding the Share(s) of INDEXO at the moment of approval of this Securities Note.

Financial Statements	Audited Financial Statements and Interim Financial Statements.
IAS	International Accounting Standards.
IDX1R	A joint stock company (akciju sabiedrība) registered in Latvia, registration number: 40203448611, legal address: Elizabetes street 13 – 1A, Riga, LV-1010, Latvia.
INDEXO Bank	A licensed credit institution to be established as a result of this Offering with the net proceeds of the Offering.
INDEXO Group	INDEXO and its Subsidiary.
Interim Financial Statements	The unreviewed consolidated interim financial statements of INDEXO for the 9-month period which ended on 30 September 2023.
IPAS “Indexo” or INDEXO, or Company	IPAS “Indexo” is a joint stock company (70kciju sabiedrība), incorporated in Latvia and registered in the Commercial Register on 10 January 2017 under registration number 40203042988, having its registered address at Elizabetes street 13 – 1A, Riga, LV-1010, Latvia.
ISIN	International Securities Identification Number.
IT	Information Technologies.
Key Personnel	Employees of the highest managerial level who are in charge of the general management and operation of INDEXO and are the most valuable asset of INDEXO.
Latvia	The Republic of Latvia.
Listing	Listing of Shares on the Baltic Main List of Nasdaq Riga.
Lithuania	The Republic of Lithuania.
LEI	Legal entity identifier.
Maximum Amount	The number of the Offer Shares indicated in the Subscription Undertaking will be regarded as the maximum number of Offer Shares which the investor wishes to acquire.
Management Board	The Management Board of INDEXO.
Member States	The Member States of the European Union.
MIFID II	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.
Nasdaq CSD	Nasdaq CSD SE (<i>Societas Europaea</i>), the regional Baltic central securities depository (CSD), registration No. 40003242879, registered address Valņu street 1, Riga LV-1050, Latvia.
Nasdaq Riga	Nasdaq Riga AS, registration No. 40003167049, registered address at Valņu street 1, Riga, LV-1050, Latvia.
Offering	The public offering in Latvia and Estonia and listing and admission to trading of the Offer Shares

Offer Period	The Offer Period commences on 11 December 2023 at 10:00 local time in Latvia and Estonia and terminates on 29 December 2023 at 15:30 local time in Latvia and Estonia unless it is shortened or extended.
Offer Price	The price at which each Offer Share is to be issued or sold under the Offering.
Offer Shares	The number of the Offer Shares is up to 1,150,000.
PIT	Personal income tax.
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public of admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
Russia	Russian Federation.
Sanctions	Restrictive measures, namely, restrictions or prohibitions imposed pursuant to international public law, including restrictive measures adopted by the United Nations Security Council (UN), the European Union (EU), Office for Foreign Assets Control (OFAC) and by the Republic of Latvia.
Section	A Section of this Securities Note.
Securities Note	This document.
Shares	Dematerialised bearer shares with a nominal value of EUR 1 each that are registered with Nasdaq CSD under the reserved ISIN LV0000101863 and kept in book-entry form.
Shareholder	Natural or legal person(s) holding the Share(s) of INDEXO at any relevant point in time.
Shareholders' meeting	A meeting of INDEXO's shareholders, the highest governing body of INDEXO.
Subscription Undertaking	An order submitted by an investor for the purchase of the Offer Shares in accordance with the terms and conditions of the Offering.
Summary	The summary of the prospectus.
Supervisory Board	The Supervisory Board of INDEXO.