

INDEXO¹

**UNIVERSAL
REGISTRATION
DOCUMENT**

December 2023

IPAS “Indexo”

incorporated and registered in Latvia under registration number 40203042988

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 management company operation licence issued on 16 May 2017. INDEXO’s shares are admitted, listed and traded on the Baltic Main List of Nasdaq Riga.

The applicable regulations with respect to public information and protection of investors, as well as the commitments made by INDEXO to securities and market authorities, are described in this Universal Registration Document (the “**Universal Registration Document**”).

The Universal Registration Document has been approved by the Bank of Latvia (in Latvian: Latvijas Banka) on 6 December 2023 as competent authority under Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). The Bank of Latvia (in Latvian: Latvijas Banka) only approves this Universal Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by Prospectus Regulation, such approval should not be considered as an endorsement of the issuer that is the subject of this Universal Registration Document. The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by amendments, if applicable, and a securities note and summary approved in accordance with Prospectus Regulation. The whole is approved by the Bank of Latvia (in Latvian: Latvijas Banka) in accordance with Prospectus Regulation.

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1. INTRODUCTORY INFORMATION

1.1. Applicable Law

This Universal Registration Document has been drawn up in accordance with the Prospectus Regulation, Financial Instruments Market Law and 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 (the “**Delegated Regulation**”), in particular with Annex 1, Annex 2 and 11 thereof, and Commission Delegated Regulation (EU) 2019/979 of 14 March 2019 with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal. Latvian law applies to this Universal Registration Document and any disputes arising from this Universal Registration Document shall be settled in Latvian courts, except when, according to the applicable law, the jurisdiction cannot be agreed on.

Please review the following important introductory information before reading this Universal Registration Document.

1.2. Responsible Persons and Limitation of Liability

IPAS “Indexo” (the “**INDEXO**”) and its Management Board is responsible for the information provided in this Universal Registration Document. INDEXO and its Management Board accepts responsibility for the correctness and accuracy of the information contained in this Universal Registration Document. Having taken all reasonable care, INDEXO and its Management Board believes that the information in this Universal Registration Document 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 Universal Registration Document.

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

1.3. Presentation of Information

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

Approximation of numbers

Numerical and quantitative values in this Universal Registration Document (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 Universal Registration Document, financial information is presented in Euro (EUR), the official currency of the EU Member States participating in Economic and Monetary Union, including Latvia.

Date of financial information

The financial information presented in this Universal Registration Document is derived or taken from the audited financial statements of INDEXO pertaining to the three financial years ended on 31 December 2022, 31 December 2021, 31 December 2020 (the “**Audited Financial Statements**”). The Audited Financial Statements have been prepared by the Management Board and audited by PricewaterhouseCoopers SIA for the financial years ending 31 December 2022 and 31 December 2021 and 31 December 2020.

The Audited Financial Statements, available at: <https://indexo.lv/en/for-investors/reporting/>, consist of the following:

- 1) INDEXO audited consolidated and separate annual report for the financial year ended 31 December 2022 and the independent auditor’s report, available at:
https://nasdaqbaltic.com/market/upload/reports/idx/2022_ar_en_eur_con_ias.pdf;
- 2) INDEXO audited consolidated annual report for the financial year ended 31 December 2021 and the independent auditor’s report, available at:
https://nasdaqbaltic.com/market/upload/reports/idx/2021_ar_en_eur_con_ias.pdf;
- 3) INDEXO audited stand-alone annual report for the financial year ended 31 December 2021 and the independent auditor’s report, available at:
https://nasdaqbaltic.com/market/upload/reports/idx/2021_ar_en_eur_00_ias.pdf;
- 4) INDEXO audited stand-alone annual report for the financial year ended 31 December 2020 and an Independent Auditor’s Report, available at:
https://nasdaqbaltic.com/market/upload/reports/idx/2020_ar_en_eur_00_ias.pdf.

Taking into account that the first consolidated financial statement for INDEXO Group was prepared for the financial year ended 31 December 2021, the consolidated data included in this Universal Registration Document for both financial years ended 31 December 2020 and 2021 were derived from the consolidated annual report for the financial year ended 31 December 2021.

In addition, the financial information presented in this Universal Registration Document is derived from INDEXO unreviewed consolidated interim financial statements for the 9-month period which ended on 30 September 2023, available at: https://nasdaqbaltic.com/market/upload/reports/idx/2023_q3_en_eur_con_ias.pdf. The Interim Financial Statements together with the Audited Financial Statements are also referred to as the “**Financial Statements**”.

Third-party information and market information

Certain information contained in this Universal Registration Document has been obtained from third parties. Such information is accurately reproduced and, as far as INDEXO is aware and is able to ascertain from the information published by those third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Certain information regarding the markets in which INDEXO operates is based on the best assessment by the Management Board. Reliable information pertaining to the markets in which INDEXO operates is not always available or conclusive. While all reasonable measures have been taken to provide the best possible assessment of information about the relevant area of activity, such information may not be relied upon as final and conclusive. Prospective investors are encouraged to conduct their own analysis of the relevant areas of activity or employ a professional consultant.

Updates

INDEXO will only update the information contained in this Universal Registration Document 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 forward-looking statements included in this Universal Registration Document (please see Section 1.5 “Forward-Looking Statements”).

Definitions of terms

In this Universal Registration Document, terms with capitalised first letters have the meaning given to them in Section 24 “GLOSSARY”, unless the context evidently requires the contrary, whereas the singular includes plural and vice versa. Other terms may be defined elsewhere in the Universal Registration Document.

References to the INDEXO Website

This Universal Registration Document contains references to the INDEXO website (<https://indexo.lv/en/for-investors/>). INDEXO does not incorporate the information available on the website in the Universal Registration Document, i.e., the information on the website is not part of this Universal Registration Document 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.

1.4. Accounting Principles

The Audited Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union. In addition, requirements set by the Bank of Latvia (in Latvian: Latvijas Banka) have been met with respect to preparation of the Audited Financial Statements.

1.5. Forward-Looking Statements

This Universal Registration Document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements are based on opinions and best judgments by INDEXO or its Management Board relative to the information currently available to the Management Board. All forward-looking statements in this Universal Registration Document are subject to risks, uncertainties, and assumptions regarding the future operations of INDEXO, the local and international macroeconomic environment and other factors.

These forward-looking statements can be identified in the Universal Registration Document by use of words including, but not limited to, “strategy”, “anticipate”, “expect”, “believe”, “estimate”, “will”, “continue”, “project”, “intend”, “targets”, “goals”, “plans”, “should”, “would” and other words and expressions of similar meaning, or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements can also be identified in the way they do not directly relate to historical and current facts. They appear in a number of places throughout this Universal Registration Document (including, but are not limited to Section 10 “OPERATING AND FINANCIAL REVIEW” of this Universal Registration Document) and include, but are not limited to, statements regarding INDEXO’s intentions, beliefs or current expectations concerning, among other things, the Group’s results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which INDEXO operates.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and INDEXO’s financial position and results of operations, and development of the markets and industries in which members of INDEXO operate may differ materially from those described in, or suggested by, the forward-looking statements contained in this Universal Registration Document. In addition, even if INDEXO’s results of operations and financial position, and development of the markets and industries in which INDEXO operates,

are consistent with the forward-looking statements contained in this Universal Registration Document, those results or developments may not be indicative of results or developments in subsequent periods. A number of risks, uncertainties and other factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements (please see Section 2 “RISK FACTORS” of this Universal Registration Document).

INDEXO is under no obligation to, and expressly disclaims any obligation to, update or alter the forward-looking statements in this Universal Registration Document based on changes, new information, subsequent events or for any other reason.

The validity and accuracy of forward-looking statements is influenced by the general operating environment and the fact that INDEXO is affected by changes in domestic and foreign laws and regulations (including those of the European Union), taxes, developments in competition, economic, strategic, political, and social conditions, as well as other factors. INDEXO’s actual results may differ from the Management Board’s expectations due to changes caused by various risks and uncertainties, which in turn could adversely impact INDEXO’s operations, business, or financial results. As a result of these risks, uncertainties and assumptions, a prospective investor should not place undue reliance on these forward-looking statements.

1.6. References incorporated into this Universal Registration Document

The following information has been incorporated into this Universal Registration Document by references from the following statutory Financial Statements and Articles of Association:

- 1) INDEXO audited consolidated and separate annual report for the financial year ended 31 December 2022 and the independent auditor’s report, available at:
https://nasdaqbaltic.com/market/upload/reports/idx/2022_ar_en_eur_con_ias.pdf;
- 2) INDEXO audited consolidated annual report for the financial year ended 31 December 2021 and the independent auditor’s report, available at:
https://nasdaqbaltic.com/market/upload/reports/idx/2021_ar_en_eur_con_ias.pdf;
- 3) INDEXO audited stand-alone annual report for the financial year ended 31 December 2021 and the independent auditor’s report, available at:
https://nasdaqbaltic.com/market/upload/reports/idx/2021_ar_en_eur_00_ias.pdf;
- 4) INDEXO audited stand-alone annual report for the financial year ended 31 December 2020 and an Independent Auditor’s Report, available at:
https://nasdaqbaltic.com/market/upload/reports/idx/2020_ar_en_eur_00_ias.pdf.
- 5) INDEXO unreviewed consolidated interim financial statements for the 9-month period which ended on 30 September 2023, available at:
https://nasdaqbaltic.com/market/upload/reports/idx/2023_q3_en_eur_con_ias.pdf;
- 6) INDEXO Articles of Association, available on INDEXO corporate website: <https://indexo.lv/par-mums/>.

The Audited Financial Statements and related auditor’s report included in this Universal Registration Document have been extracted without material adjustment from the annual report published at the date indicated in the auditor’s report. References in the auditor’s report to “other information” are references to other information in the annual report. Such other information does not form part of this Universal Registration Document.

The Audited Financial Statements have been audited by independent auditor PricewaterhouseCoopers SIA (please see Section 1.8 “The external auditor” of this Universal Registration Document). The Financial Statements include the information required under sections 18.1.1, 18.1.3, 18.1.6, 18.2.1 and 18.3.1 of Annex 1 to the Delegated Regulation.

The aforementioned documents are accessible on the website of INDEXO at INDEXO's website (<https://indexo.lv/>).

1.7. Documents on Display

This 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 Universal Registration Document: this Universal Registration Document and the Securities Note together with the summary of the prospectus once they have been approved by the Bank of Latvia (in Latvian: Latvijas Banka) (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.

1.8. The external auditor

Audit firm PricewaterhouseCoopers SIA, registration number: 40003142793, legal address: Kr. Valdemāra street 21-21, Riga, LV-1010, Latvia was appointed as INDEXO's external auditor for the accounting period of 2020-2023. PricewaterhouseCoopers SIA is a certified auditor (licence No. 5) and a member of the Latvian Association of Certified Auditors.

The change of external auditor for the period covered by the historical financial information cannot be regarded as material. The switch between audit firms was due to allocation of the function of internal auditor to SIA KPMG Baltics for 2021. Thereby, in accordance with the applicable laws and regulations, SIA KPMG Baltics was no longer able to fulfil the role of external auditor and a different audit firm was appointed.

2. RISK FACTORS

INDEXO conducts its business in a constantly evolving environment. It is therefore exposed to risks, the occurrence of which may independently or collectively have an adverse effect on the business of INDEXO or INDEXO Group, financial results, operations or prospects. 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 Universal Registration Document, the factors and risks associated with INDEXO and INDEXO Group and industry where it operates as a whole that are set forth below. In case of any doubts about the investment, prior to investing, each prospective investor should seek professional advice.

The risk factors are presented in a limited number of categories, placing each risk factor in the most appropriate category based on the nature of the risk it represents. 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 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.

Taking into account the nature of the business and operations of INDEXO, it must be noted that INDEXO regularly assesses and identifies the risks that are associated with it. The risk factors presented are disclosed and relevant only to INDEXO Group as of the date of this Universal Registration Document, excluding risks for pension plans which INDEXO manages.

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.

2.1. Macro-economic risks relating to INDEXO's and INDEXO's Group business and the industry in which it operates

Risk of economic slowdown

INDEXO manages pension funds of residents of Latvia who participate in INDEXO 2nd and 3rd pillar pension plans. The amount of contributions into the 2nd pillar pension plans depends on the amount of salary/remuneration of each respective client and paid state mandatory social insurance contributions. Consequently, with growth of average salary in Latvia, the amount of overall contributions to 2nd pillar pension plans is growing and thereby increasing AUM by INDEXO. The amount of contributions to 3rd pillar pension plans largely depends on the amount of assets that respective residents can afford to invest after covering daily expenses and meeting other basic and priority needs.

Therefore, INDEXO's Group business is interconnected with the wellbeing of its clients since the amount of average income and existence of additional funds to be invested correlates with the amount of AUM that INDEXO holds. Moreover, the commission fee received by INDEXO depends on the amount of AUM.

The wellbeing of its clients, amount of income and amount of funds available for investment needs is directly affected by the overall performance of the Latvian economy. As a result of the wide sanction adopted within

the EU and outside against the Russian Federation and the Republic of Belarus Latvian economy was adversely affected by various factors, such as energy prices, the rise of inflation.

In addition, such factors as political changes, social disturbances and other acts of violence, natural calamities, pandemics and other factors may adversely affect the Latvian economy further. Regulatory changes introduced by the government could also adversely affect businesses and economic conditions in Latvia.

INDEXO Group is not operating only in specific parts of Latvia and its products are available throughout the country can be easily accessed via internet; hence the risk exposure to a local economic downturn or adverse effects of regulatory changes adopted within local government is considered as low.

As the result of slow-down in the Latvian economy, the amount of contributions to 2nd and 3rd pillar pension plans may decrease, which may cause a slow-down in growth of the amount AUM.

Any of the aforesaid factors could have a material adverse effect on INDEXO Group business, financial and operational results, conditions or prospects and are assessed as medium.

External risk

During recent years and up until today several factors affect the world at large, of which some are and have been more relevant to Europe and Latvia specifically. These factors are potential risk drivers in the economies affected by them as they may cause 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.

Covid-19 pandemic. Changing restrictions to contain the pandemic has affected INDEXO Group's marketing strategy and sales channels during the period 2020-2021 as one of the main sales channels was and will continue to be addressing potential clients in person. Taking into account that during the Covid-19 pandemic the areas where the potential clients are usually addressed were partially closed or unavailable to customers, INDEXO was required to temporarily change its sales strategy and address potential clients via telemarketing and internet. However, during the period from 2022 until the date of this Universal Registration Document, Covid-19 restrictions which were impacting the business of INDEXO and its Group were either cancelled completely or minimal. Therefore, it is not expected that Covid-19 pandemic will continue to affect INDEXO Group's business directly. Nevertheless, it may not be excluded that the new restrictions will be imposed again in future with the currently unpredictable development and spread of the virus; hence Covid-19 remains as a potential risk factor that may affect the operations and marketing strategy of INDEXO.

Geo-political tension. Increased geopolitical tension was noticeable in the Baltics towards the end of 2021 as Russia and Belarus conducted one of the largest military exercises since the 1980s and targeted the EU's neighbouring countries that criticized the 2020 presidential election in Belarus. Furthermore, geopolitical tensions between Russia and Belarus on the one side and Europe and the United States on the other side escalated during the first months of 2022. On 24 February 2022 Russia invaded Ukraine which additionally can be perceived to be an attack against Europe and its democratic values and violation of international law.

As a result, at the end of 2022, the annual inflation in the Republic of Latvia reached the highest threshold of the last decade – 20.8% per year, significantly outpacing the increase of average wages and reducing the real purchasing power of the population. Currently, as of end of September 2023, the annual inflation is at 3.3% per year. The increase in energy prices and inflation may have an indirect effect on the financial markets and the free funds of the INDEXO Group's customers, however INDEXO does not suspect that the quality of the INDEXO Group's debtors will deteriorate.

Taking into account the above mentioned, external risk it is evaluated as low.

Market risk

INDEXO Group generates the vast majority of its revenue in the form of commissions charged for management of pension plans. The revenue received from commissions for management of funds is calculated as a fixed percentage of the value of the net assets or assets of the portfolio under management during the reporting period. Thus, the amount of commissions received is linked to the value of AUM.

Even though INDEXO's products are available only in Latvia and currently INDEXO has no plan to expand its operations outside Latvia, AUM are managed by making investments worldwide based on INDEXO's investment strategy – investments in index funds that further invest in the market as a whole. Therefore, INDEXO's business operations are exposed to indirect volatility risk in the capital markets of other countries. Consequently, fluctuations in global capital markets, including in the prices of equities, fixed income securities and currencies, may adversely affect the value of INDEXO AUM from which INDEXO derives its revenue.

Nevertheless, INDEXO follows the principle of diversification by investing AUM in financial instruments that reflect a wide range of global financial markets in order to reduce the impact of a particular geographic region or economic sector.

INDEXO believes that through the index-based approach and investments in the global economy over a long period, the aforesaid risks are mitigated and therefore are accepted; nevertheless, such risks may not be fully eliminated because of the potential general deterioration or instability of the global economy and political environment caused by the uncertainties connected with Covid-19 pandemic and the geopolitical situation.

Aside from AUM within its developed pension plans, INDEXO Group does not have portfolios of securities or other market-driven assets. The funds of INDEXO Group are held in the form of cash in EUR in Latvian credit institutions. Therefore, the market risk can mainly be associated only with pension plans managed by INDEXO. However, according to the passive management philosophy described in the prospectus for each pension plan, INDEXO does not actively interfere with the plan portfolio due to market risk considerations.

Taking into account the above, INDEXO'S assessment for market risk is low.

2.2. Risk factors related to the operating environment of INDEXO

Competition risk in the pension management segment

Since the moment INDEXO entered the market as a challenger brand at a time when Latvia had the highest 2nd pillar management fees in Europe and became the first low-cost index-fund pension plan provider, launching real competition in the pension savings market, competitors of INDEXO have tried to improve their service and keep up with the trends set by INDEXO.

The pension management market in Latvia is growing and INDEXO Group expects such competition to intensify in response to market behaviour, consumer preferences, technological changes, regulatory action, government initiatives and other factors. INDEXO Group therefore faces the risk that existing or potential clients might prefer the services of competitors instead of those of INDEXO Group; consequently, there is no guarantee that INDEXO Group will be able to achieve expected growth levels or that it will be able to maintain its financial performance.

INDEXO Group is conducting its business in a competitive environment. Therefore, the operational and financial results of INDEXO Group could be materially adversely affected if INDEXO Group does not anticipate and respond to competitive changes, government initiatives or client preferences in a timely and cost-effective manner.

Competition risk in the 2nd pension pillar segment

INDEXO is constantly working on provision of the best possible service to its clients in a market which is dominated by large commercial banks. That is, INDEXO is competing with seven other investment management companies which manage retirement savings within the 2nd pension pillar.

A large number of Latvian residents have already historically agreed on management of their assets within the 2nd pension pillar with other asset managers that had been offering services long before INDEXO entered the market. Even though the popularity of the INDEXO brand has grown tremendously, there is a risk that INDEXO might not be able to attract as many new clients as planned, and consequently, will not achieve planned growth due to the conservative attitude of Latvian residents. Moreover, considering that many competitors are also offering classic banking services for day-to-day operations, INDEXO might lose some potential clients due to the fact that it provides services in a specific segment and cannot currently offer a complex of services – namely, asset management and banking services – within the same brand.

Competitors are also striving to retain their existing clients; therefore, INDEXO might face a risk that potential new clients will decide not to change their asset manager.

These factors might affect investment decisions and potential new clients might lean towards entrusting their asset management to competitors of INDEXO (mainly, where their assets are currently managed). If INDEXO competitors can exploit their existing advantages related to their wider range of services and historically developed better visibility, INDEXO might not be able to attract or retain clients, which in turn could have a material adverse effect on planned growth in terms of AUM and numbers of participants, overall performance, financial indicators and prospects. INDEXO assesses competition risk in the 2nd pension pillar segment as medium.

Competition risk in the 3rd pension pillar segment

There are seven 3rd pension pillar asset managers in the Latvian market licensed by the Bank of Latvia (in Latvian: Latvijas Banka), including Indexo Atklātais Pensiju Fonds AS. In comparison to other market players, Indexo Atklātais Pensiju Fonds AS is a new entrant to the market and thus in a rapid expansion stage. Moreover, overall the 3rd pension pillar is still at the stage of growth in Latvia and extensive work must be done in order to attract people to join this voluntary private asset management scheme. Hence, the challenges Indexo Atklātais Pensiju Fonds AS is facing and will continue to face are related both to competition and also the open-mindedness and financial literacy of Latvian residents.

Considering that Indexo Atklātais Pensiju Fonds AS competitors are mainly large commercial banks, they have a broader client base who are already receiving certain services from certain brands as a whole. Indexo Atklātais Pensiju Fonds AS, on the other hand, needs to build trust in its brand and raise financial literacy to introduce existing 2nd pension pillar clients and potential new clients to the benefits and necessity for investment in the 3rd pension pillar.

In the future Indexo Atklātais Pensiju Fonds AS might also face increased competition and expansion of services and/or reduction of the operating and service costs of competitors. If Indexo Atklātais Pensiju Fonds AS is unable to offer products and services of a similar or higher standard than those of its competitors, as well as if Indexo Atklātais Pensiju Fonds AS is unable to keep up with the commission fee cuts of competitors, Indexo Atklātais Pensiju Fonds AS might lose its current or potential clients, as well as its market share.

Nonetheless, 3rd pension pillar popularity is only beginning to increase and since entering the market, Indexo Atklātais Pensiju Fonds AS has been the trend setter with regard to the service level and costs; therefore, the competition risk in the 3rd pension pillar segment is assessed as medium.

Risk related to unsuccessful development of new products and services

The current approach of INEXO Group has been to offer unique, simple and understandable products to its clients, such as the 3rd pension pillar automatic rebalancing. Considering the growing competition and in order to maintain acknowledgement in the market of the INEXO Group brand as being the trend setter, INEXO Group's strategy is to remain at the forefront of development of the industry. Therefore, INEXO Group is continuing work on developing new innovative products and services.

The process of developing new products and services and enhancing existing products and services is complex, costly, time consuming and involves significant execution risks. INEXO Group may also lack capacity to invest the necessary level of human and financial resources to develop its products and services. Any failure to accurately anticipate the changing environment within the pension management segment and the needs of clients could harm INEXO Group's competitive position and results of its operations:

- (1) loss of a certain amount of AUM;
- (2) inability to attract new clients;
- (3) unsuccessful transformation of existing 2nd pillar clients to 3rd pillar clients;
- (4) inability to reach planned growth of the INEXO Group;
- (5) inability to reach planned operational and financial results;
- (6) damage to reputation.

In addition, INEXO Group may not be able to meet its product and service development as a consequence of delay in introduction of necessary regulatory and statutory amendments that are a precondition to expanding the services of INEXO Group.

Nevertheless, acknowledging the aforesaid risks, INEXO Group has in place a further development strategy (please see Section 6 "KEY STRATEGIES OF INEXO" of this Universal Registration Document); therefore overall, the risks are currently evaluated as low.

2.3. Risk factors related to INEXO's business

Operational risks

INEXO 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. The main risk factors include:

- (1) administrative (human) errors;
- (2) IT errors or failures resulting in interruption of business continuity;
- (3) potential internal and external fraud;
- (4) inappropriate employment practices and employment security breach;
- (5) inappropriate attitude towards clients, non-compliant products and commercial practices;
- (6) failures in external systems resulting in interruption of business continuity;
- (7) damage to tangible assets;
- (8) general natural disasters.

The risk factors could result in breach of regulatory requirements, incorrect calculation of asset management plan value, breach of legal obligations towards 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.

Although the causes of operational risks are not financial in nature, their indirect consequences may be (e.g., penalties, loss of assets, additional investment in order to restore some processes). Hence the aforesaid operational risks could have a material adverse effect on INDEXO Group's business, financial and operational results, conditions or prospects.

Operational risks after thorough assessment by INDEXO are evaluated as medium.

Risk factors related to key strategies

Since INDEXO Group's business strategy and objectives are divided in two main directions – (i) future development of its asset management business, (ii) obtaining a banking licence and establishment of INDEXO Bank – each strategy may be affected by certain risk factors.

All risk factors described herein may result in financial losses that may occur due to improper strategic and development decisions.

Future development of the asset management business may be affected by each of the aforesaid: macro-economic risks, competition risk in the pension management segment and risk factors related to unsuccessful development of new products and services.

Any of these risk factors separately or in accumulation may significantly affect current strategy for development of INDEXO Group's asset management business, and planned growth, so that INDEXO Group might not reach planned operational and financial results. INDEXO Group's reputation may also be harmed in case of unsuccessful realisation of planned development strategy.

Obtaining a banking licence (authorisation) for the establishment of INDEXO Bank may mainly be affected by unavailability of necessary financial resources as a result of insufficient interest from 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.

INDEXO Group has already invested significant financial resources in order to license or acquire technology from third parties for INDEXO Bank. Among other things, the total share capital of IDX1R (the future INDEXO Bank) has been increased by EUR 3,000,000, based on the decision of the Shareholders' meeting of the Company of 22nd of May 2023, to EUR 5,000,000. However, in order to obtain licence for the establishment of INDEXO 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.

Moreover, AS IDX1R (the future INDEXO Bank) has completed the composition of the management board and supervisory board. In addition, the core team has been selected for INDEXO Bank, namely, Chief Technology Officer, Chief Financial Officer, Head of Retail Banking Development, Legal counsel and others.

The INDEXO Group has already contributed to development of several services for establishment of INDEXO Bank (please see Section 4.2 "Types of activities of INDEXO" of this Universal Registration Document). However, INDEXO Group may, among other things, lack capacity to invest the necessary level of financial resources required to further develop INDEXO Bank services or experience difficulties in implementing product or service rollouts.

In addition, the INDEXO Group may not be able to meet INDEXO Bank product and service development and delivery schedules as a consequence of unforeseen circumstances arising during the design, development or

implementation phases of the technological processes. Delays in development may also lead to additional expenses on research and development.

Should such event occur and INDE XO is not successful of obtaining a banking licence (authorisation) for the establishment of INDE XO Bank within the set timeline, INDE XO will commence the approved share buy-back program and thereby warranting the refund of the capital raised via the Initial Public Offering of INDE XO to those investors who qualifies and takes part in the share buy-back program.

Since INDE XO has performed thorough prior research, attracted well qualified consultants have accelerated the process by submitting the document package which is necessary for acquiring the licence of a credit institution (please see Sections 4.1 and 12.3 of this Universal Registration Document, describing in detail the licencing process), the aforesaid risks are evaluated as low.

Further activity in order to obtain a banking licence (authorisation) for the establishment of INDE XO Bank may also be affected by ongoing geopolitical events and their unpredictable further developments. Unfavourable development of events might result in postponing the licensing (authorisation) process for the planned establishment of INDE XO Bank.

At the same time, ongoing geopolitical events even further reinforce the necessity for greater independence of the Latvian financial system. INDE XO Group believes that establishment of INDE XO Bank, which will be fully rooted in the domestic market, will strengthen it.

Taking into account the above, INDE XO'S assessment of risk related to key strategies is medium.

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.

Accordingly, INDE XO Group faces the risk that such third-party service providers become insolvent, enter into default or fail to perform their contractual obligations in a timely manner or at all or fail to perform at an adequate and acceptable level. Any such failure could lead to interruptions in INDE XO's Group operations or result in vulnerability of its IT systems, exposing INDE XO Group to operational failures, additional costs or cyber-attacks. Moreover, failure by these third parties to operate ethically could adversely impact INDE XO's Group reputation both internally and externally or even result in non-compliance with applicable laws and regulations.

INDE XO Group may need to replace a third-party service provider at short notice to resolve any potential problems, and the search for and payment to a new third-party service provider at short notice or any other measures to remedy such potential problems could have a material adverse effect on INDE XO's Group business, prospects, financial position and/or results of operations.

In addition, no assurance can be given that the third-party service providers selected by INDE XO Group will be able to provide the products and services for which they have been contracted, for example, as a result of failing to possess the relevant capabilities, products or services or due to changed regulatory requirements. Any failure by a third-party service provider to deliver contracted products and services in a timely manner or at all or to deliver products and services in compliance with applicable laws and regulations and at an adequate and acceptable level could result in reputational damage, claims, losses and damage and have a material adverse effect on INDE XO's Group business, prospects, financial position and/or results of operations.

Taking into account the above, INDEXO'S assessment of risk associated with outsourcing/third party service providers is medium.

Risk factors related to personnel

INDEXO growth AUM and its further development strategies depend upon the experience, skills and knowledge of its members of the Management Board, Supervisory Board, Senior Managers and other employees.

As the INDEXO Group expands, it will be required to continue to expand its operational and financial controls and reporting procedures. Therefore, INDEXO Group's current and planned personnel, systems, procedures and controls may not be adequate to support and effectively manage its future operations in line with its development strategy.

Thereby, inability to attract qualified personnel in the required amount both for expansion of current services as well as for operation of INDEXO Bank may materially affect INDEXO Group's business and development strategy and ability to operate as planned.

The departure or loss of a significant number of INDEXO Group's employees, or inability to recruit suitably experienced, qualified and trained staff, as needed, may cause significant disruption to business, which could have a material adverse effect on INDEXO Group's business, results of operations, financial condition or prospects. INDEXO Group may also incur significant additional costs in recruiting and retaining suitable replacements.

INDEXO Group's continued success depends on its ability to attract and retain employees with sufficient skill levels. The know-how of current employees is of high value. Thus, to manage the risk associated with employees, to the extent possible INDEXO Group duplicates employees' duties and tasks, so that if the employment relationship with an employee is terminated there is uninterrupted takeover and continuation of work.

INDEXO's assessment of the risk profile related to its personnel is medium.

Risk factors related with the reputation of INDEXO Group and brand awareness

Reputation. Reputation is one of the most important assets with respect to INDEXO Group's relationship with clients. Trust and confidence of clients as well as integrity are paramount in the business where INDEXO Group operates. Moreover, INDEXO Group operates in a heavily regulated sector. Therefore, any mistakes, errors or omissions of employees while performing their duties and providing INDEXO Group services may result in breach of applicable laws and regulations, serious harm to the reputation of INDEXO Group as well as loss of existing clients or inability to attract new clients.

Brand-related risks. INDEXO Group has established a well-known and strong brand name. Complaints from INDEXO 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 INDEXO Group. In order to promote brand awareness and make sure that the INDEXO Group brand is associated with quality, the Company invests resources in sharing the story about the development of INDEXO Group, providing information, data, and video materials to existing and potential clients. INDEXO Group's marketing activities include press, paid search, social media, display, online advertising, search engine marketing, partnerships, and different types of other advertising methods. INDEXO Group also donates to public benefit organisations and public benefit projects.

Strict regulatory requirements are in force in Latvia on the promotion of financial services and products to retail customers. Any future changes to the regulation which governs the contents and distribution of INDEXO

Group's marketing efforts which makes it harder or more expensive for INDEXO Group to advertise its services would negatively impact INDEXO's ability to increase its brand awareness and its customer base.

If any of INDEXO Group's current or future marketing activities are ineffective, or if it is unable to continue to perform efficiently and effectively any of these activities, whether as a result of a change in regulation or not, it may be unable to attract new customers in a cost-effective manner, which in turn could materially adversely affect its business, results of operations and financial condition or prospects.

INDEXO's assessment for the risk profile related to its reputation and brand-related risk is low.

Risk factors with respect to IT/Cybersecurity/Data breach

Third-party service providers. Successful operation of INDEXO Group's business largely depends upon maintaining the integrity of its communication and IT systems. These systems and operations are mainly ensured by attracting third-party service providers that for example provide cloud services, physical and network infrastructure, IT-system management, telecommunications, other software services and other services.

The main risk factors include:

- (1) disruptions to and delays of systems;
- (2) security breaches, improper or negligent operation of systems by employees or service providers;
- (3) general natural disasters.

Any of the aforesaid could cause material disruption to INDEXO Group's operations, affect availability of its services and business and reputation. To the extent that INDEXO Group outsources its IT/IS management, it is at risk of the vendor's unresponsiveness in the event of breakdowns in the INDEXO Group's systems, which could cause delays in recovering service.

INDEXO Group cannot guarantee that no disruptions will occur in provision of such services or that third-party providers will adhere to their contractual obligations. In the event of any dispute, no assurance can be made by INDEXO Group that the terms of such agreements or arrangements will not be breached, and this may result in litigation or other costs.

Cybersecurity, IT-related risks and data breach. INDEXO 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. Failure or circumvention of INDEXO Group data and cyber security measures could result in risks inherent to all IT systems, such as interruption of INDEXO Group's business operations, unauthorised access to and loss, damage or compromise of data (INDEXO Group's internal or third-party data), viruses or other malware being placed in INDEXO Group's systems.

Overall techniques are developing rapidly and those used to obtain unauthorised access to or sabotage systems and data change frequently and are becoming ever more sophisticated, which means that INDEXO Group or its third-party service providers may not be able to anticipate incidents in a timely and effective manner to prevent potential damage.

Therefore, any of the aforesaid risk factors could have a material adverse effect on INDEXO Group's reputation, expose INDEXO 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. INDEXO Group may also lose significant internal confidential information.

However, up until the date of this Universal Registration Document INDEXO Group has not experienced any material cybersecurity threats or attacks on its systems and, to a certain extent, mitigates such risks by using security systems and protective measures of high quality.

Risks related to third-party cloud systems. INDEXO Group stores its data on cloud platforms operated by third-party service providers. No assurance can be given that the data stored by INDEXO Group on third-party cloud platforms, or cloud platforms used that support software solutions and the operating platform of INDEXO Group, will be subject to secure processing, and that an adequate level of maintenance and transmission procedures will be applied.

Any disruption in these processes as well as any cybersecurity breach could affect INDEXO Group's operations. If a cybersecurity breach occurs in its cloud systems, INDEXO Group could potentially lose the data in its possession stored on the cloud, including sensitive information about INDEXO Group, its services, and clients. Any breach of security in the cloud system could lead, inter alia, to significant claims from customers and negatively affect the INDEXO Group's reputation as a trusted service provider with secure and reliable software solutions and platforms.

In INDEXO's assessment, the degree of risk related to the occurrence of cybersecurity breaches or breakdown of IT systems of the Company is medium as INDEXO Group's operations are based on technological solutions and therefore impact if such risks occur could be significant.

2.4. Risk factors related to laws, regulations and compliance

Risks related to statutory licensing requirements

INDEXO and Indexo Atklātais Pensiju Fonds AS are subject to licensing requirements, strict regulation and close supervision by the Bank of Latvia (in Latvian: Latvijas Banka). As part of the existing licensing framework, INDEXO and Indexo Atklātais Pensiju Fonds AS are required to comply with statutory and regulatory requirements. INDEXO and its subsidiary's licences have an indefinite duration; however, they are subject to revocation by the Bank of Latvia (in Latvian: Latvijas Banka). The Bank of Latvia (in Latvian: Latvijas Banka) must intervene if INDEXO and/or Indexo Atklātais Pensiju Fonds AS violate their obligations under the applicable laws.

The Bank of Latvia (in Latvian: Latvijas Banka) can, inter alia, issue a warning of violations of the applicable law and/or impose a fine and determine the time period within which a company must prevent a detected violation. In case of material violations, the Bank of Latvia (in Latvian: Latvijas Banka) can, as an ultimate measure, revoke the INDEXO's and/or Indexo Atklātais Pensiju Fonds AS's licence. The imposition of material fines, penalties or warnings upon INDEXO and/or the Indexo Atklātais Pensiju Fonds AS would cause significant and potentially irreparable harm to their reputation and, as a result, INDEXO's and/or Indexo Atklātais Pensiju Fonds AS's business, financial position and results of operations could suffer.

INDEXO's operations are contingent upon operating licences granted by the Bank of Latvia (in Latvian: Latvijas Banka). If the licences are revoked or suspended, INDEXO will have to cease its asset management services which, in turn, will produce a material adverse effect on INDEXO's business, financial condition and results of operations.

In INDEXO's assessment, the likelihood of INDEXO's failure to comply with the statutory licencing requirements is low, whereas the impact on business in the event of materialisation of this risk would be high.

Risks of regulatory (compliance) requirements and regulatory changes

INDEXO'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).

INDEXO Group is also subject to EU regulations that are directly applicable and EU directives that are transposed into national law through legislation of the Member States, including Latvia. Failure to comply with applicable regulations and laws can expose INDEXO Group to the risk of monetary fines and other penalties, which may have a material adverse effect on the INDEXO Group's reputation, business, financial condition and results of operations. Ultimately, the licences issued to INDEXO Group can be revoked and the companies could be required to discontinue business operations. Numerous initiatives for regulatory changes have been taken in the past and the impact of such initiatives is, to some extent, difficult to predict with certainty.

The respective interpretations of laws and regulations, which INDEXO Group is subject to, can change and INDEXO Group may be unable to predict what regulatory changes can be imposed in the future as a result of regulatory initiatives by the EU or at national level. Such changes can have a material adverse effect on the INDEXO Group's services, activities and profitability, giving rise to increased costs of compliance. INDEXO Group incurs, and expects to incur, substantial costs and expenditure towards ensuring compliance with the regulatory framework under which it operates.

Failure by INDEXO and/or Indexo Atklātais Pensiju Fonds AS to effectively manage these legal and regulatory risks can have a material adverse effect on INDEXO Group's business, financial condition and the results of its operations. INDEXO Group carry out internal audits on regular basis to ensure assurance of compliance with legal and regulatory requirements and also ensure high standards of IT security, performing external audits.

In INDEXO's assessment, the likelihood of INDEXO's failure to comply with regulatory (compliance) requirements and regulatory changes is low, whereas the impact on business in the event of materialisation of this risk would be medium.

Risks related to changes in Latvian government policy

The way in which INDEXO and Indexo Atklātais Pensiju Fonds AS manages its business is closely related to Latvian government policy regarding Latvian pension system. The pension funds management sector has been subject to frequent regulatory changes and further changes can reasonably be expected in the future. There is a risk that there could be a change of the policy regarding the 2nd and 3rd pension pillar system. Currently, the Minister for Welfare and the Bank of Latvia (in Latvian: Latvijas Banka) aim to increase the profitability of pension funds, reduce management fees, and promote financial literacy among the population, and the change of the policy or new measures taken for the realisation of the policy could have impact on the business strategy of INDEXO and Indexo Atklātais Pensiju Fonds AS.

There is a possibility that the Latvian Parliament and the government thereof will be inclined to follow the example of other Baltic States where the 2nd pension pillar system has been reformed by enabling people to use the funds accumulated in the 2nd pension pillar before reaching retirement age. Such reforms or Changes in Latvian government policy aimed at reducing investments in 2nd pension pillar would have an adverse effect on the profitability and operations of INDEXO Group and the Latvian pension system in general. In particular, the size of AUM could be negatively affected, meaning also changes to investment strategies and shorter investment horizons. Smaller fund sizes could also bring about upward pressure on management fees.

In INDEXO's assessment, the degree of risk related to changes in Latvian government policy is medium.

Risks related to changes in the tax regime

The amount of funds invested in the pension plans managed by INDEXO directly correlate with the applicable tax regime.

The amount of investment in the 2nd pension pillar depends on the amount of state mandatory social insurance contributions since 6% of the contribution object laid down in the Law on State Social Insurance is transferred to the 2nd pension pillar. Therefore, INDEXO is exposed to the risk that upon any amendments to the existing tax regime a lesser amount from the social contributions of its current clients will be contributed to the 2nd

pension pillar managed by INDEXO and thereby commission received (total revenue) from its asset management services could decrease.

Nevertheless, there are no current indications that the tax amount contributed to the 2nd pension pillar might change in the nearest future.

INDEXO Group may also be exposed to a risk related to overall changes in the applicable tax regime that might affect the wellbeing of clients and their investment behaviour when it relates to voluntary investments in the 3rd pension pillar. For example, the current Latvian tax regime foresees that a private individual investing in the 3rd pension pillar is entitled to a personal income tax repayment in the amount of 20% of the invested amount (with a current repayment limitation of 10% of their gross salary up to 4000 EUR) upon submission of annual tax return. If this regulation changes, becoming more unfavourable to the private individual investor, this might have an effect on their investment decisions.

Regulatory and tax constraints may also change employers' strategy with respect to employee incentive schemes, that *inter alia* may include investments in the 3rd pension pillar in favour of employees, for example, if there are some amendments to the current corporate income tax regime regarding deductibility of such expenses. Among the rules set by a variety of bodies, tax rules tend to have the greatest influence on annual funding decisions by pension sponsors (such as employers) and on individuals with regard to retirement savings.

Consequently, changes to the current tax regime may result in reduction of AUM and inability to reach planned financial results and prospects by INDEXO Group.

Considering the above, INDEXO assesses the risk related to changes in the tax regime as low.

Risks related to the EU General Data Protection Regulation

A significant amount of valuable data is held by INDEXO Group and significant volumes of data are often transferred to and from third parties involved, such as customers. INDEXO Group is a subject of the General Data Protection Regulation 2016/679/EU (the "GDPR") and other applicable laws and regulation on a national level.

Applicable laws govern INDEXO Group's ability to collect, use and transfer personal data including relating to actual and potential customers, use of that information for marketing purposes, as well as any such data relating to its employees and others. INDEXO Group relies on third-party service providers and its own employees to collect and process personal data and to maintain its databases.

INDEXO Group is exposed to the risk that data collected could be wrongfully appropriated, lost or disclosed, damaged or processed in breach of privacy or data protection laws. Any perceived or actual failure by INDEXO Group, or a third-party service provider acting on its behalf, to protect confidential data or any material non-compliance with privacy or data protection laws may harm its reputation and credibility, adversely affect revenue, reduce its ability to attract and retain customers, result in actions being brought and the imposition of significant fines (up to EUR 20 million or 4% of INDEXO or INDEXO Group's total annual turnover, depending on what is higher) and, as a result, could have a material adverse effect on Group's business, results of operations, financial condition or prospects.

As appropriate risk mitigating measures have been implemented the degree of risk related to INDEXO's failure to fully comply with the requirements of the EU GDPR is low.

Risks related to compliance with AML/CFT/CPF and sanctions regulations

INDEXO as a licensed pension management service provider and Indexo Atklātais Pensiju Fonds AS as a licensed private pension fund are subject to the requirements of the Latvian Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing and the Latvian Law on International Sanctions and

National Sanctions. INDE XO Group is required to comply with international law and legal acts of Latvia which regulate prevention of legalization of proceeds derived from criminal activity and financing of terrorism.

Financial services provided by INDE XO Group are aimed at attracting local clients – natural persons whose average amount of contributions within the 3rd pension pillar is relatively low. Also, the time period when a person can actually expect to receive the funds is long. The level of AML/CFT/CPF risk may be increased by accepting large deposits, especially from foreign customers, within a relatively short timeframe. However, as concluded by the Sectoral Money laundering and Terrorist Financing Risk Assessment, pension fund services are a long-term investment which are not convenient to use in different illegal money laundering schemes.

In the future INDE XO Group could be the target of financial crime and fraud arising from the actions of third parties, customers, and employees. There is no guarantee that INDE XO Group's proactive measures will be successful in the prevention or detection of financial crime and fraud and any failure to combat these matters effectively. Also due to possible human error and strict applicable regulatory provisions, INDE XO Group could fail to combat AML/CFT/CPF in a timely manner. This could adversely affect INDE XO Group's business, results of operations, and financial condition.

Employees, customers or third parties may attempt to use INDE XO Group to facilitate financial crimes such as money laundering and tax evasion and may fabricate or misrepresent material facts to INDE XO Group. If INDE XO Group does not continue to develop counter-financial crime and fraud measures or otherwise fails to implement or maintain effective counter-financial crime and fraud procedures, practices and strategies, the ability of INDE XO Group to combat financial crime and fraud could be adversely affected.

The degree of risk related to INDE XO s failure to comply with the applicable AML/CFT/CPF, and sanctions regulations is low.

2.5. Risk factors related to financial matters

Capital adequacy risk

Both INDE XO and Indexo Atklātais Pensiju Fonds AS are strictly regulated entities due to their significance in the financial markets and the importance with respect to their financial stability. Therefore, INDE XO and Indexo Atklātais Pensiju Fonds AS need to adhere to requirements associated with capital adequacy prescribed by the applicable laws for each entity.

Capital adequacy risk related to INDE XO

Investment management companies must adhere to capital adequacy requirements in accordance with the Law on Investment Management Companies and Law on State Funded Pensions.

A sufficient amount of capital and own funds is closely correlated to the value of AUM of an investment management company. Due to the anticipated growth of the value of AUM above EUR 200,000,000, in 2019 INDE XO was required to increase its share capital to the necessary level to comply with the applicable regulations. Therefore, INDE XO completed a financing round by increasing its share capital up to EUR 3,033,511.

Capital adequacy risk related to Indexo Atklātais Pensiju Fonds AS

In addition, private pension funds must adhere to capital adequacy requirements in accordance with the Private Pension Fund Law. The minimal amount of capital for open-ended pension funds is no less than EUR 400,000 which Indexo Atklātais Pensiju Fonds AS complies with.

In order to fulfil the minimal own funds requirements Indexo Atklātais Pensiju Fonds AS has received additional financing from INDE XO in the amount of EUR 200,000 in 2021 and EUR 150,000 in 2023 due to the expected losses and negative money flow in the company's first operational years.

Inability to meet applicable capital adequacy requirements could cause an adverse effect on the operations of INDEXO Group and annulment of its licence to provide investment management services.

In INDEXO's assessment, the degree of risk associated with capital adequacy risk is medium.

Liquidity risk

Liquidity risk relates to the ability of INDEXO 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 resources and/or market conditions due to insufficient liquid assets.

No liquidity risk incidents have been identified during the operating period of INDEXO Group; however, any unplanned event or circumstances could cause an adverse effect on the business, results of operation and financial condition of INDEXO Group.

In INDEXO's assessment, the degree of risk associated with liquidity risk is low within the current business model of INDEXO.

Counterparty credit risk

Credit risk relates to the possibility of incurring losses if a debtor fails to meet its contractual obligations. INDEXO Group is subject to credit risk related to receivables, cash and cash equivalents and other investments.

The assets of INDEXO Group are kept in Latvian credit institutions that are considered to be the counterparties of INDEXO Group.

The maximum credit risk on these assets for INDEXO Group as of 30 September 2023 was EUR 4,120,008 (30 September 2022: EUR 7,709,443). INDEXO Group has no assets whose value has decreased or that are passed due.

In INDEXO's assessment, the degree of risk associated with credit risk is low.

Foreign currency risks

INDEXO Group is not exposed to direct currency risk which may arise from fluctuation in exchange rates of various currencies.

INDEXO Group has no foreign currency positions and they are not planned in the near future, except for the AUM within INDEXO's managed pension plans. The AUM within the pension plans managed by INDEXO 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 described in the plan's prospectus, does not actively interfere in the composition of the plan portfolio for currency risk reasons.

In INDEXO's assessment, the degree of risk associated with foreign currency risk is low.

Risks associated with related party transactions

INDEXO has entered into transactions with related parties. Transactions such as these typically carry a risk of adverse tax consequences. Any future transactions by INDEXO with related parties can involve conflicts of interest. Moreover, transactions with related parties can be subject to imposition of additional taxes and other adverse effects may apply (please see Section 17 "RELATED PARTY TRANSACTIONS" of this Universal Registration Document).

In INDEXO's assessment, the degree of risk associated with related party transactions is low.

3. GENERAL CORPORATE INFORMATION

INDEXO is a joint stock company. The business name of INDEXO is IPAS "Indexo". INDEXO was registered in the Commercial Register on 10 January 2017 under registration number 40203042988 and its LEI number is 875500AT8JI5HU41AY20. INDEXO is organised and exists under the laws of Latvia.

INDEXO is a licensed investment management company having an investment company operation licence issued on 16.05.2017.

The registered areas of business activity of INDEXO are "Fund management activities" (66.30, NACE Rev.2), "Pension funding" (65.30, NACE Rev.2), "Trusts, funds, and similar financial entities" (64.30, NACE Rev. 2), "Activities auxiliary to insurance and pension funding" (66.2, NACE Rev. 2).

Contact details of INDEXO are the following:

- **address:** Elizabetes street 13 - 1A, Riga, LV-1010, Latvia;
- **e-mail address:** info@indexo.lv;
- **telephone number:** +371 20006088;
- **corporate website:** <https://indexo.lv>.

4. COMPANY OVERVIEW

4.1. Overview

INDEXO was created with a vision to provide modern, world class financial services to Latvian population so Latvian people can take the best care of their financial prosperity in accordance with their needs.

Our mission is to have a better financial environment in Latvia:

- Common mission – our goals are aligned with local society and its people;
- Common success – our growth happens if Latvia and its people are financially successful;
- Our focus is long term gains for our customers and shareholders.

INDEXO was established as an answer to a non-competitive pension savings industry in Latvia, where fees were high and long term returns for customers were low. INDEXO's modern products and low fees found a quick following and since launching its services to public in July 2017, INDEXO is the fastest growing investment management company in Latvia that manages the retirement savings of over 120 thousand clients with more than 810 million-euro assets under management (AUM) as of end of September 2023.

INDEXO offers modern low-cost pension plans in 2nd (mandatory) and 3rd (voluntary) pension pillars to its clients by way passively investing the contributions in market index based low-cost instruments.¹ Both mandatory and voluntary markets are fast growing due to Latvian GDP growth and average wage growth. Regulatory and minimum capital requirements make the market hard to enter for new competitors.

In addition to the above mentioned INDEXO has initiated in 2022 the process of obtaining a bank license. Provided for the new chapter in the development of INDEXO, its main activities can be allotted in: (1) pension fund management; and (2) bank development.

(1) Pension fund management

INDEXO only has one investment strategy that it believes serves clients need the best and avoids unnecessary complexity in saving products. INDEXO chose index investment strategy to manage client funds as many studies have shown that over a long-term passive management with low cost outperforms active management with high costs. INDEXO chosen investment strategy for equity funds follows MSCI World Developed Market index.

Since inception of INDEXO's equity funds, these funds have outperformed most competitors' funds, providing INDEXO clients with great returns. INDEXO acknowledges that past performance does not predict future performance and the track record of INDEXO funds is limited.

INDEXO chosen investment strategy for fixed income funds follow Barclays Euro Corporate Bond and Barclays Euro Treasury Bond indices.

Simple investment management model makes INDEXO's business highly scalable. Without significant investment into new client acquisition, INDEXO business model creates significant Free Cash Flow on the capital required for providing Investment management services.

¹ An index is a group or basket of securities, derivatives, or other financial instruments that represents and measures the performance of a specific market, asset class, market sector, or investment strategy. In other words, an index is a statistically representative sampling of any set of observable securities in a given market segment.

INDEXO investment into new client acquisition is based on a model of measuring client acquisition costs versus the lifetime customer value. Current distribution channels – retail, telephone and online – allow INDEXO to acquire customers at a cost that generates significant future returns to INDEXO shareholders.

Direct sales model allows INDEXO remain in contact with the majority of our customers and provide them information about pension fund results as well as general investments related content to improve financial literacy of the customers.

INDEXO expects the need for investment-based saving products to grow together with the growth of GDP per capita and disposable income growth. INDEXO aims to be one of the leaders of the investment management services market in Latvia. As of September 2023, INDEXO has approximately 12.2% of 2nd pillar market share in terms of AUM and 8.3% in terms of clients and, as of September 2023, 2.3% of 3rd pillar market share in terms of AUM and 3.2% in terms of clients.

(2) Bank development

INDEXO’s mission regarding the bank development is to reignite the competition in Latvian banking sector by offering modern banking solutions and better access to financing for private customers and later also corporate customers.

INDEXO submitted its banking licence application on 27 December 2022 and the application is in review process.

The main operating principles of INDEXO are:

Table 4.1.1

Low cost	INDEXO is convinced that low cost, well diversified passive management and an honest attitude towards clients will lead to superior result for INDEXO clients. INDEXO is constantly working to voluntarily lower its ongoing cost figure of our pension plans.
Index Investing	The index approach means investing globally in more than 1,600 of the world’s largest companies with low costs. It’s a safe and smart way to save for retirement.
Transparency	INDEXO operates with no hidden commissions. The client can sign up for news and get a quarterly report on INDEXO’s investment plans. Everyone can see where INDEXO invests, at what cost, and what the net returns of the plan are.
Latvian company	INDEXO is a Latvian company and therefore is committed to fight for a better financial environment in Latvia. INDEXO has already launched real competition in pension saving market and achieved inheritance of 2 nd pillar assets. INDEXO continues to work on other significant changes in legislation to improve saving outcomes. All important decisions about INDEXO strategy are decided locally.

Strengths of INDEXO are:

Table 4.1.2

	<p>Transparency</p>	<p>Transparency is the main value which INDEXO also considers to be one of its great strengths in comparison to its competitors. INDEXO has always provided and will continue to provide its clients fair terms – no investments in expensive self-managed funds, no hidden commissions. INDEXO reveals to its clients all indirect costs, which are too often hidden in the field of investments. INDEXO provides its clients with quarterly reports about the results of the asset management plan that can be easily read and understood, as well as always striving to increase the financial literacy of its clients through regular blog posts and videos. Moreover, INDEXO is always truthful towards its clients and does not promise unrealistic results. As part of its promise to clients, INDEXO has also constantly voluntarily lowered ongoing cost figures to clients by lowering fees and renegotiating 3rd party fees.</p>
	<p>Simple and understandable products</p>	<p>INDEXO believes that it has the best strategy for management of its clients' funds, and therefore gives a clear vision on the benefits of each product, without offering too much by way of unclear asset management options. Straightforward communication with clients about what benefits them the most is what makes INDEXO different from its competitors. Competitors offer multiple products without clearly communicating the benefits of each product to clients, who frequently end up choosing the plan that best suits the asset manager and not the client because the amount of choices is too overwhelming. Therefore, INDEXO makes the decision-making process simpler for its clients.</p>
	<p>Passive asset management strategy</p>	<p>A passive asset management strategy has statistically proven to outperform the so-called active management strategy that has much higher fees. Active managers spend unnecessary money on trading commissions and are unable to guess consistently in the long run which stocks are “best”. Index funds invest automatically in the market as a whole, without selecting individual stocks or bonds. While in the long run, the global economy is developing and financial markets continue to rise, savings INDEXO clients' savings are growing. In addition, since 2023 in several of INDEXO's 2nd pension plans (“INDEXO Jauda 16-50” and “INDEXO Izaugsme 47-57”) has been introduced the option to invest up to 7% of the managed investments in alternative investment funds registered in Latvia, hoping to contribute to the growth of the Latvia's capital market.</p>
	<p>Being a trend setter</p>	<p>Being a trend setter in the market is also one of INDEXO's great strengths since, as a result of INDEXO entering the market, financial literacy and access to good products has significantly</p>

		increased. At the time of INDEXO's launch, existing pension providers charged some of the highest management fees in Europe while providing some of the worst-performing asset management plans. Meanwhile, the average local consumer did not know who their pension manager was, or even care that their pension plan performance was subpar. Furthermore, competition among existing pension managers was nearly non-existent because everyone could charge large fees and their clients would not leave or care. When INDEXO entered the market as the first low-cost index-fund pension plan provider it launched real competition in the pension savings market. INDEXO's competitors were forced to adjust so that currently every asset management plan manager has lowered their fees (also due to regulation), and most managers have introduced index fund asset management plans. Advice on asset allocation has improved and has resulted in much better performance by pension funds in general.
	Great acknowledgement amongst current clients	Great acknowledgement amongst current clients as one of the main strengths of INDEXO is what gives inspiration and drives INDEXO to move forward with its ambitious plans for the future. Based on a survey carried out in November 2022, INDEXO has a NPS score ² of +36 among our 3 rd Pillar asset management clients, which is considered excellent and means that our current clients are our best product promoters and are willing to introduce them to friends and family. This gives confidence that the mission and direction where INDEXO is headed is the correct one.
	Broad and competent circle of current shareholders	A broad and competent circle of current shareholders was a conscious decision. Since the moment of establishment and thanks to the successful IPO, the number of shareholders has increased from 30+ to 3500+ and each one of them is a valuable component of creating INDEXO's success story and an ambassador for INDEXO in public.

Since 2018, the first full year of INDEXO operations, the company has grown:

	CLIENTS	AUM, millions	REVENUE
31.12.2018	19,121	69.9	305,552
30.09.2023	120,193	812.2	2,868,226*
Growth	6.3x	11.6x	9.4x

*Figure corresponds to the commission income from 1 October 2022 to 30 September 2023

² NPS (net promoter score) ranges from -100 to 100, and is calculated based on clients who would be willing to promote a company's products to others. Generally, a number above 0 is positive and above 60 is considered excellent.

4.2. Types of activities of INDEXO

INDEXO is an investment management company that is operating within the pension management market. Its core activities entail: (1) management of state-funded pension scheme assets (2nd pension pillar); and (2) management of private pension fund (3rd pension pillar).

In parallel with its pension management business, INDEXO is actively working on the establishment of INDEXO Bank by gradually 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.

(1) Pension Fund Management

INDEXO growth records are summarized below and show rapid development both in the number of clients and assets under management (AUM).

Table 4.2.1

2nd Pillar	2017	2018	2019	2020	2021	2022	Sep 2023
AUM	27,867,904	69,905,995	178,862,051	279,354,497	464,410,702	574,737,132	795,189,316
Clients	3,914	19,121	32,827	48,537	65,005	90,874	107,655
AUM/Client	7,120	3,656	5,449	5,755	7,144	6,325	7,386
3rd Pillar							
AUM	-	-	-	-	3,947,555	10,212,208	17,049,952
Clients	-	-	-	-	2,532	8,826	12,538
AUM/Client	-	-	-	-	1,559	1,157	1,360

According to the publicly available data³, INDEXO is the fastest growing pension asset manager in Latvia in absolute terms as of end of September 2023. When it comes to client growth dynamics, the amount of clients within a year has grown by 31.8% (from 91.2 thousand to 120.2 thousand). Assets under management (AUM) have grown by 50.2% (from 540.9 million euro to 812.2 million euro).

Overall financial data of INDEXO are presented in table below. Relevant financial data for each of the operating segments (namely, each pension plan) are presented in further sections of the Universal Registration Document.

Table 4.2.2

	2020	2021	2022	Jan-Sep 2023
Total income from provision of management services	EUR 972,467	EUR 1,602,021	EUR 2,277,620	EUR 2,210,634
Commission from management of	EUR 605,781	EUR 1,079,807	EUR 1,595,223	EUR 1,575,692

³ Based on data from Manapensija.lv.

INDEXO Jauda 16-50				
Commission from management of INDEXO Izaugsme 47-57	EUR 324,495	EUR 448,589	EUR 560,851	EUR 505,302
Commission from management of INDEXO Konservatīvais 55+	EUR 42,191	EUR 67,546	EUR 86,603	EUR 77,063
Commission from management of INDEXO Akciju plāns	-	EUR 5,637	EUR 32,196	EUR 48,691
Commission from management of INDEXO Obligāciju plāns	-	EUR 442	EUR 2,747	EUR 3,886

Management of funds of the funded pension scheme (2nd pension pillar) and funds of the private pension fund (3rd pension pillar)

Management of funds of the funded pension scheme and private pension fund includes the following services:

Table 4.2.3

Management of investments of the investment plan funds	
Administration of the investment plan funds:	
-	handling legal and accounting matters;
-	provision of information regarding the performance of the investment plan;
-	calculation of the value of the investment plan and of an investment plan unit;
-	monitoring the regulatory compliance of the investment fund;
-	distribution of the income of the investment plan
-	execution of the orders and notifications by the State Social Insurance Agency (2 nd pension pillar)
Provision of information to existing and potential participants of the scheme / marketing	

Management of investments of the investment plan funds

The pension plans offered by INDEXO and Indexo Atklātais Pensiju Fonds AS (both within the 2nd pension pillar and 3rd pension pillar) are managed passively and they invest globally in index-based financial instruments. In some of the pension plans offered by INDEXO, up to 7% of the managed investments may invest in alternative investment funds registered in Latvia, contributing to the growth of the Latvia's capital market. Please see more detailed information on each of the pension plans offered further in this Universal Registration Document under the title "Pension funds managed by INDEXO".

The passive asset management can be characterized by the following factors:

- the asset manager does not try to anticipate market fluctuations and choose specific stocks or bonds in which to invest, but invests in financial instruments representing aggregate market capitalization of larger companies in world stock exchanges and investment grade bonds according to a long-term asset allocation formula (investments are made according to an algorithm, not a specialist);
- lower transaction costs, as financial instruments are bought and sold relatively infrequently;

- lower management costs, as it is not necessary to hire analysts to anticipate market fluctuations or analyse stock fundamentals.

INDEXO passive equity investment strategy follows MSCI World Developed Market Index. This means that equity part of pension plans assets is invested into developed world stock exchange indexes according to Market Cap weight. Passive bond investment strategy means that bond funds are invested into Investment grade medium duration government and corporate debt funds. The selection criteria of instruments in equity and bond strategy are based on cost, liquidity and counterparty risk assessment.

INDEXO investment strategy has provided very good results to our customers. In equity related investment categories long term performance of INDEXO funds is either the best or among top two. Below is the table with INDEXO pension plan performance in each category compared with market average of the corresponding category.

Table 4.2.4

Data 30/09/2023	INDEXO Izaugsme 47-57	Industry average (active 50%)	Δ	INDEXO Jauda 16-50	Industry average (active 100%)	Δ	INDEXO Konservatīvais 55+	Industry average (conservative)	Δ
6 months	2.54%	2.52%	0.02%	7.62%	6.32%	1.30%	-0.71%	0.17%	-0.88%
1 year	3.88%	5.86%	-1.98%	10.80%	10.91%	-0.11%	1.00%	2.99%	-1.99%
2 years	-2.17%	-3.80%	1.63%	2.92%	1.56%	1.36%	-7.83%	-7.04%	-0.79%
3 years	2.62%	0.97%	1.65%	8.61%	7.25%	1.36%	-5.38%	-4.14%	-1.24%
5 years	3.51%	1.53%	1.98%	6.93%	3.56%	3.37%	-2.18%	-1.50%	-0.68%

Administration of the investment plan funds

The organisational structure of INDEXO is designed to ensure the management of the funds, clearly separating the responsibilities of officials and the division of powers regarding the performance and control of transactions, including ensuring compliance control, risk management and maintenance of internal control functions in the INDEXO, as well as ensuring accounting and administration.

In order to conduct its operations more efficiently, INDEXO outsources certain administration functions to separate service providers. For example, INDEXO has outsourced accountancy function and services regarding data protection.

Provision of information and marketing

One of the main operating principles of INDEXO is transparency therefore it is at the utmost importance that information regarding the provided services and products are available to existing INDEXO clients and to potential clients.

INDEXO provides information based on the below principles and activities:

Informed clients	INDEXO sends quarterly reports on the operation of pension plans to its clients.
All costs are disclosed	INDEXO discloses both direct and indirect investment costs that may be overlooked by others in the investment industry.
Fair conditions	Each investment is made considering the costs of it. No hidden commissions are attached to investments made by INDEXO. INDEXO is constantly reducing the direct fees and indirect expenses of the pension plans.
Explain and educate	INDEXO creates blog articles and videos in its website in order to provide the content that improves INDEXO clients and not only financial literacy.

- *Provision of information to existing participants of the state-funded pension scheme (2nd pension pillar) and private pension fund (3rd pension pillar)*

Notwithstanding the above-mentioned principles and activities of INDEXO, each client is entitled to receive information on (1) the respective pension plan, (2) the asset manager (INDEXO) and (3) the custodian bank from INDEXO and the State Social Insurance Agency (2nd pension pillar clients) and their authorised persons. This information is available at:

- (1) INDEXO office at 13-1A Elizabetes street, LV 1010, Riga, Latvia on business days from 9:00 to 17:00;
- (2) on the INDEXO website: www.indexo.lv;
- (3) at the State Social Insurance Agency and its branches whose contact details are available on the website: www.vsaa.gov.lv (2nd pension pillar clients).

- *Provision of information and marketing to potential participants of the state-funded pension scheme (2nd pension pillar) and private pension fund (3rd pension pillar)*

The provision of information by INDEXO to potential clients can be divided in the following categories: (1) information provided by the selling division of INDEXO; (2) information provided by the marketing division of INDEXO.

(1) information provided by the client representatives division of INDEXO

INDEXO has developed a client representative division within its organisational structure to ensure efficient sale (compliant with applicable laws and regulations) of the pension funds managed by INDEXO to clients both on-site (supermarkets, conferences, seminars, etc.) and remotely (telephone, webinars).

This way potential clients have the opportunity to consult with an INDEXO client representative, and learn about INDEXO, its managed pension plans, the benefits and how to join INDEXO. INDEXO provides continuous training to its client representatives and is rigorously monitoring the quality of client interactions to ensure that in these interactions INDEXO's high quality standards are met.

As of end of September 2023, INDEXO has a total of 61 client representatives.

(2) information provided by the marketing division of INDEXO

INDEXO success has been driven by building a strong brand centred around INDEXO core values which we communicate across different channels. INDEXO marketing campaigns support both the general awareness

of our brand in public and direct client acquisition. Marketing spend together with client acquisition cost is measured against the expected lifetime customer value to verify the effectiveness of INDEXO sale activities.

INDEXO has the following marketing strategy:

Table 4.2.6

Social media campaign	INDEXO raises public awareness and creates public discussion with respect to the Latvian pension system and the services offered by INDEXO.
Press and media involvement	INDEXO uses media to promote its activities and provide information about INDEXO development. As a listed company servicing a significant part of economically active population of Latvia, there is a high interest towards INDEXO activities.
Involvement of opinion leaders	There are many well-known and respected opinion leaders among the investors and founders of INDEXO, who use their recognition and reputation to raise INDEXO's profile.
Addressing customer segments	INDEXO actively addresses potential participants on specific wealthy and educated customer segments, for instance, readers of business media, customers of "start-up" companies, life insurance buyers, bankers, accountants, programmers, other educated professionals, etc.
Supporting causes that fit INDEXO mission	INDEXO supports public events that coincide with the company mission, e.g., Novatore Impact Summit'22, Rimi Riga Marathon'23 and Investoru Klubs Festival'23.

Pension funds managed by INDEXO

INDEXO believes that to achieve the best results for saving for retirement, the clients would have to invest in equity markets for most of the saving period. Once closer to the retirement age, the client should start reducing risk and introduce bonds to lower the risk of their portfolio in accordance with their financial standing.

Within the 2nd pension pillar INDEXO has developed and manages three pension plans suitable for different age groups: (1) "INDEXO Jauda 16-50"; (2) "INDEXO Izaugsme 47-57"; and (3) "INDEXO Konservatīvais 55+".

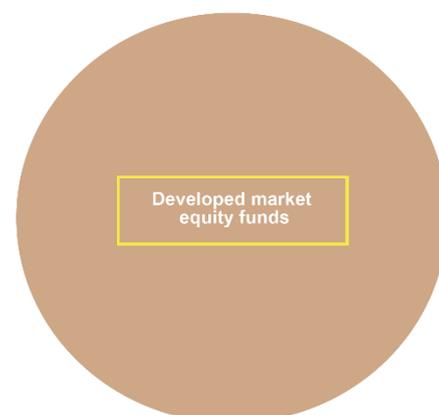
Since April 2021 INDEXO and Indexo Atklātais Pensiju Fonds AS has been able to offer clients two effective and low-cost 3rd pension pillar pension plans managed by INDEXO: "INDEXO Akciju plāns" and "INDEXO Obligāciju plāns".

Please see description for each respective pension plan accompanied with financial data.

Figure 4.2.1

“INDEXO Jauda 16-50” – a plan with maximum allowed investment in the stock market (up to 100%). It is a modern, safe, world-standard way to build a 2nd pillar pension savings. In comparison to other INDEXO pension plans, this plan is characterized by higher potential returns and higher volatility (risk), therefore this plan is most suitable for clients within the age from 16 to 50.

Plan profile: investments are made in diversified, high-quality low-cost index funds; investment profile is equities and high-quality investment bonds within developed countries. Up to 7% of the assets of the plan INDEXO may be invested in alternative investment funds registered in Latvia. Investments in a single alternative investment fund registered in Latvia may not exceed 30% of this fund's net assets.



Detailed information is included in the plan's prospectus available at the web page of INDEXO (https://indexo.lv/wp-content/uploads/2023/02/Jauda-16%E2%80%9350_Prospekts_2023Jan-1.pdf).

Plan is operated since 1 February 2018.

Financial data

Main financial information with regards to the operation of “INDEXO Jauda 16-50” for the past three years is presented below. Full annual reports for the period since operation of the plan is publicly available at the web page of INDEXO (<https://indexo.lv/2-pensiju-limenis/rezultati/>).

Table 4.2.7

	2020	2021	2022
Net assets	178.5 MEUR	321.3 MEUR	408.4 MEUR
Increase of the net assets during the period as the result of investments	8.6 MEUR	50.7 MEUR	-47.7 MEUR
Share value	1.2352042	1.5200155	1.3302186
Difference in the share value	4.46%	23.10%	-12.49%
Number of clients	34,254	46,207	65,062

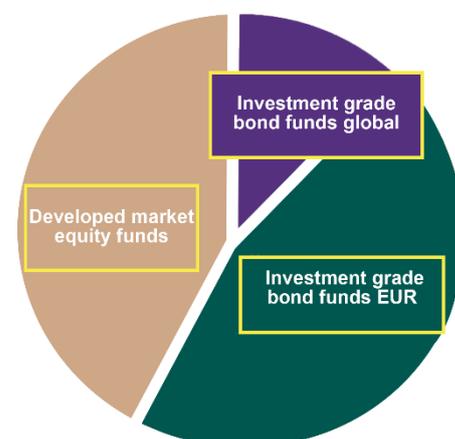
The visible fall of the share value of the assets of the plan over the course of 2022 can be explained by such global tendencies:

- the fluctuations in stock market indices of developed countries (in the Q4 of 2022, the stock markets of developed countries showed a negative yield. For example, the MSCI World Total Return index, expressed in EUR currency, fell by 0.82%);

- Fluctuations in bond markets (Global bond values in EUR terms fell 4.6% while European bond values fell 1.5%); and
- exchange rate fluctuations (in the Q4 of 2022, the value of the US dollar (USD) in terms of the euro (EUR) fell by 9,00%).

Figure 4.2.2

“INDEXO Izaugsme 47-57” – the first 2nd pension pillar plan in Latvia, which offered clients investment in index-based funds. Investment in the stock market is up to 50%. In comparison to other INDEXO pension plans, this plan is characterized by a medium-high potential return and a medium-high volatility (risk), therefore this plan is suitable for clients within the age from 47 to 57.



Plan profile: investments are made in diversified, high-quality low-cost index funds; investment profile is equities and high-quality investment bonds within developed countries. Up to 7% of the assets of the plan INDEXO may invest in alternative investment funds registered in Latvia. Investments in a single alternative investment fund registered in Latvia may not exceed 30% of this fund's net assets.

Detailed information is included in the prospectus available at the web page of INDEXO (https://indexo.lv/wp-content/uploads/2023/02/Izaugsme-47-57_Prospekts_2023Jan.pdf).

Plan is operated since 3 July 2017.

Financial data

Main financial information with regards to the operation of “INDEXO Izaugsme 47-57” for past three years is presented below. Full annual reports for the period since operation of the plan is publicly available at the web page of INDEXO (<https://indexo.lv/2-pensiju-limenis/rezultati/>).

Table 4.2.8

	2020	2021	2022
Net assets	85.5 MEUR	120.0 MEUR	139.7 MEUR
Increase of the net assets during the period as the result of investments	3.2 MEUR	13.0 MEUR	-17.6 MEUR
Unit value	1.2006311	1.3639833	1.1871428
Difference in the share value	3.75%	13.61%	-12.97%
Number of clients	8,079	10,061	16,316

The visible fall of the share value of the assets of the plan over the course of 2022 can be explained similarly to the pension plan “INDEXO Jauda 16-50” by such global tendencies:

- the fluctuations in stock market indices of developed countries (in the Q4 of 2022, the stock markets of developed countries showed a negative yield. For example, the MSCI World Total Return index, expressed in EUR currency, fell by 0,82%.); and
- exchange rate fluctuations (in the Q4 of 2022, the value of the US dollar (USD) in terms of the euro (EUR) fell by 9,00%).

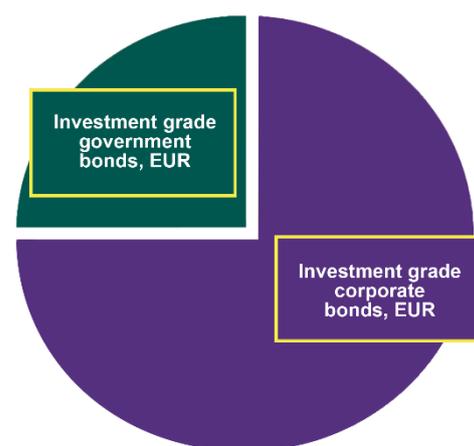
Figure 4.2.3

“INDEXO Konservatīvais 55+” – investment only into the highest quality bonds of index-based funds. In comparison to other INDEXO asset management plans, this plan is characterized by a lower volatility (risk) and consequently lower potential returns, therefore this plan is suitable for clients within the age from 55.

Plan profile: investments are made in diversified, high-quality low-cost index funds; investment profile is stable, high-quality euro denominated government and corporate bonds.

Plan is operated since 23 April 2018.

Detailed information is included in the prospectus available at the web page of INDEXO (https://indexo.lv/wp-content/uploads/2023/02/Konservativais-55_prospekts_2023jan.pdf).



Financial data

Main financial information with regards to the operation of “INDEXO Konservatīvais 55+” for past three years is presented below. Full annual reports for the period since operation of the plan is publicly available at the web page of INDEXO (<https://indexo.lv/2-pensiju-limenis/rezultati/>).

Table 4.2.9

	2020	2021	2022
Net assets	15.3 MEUR	23.1 MEUR	26.6 MEUR
Increase of the net assets during the period as the result of investments	363 TEUR	-450 TEUR	-3.9 MEUR
Share value	1.065261	1.040232	0.8877082
Difference in the share value	2.44%	-2.35%	-14.66%
Number of clients	6,204	8,737	9,116

The visible fall of the share value of the assets of the plan over the course of 2022 can be explained by the fluctuations in government investment grade bond market indices (Barclays Euro Treasury Bond index fell by 1.63%. Investment plan in the government bond market contributes about a quarter of the investments.).

3rd pension pillar products

INDEXO was the first Latvian pension fund manager to launch individualized, automatically rebalancing investment products to 3rd pillar customers. Since April 2021 INDEXO and Indexo Atklātais Pensiju Fonds AS offers clients two effective and low-cost 3rd pension pillar pension plans “INDEXO Akciju plāns” and “INDEXO Obligāciju plāns”.

Clients can participate in both asset management plans simultaneously, using two options for investment distribution: (1) automatic investment distribution with assistance of INDEXO unique robotic investment system that gives clients maximum freedom; or (2) manual investment distribution, where client controls the amount of investment to be invested in equity and bonds.

(1) Automatic investment distribution with assistance

INDEXO robotic investment system ensures that the client's investment always corresponds to the age and the desired level of risk. Investments are automatically adjusted to the age of the client, risks and return potential are gradually decreasing towards the retirement age.

This system is well suitable to clients that are not afraid of short-term market fluctuations and want to save for optimal pension.

(2) Manual investment distribution

Under manual investment distribution the client can decide and control the amount of assets to be invested into equity and bonds, consequently the client can decide the amount of risk to take and what will the return potential.

This system is well suitable to the clients that feel confident enough to manage their own investments and take their own risks.

(2) Bank development

Table 4.2.10

December 2022	The review process of the licensing documentation by the Bank of Latvia (in Latvian: Latvijas Banka) was commenced.
December 2022	A separate legal entity AS IDX1R was established , and all bank development related activities and associated costs were consolidated into this new entity. AS IDX1R is also the legal entity that has applied for the bank license. All individuals working on the banking project are employed by AS IDX1R, and all bank related investments and agreements with third-party service providers have been executed through this entity. Prior to the establishment of AS IDX1R, all salary allocations and direct cost allocations deemed necessary for bank licensing and development activities are disclosed in Note 24 of INDEXO's audited consolidated and separate annual report for the financial year ending on 31 December 2022.
May 2023	The share capital of AS IDX1R has been increased by EUR 3,000,000 from EUR 2,000,000 to EUR 5,000,000 to continue the INDEXO Bank's product development.

May 2023

New composition of the Management Board and the Supervisory Board of AS IDX1R.

The management board of AS IDX1R was elected in the following composition:

- Mr. Valdis Siksnis shall become the chairman of the management board of the future INDEXO Bank (Chief Executive Officer);
- Ms. Tīna Kukka shall become the CFO of the future INDEXO Bank (Chief Financial Officer);
- Mr. Vladimirs Bolbats shall be responsible for the development of the retail services of INDEXO Bank (Head of Retail Banking Development);
- Mr. Gints Ozoliņš whose expertise is technology development shall become the CTO of the future INDEXO Bank (Chief Technology Officer);
- Ms. Evija Sloka, shall become the risk manager of INDEXO Bank (Chief Risk Officer);
- Ms. Ieva Bauma shall become the marketing and communication manager (Chief Marketing Officer);
- Ms. Līga Katrīna Kļaviņa, shall become the head of compliance of the future INDEXO Bank (Chief Compliance Officer).

Whereas supervisory board of AS IDX1R was elected in the following composition:

- Chairman of the supervisory board of the future INDEXO Bank shall be Mr. Valdis Vancovičs;
- Mr. Svens Dinsdorfs;
- Ms. Ivita Asare;
- Ms. Ramona Miglāne;
- Mr. Renāts Lokomets.

Furthermore, the Head of Internal Audit, Legal counsel and other have been selected.

All candidates of the management board and supervisory board of the future INDEXO Bank are subject to approval by the financial sector's supervisory authorities in Latvia and the European Union as part of the licensing process.

February 2023

Mambu has been chosen the key banking technology platform Mambu for the operation of INDEXO Bank which will ensure a cloud-native banking platform. Mambu will ensure INDEXO Bank with key digital financial service technology – current accounts, payments, consumer deposit and lending functionality, as well as help to develop the future service portfolio as the new INDEXO Bank expands into new product segment.

	In addition, Saas based IT infrastructure is viewed as a competitive advantage that will allow INDEXO Bank to launch services that are modern, highly automated and flexible.
February 2023	Microsoft Azure has been selected as the cloud computing ecosystem, and customer relations and business management will be conducted on this environment with the help of Microsoft Dynamics software .
February 2023	Digital Mind has been selected as the provider of Customer Relationship Management (CRM) and Enterprise Resource Planning (ERP) solutions for the operation of INDEXO Bank.
June 2023	Nets, part of Nexi Group , has been chosen to be a provider of full suite of card issuing services. INDEXO will benefit from an associate VISA licence under Nets VISA licence and leverage extensive issuing knowledge and resources of Nets.
Anticipated to launch at the end of 2023	Detailed plan for the INDEXO Bank IT system development with a roadmap to launch services has been developed.
Anticipated to be completed by the end of 2023	The design of INDEXO Bank's mobile application is nearly finalized, and the production of the application is advancing according to plan to be able to offer core services through both iOS and Android mobile applications by the end of 2023.
Ongoing until the start of operations of INDEXO Bank	Working on the product offering that would fit the needs of its customers and would provide unique features that are not available from other local banks.
September 2023	<p>The Bank of Latvia (in Latvian: Latvijas Banka) has issued to INDEXO Bank a confirmation, 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, not later than within 12 months if the evaluation period is prolonged by the regulators due to additional information requests. Thus, the three-month deadline for reviewing the application is 13 December 2023, however the evaluation may be prolonged and additional information might be requested by the Bank of Latvia (in Latvian: Latvijas Banka) within the above-mentioned 12-month period.</p> <p>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 Universal Registration Document is subject to the successful execution of the Offering.</p>

4.3. Key developments of INDEXO

INDEXO has developed rapidly since entering the market as a challenger brand in 2017. Please see below for key milestones within the development of INDEXO.

Table 4.3.1

Key developments and milestones		
2017	 <p>Founded in 2017 by 30+ prominent local business leaders.</p>	 <p>Innovative - the first passive pension manager in Latvia, where contributions are invested in Market Index based instruments with no asset management team and related costs.</p>
2018	 <p>Has developed and operate extremely effective and sustainable client acquisition strategy.</p>	 <p>Continues to offer competitive fees, effective investments, and efficiency.</p>
2019		
2020		
2021	 <p>In April we launched the first 3rd pillar robo-advisory product with automated investment decisions in index funds.</p>	
2022	 <p>In July 2022 held a successful initial public offering (IPO) by raising 7.49 million EUR for planned Bank business development public on the Nasdaq Riga Stock Exchange.</p>	 <p>As a result, has become the fastest growing pension manager with the highest average AUM and the lowest average customer age.</p>

2022



INDEXO **co-founded a real estate fund management company** to create a new low-cost real estate fund in the Latvian market.



In December 2022, **an application for a credit institution license** was submitted to the Bank of Latvia (in Latvian: Latvijas Banka). The evaluation of the application is currently in process.

2023



On 28 July 2023 INDEXO became the third largest 2nd pension plan manager in Latvia, surpassing Citadele.

5. PRINCIPAL MARKETS

Information contained herein relates to two operational segments which INDEXO distinguishes: asset management and bank development. It is provided for informational purposes only. Unless otherwise indicated, such information reflects INDEXO estimates based on analysis of multiple sources, including data compiled by respective government institutions, publicly available information as well as INDEXO internal data and its own experience. Management Board has, to the best of its abilities, sought to ascertain and accurately reproduce information contained herein, omitting no facts which could render the reproduced information inaccurate or misleading. However, Management Board accepts no further responsibility in respect to the information contained in this Section.

Prospective investors should read this Section 5 “PRINCIPAL MARKETS” in conjunction with the more detailed information contained in this Universal registration Document including Section 2 “RISK FACTORS” and Section 18 “HISTORICAL FINANCIAL INFORMATION”.

5.1. Introduction

INDEXO currently operates in two operating segments: (1) asset management; and (2) banking development. Operating activities of both segments are in Latvia.

- (1) Asset management: INDEXO operates in asset management market in Latvia with respect to managing retirement savings and is active in the following segments of the market: (i) management of state-funded pension scheme assets (2nd pension pillar); and (ii) management of private pension fund assets (the 3rd pension pillar). Thus, INDEXO mainly operates by providing asset management services in the Latvian pension system.

As of 30 September 2023, the addressable market for INDEXO products in the 2nd pillar is 6.494 billion euros and 732 million for 3rd pillar. 2nd pillar market has been growing 13.3% cumulatively over past 5 years and 3rd pillar 10.2% over the same period.

- (2) Banking development: On July 2022 INDEXO completed an initial public offering whereby it raised 7.49 million euros with the aim of acquiring a licence for establishment of a credit institution. Since then, INDEXO has been actively engaged in obtaining a licence of a credit institution and development of INDEXO Bank. This segment currently includes salary allocation and direct cost allocation considered necessary for bank licensing and development activity.

This Section provides an overview of both the asset management segment and the banking development segment. Further, it addresses the relevant key developments and trends, competitive landscape, and regulatory environment in the respective market segments.

5.2. Overview of the Latvian Pension System

There is a three-pillar pension system in Latvia. It includes the 1st pension pillar (state compulsory unfunded pension scheme), the 2nd pension pillar (state funded pension scheme based on social tax) and the 3rd pension pillar (based on private, voluntary contributions).

The underlying principle of the system is the following: larger contributions made today means larger pension tomorrow. The three-pillar system combines each person`s personal interest in well provided old age and generation solidarity. The simultaneous existence of all three pension pillars ensures the stability of the system as it reduces demographic or financial risk for each of the pillars.

5.3. State-funded pension scheme asset management (2nd pension pillar)

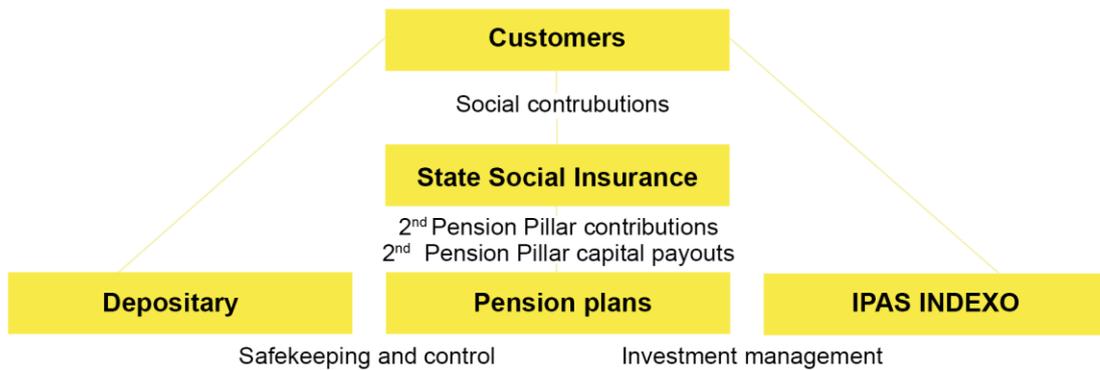
Overview and the structure of the state-funded pension scheme regulation

The 2nd pension pillar scheme was introduced in Latvia on 1 July 2001. It is an obligatory defined contribution system intended to create additional savings to pension provided by the 1st pension pillar. The aim of the 2nd pension pillar is to increase the individual's pension capital and the amount of the pension, with part of the social tax contributions accumulated and invested in the financial and capital market with investments into securities and bank deposits.

The funded pension scheme is a set of measures organized by the state to make contributions, administer paid-in funds, pay pensions and use the funded pension capital, by investing part in accordance with the procedures specified in the Latvian Law on State Funded Pensions.

Figure 5.3.1

Structure of the state funded pension scheme (2nd pension pillar)



Private Individual

Contributions to the 2nd pension pillar are made automatically from social security contributions. The contribution rate is 6% (six per cent) of the contribution object laid down in the Latvian Law on State Social Insurance and Latvian Solidarity Tax Law.

The accumulated capital amount of the 2nd pension pillar depends on:

- individual's salary;
- the current contribution rate;
- investment profit;
- length of participation time in the 2nd pension pillar before the old age pension request.

An individual chooses an investment plan in which to invest the contributions. The State Social Insurance Agency ensures that the accrued funded pension capital for each participant of the funded pension scheme is calculated and registered in an account of the participant of the funded pension scheme (funds accumulated for the benefit of a participant of a funded pension scheme in a specified period of time).

An individual shall use the accrued funded pension capital when he or she is granted the old-age pension in accordance with the Latvian Law on State Pensions.

Private individual has the right to change the fund manager of his or her funded pension capital and also has the right to switch between the investment plans of the same fund manager. ⁴

The client is allowed to change the manager 1 time in a calendar year and to switch between investment plans of the same fund manager 2 times in a calendar year.

Investment Management Company and Depository

The investment management company of the funded pension scheme funds performs the management of the contributions made in the funded pension scheme, further accrued funds (interest) and other assets.

To provide fund management services in Latvia, the fund manager needs to be registered and licensed in accordance with the legislation, have a contract with the State Social Insurance Agency and meet the minimum capital requirements of set out by regulation.

The investment management company ensures that settlements of transactions with funds of the funded pension scheme are made through the intermediation of the depository, entering into a depository bank agreement therewith. A depository keeps the assets, performs settlements for the transactions with fund assets, performs oversight and other duties.

Services of the manager of the funds of the funded pension schemes

To manage the funds of the state-funded pension scheme, the investment management company shall develop one or several investment plans for funds of the funded pension scheme.

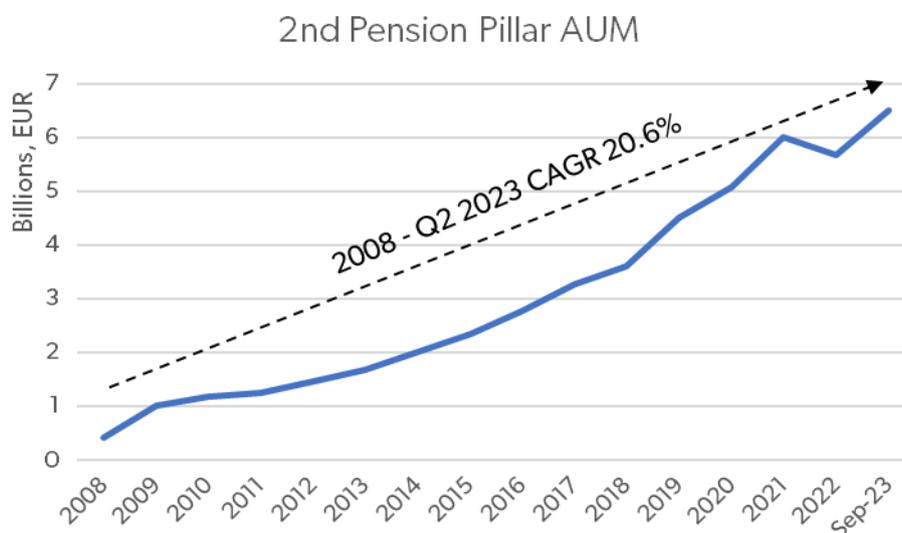
Investment plans are a set of provisions in accordance with which the management of funds of the funded pension scheme shall be carried out. The relevant investment plan provisions are presented in a specifically developed prospectus and the basic information document intended for the pension plan participants in accordance with the terms and conditions set in the Law on Investment Management Companies.

All funds related information with prospectuses, financial information of the fund manager, NAV, NAV historic performance, total fund assets and client numbers are accessible for the public on www.manapensija.lv.

The Investment management company is entitled to perform the management of funds of the funded pension scheme in conformity with an investment plan only following the registration of the said prospectus.

⁴ In accordance with the conditions laid down in the Law on State Funded Pensions and procedures stipulated by the Cabinet.

Figure 5.3.2



Over the last 10 years, the average gross wage in Latvia has grown from 722 euros in 3Q 2013 to 1,525 euros in 2Q in 2023.⁵

There are eight investment management companies that manage retirement savings within the 2nd pension pillar, including INDEXO. Currently, these investment management companies offer 33 investment plans in Latvian market that can further be segmented depending on asset investment risk level – 24 active plans (50%, 75% and 100%), four balanced plans and five conservative plans. Since the entrance of INDEXO in the market, other asset managers have developed their product offering. Some competitors have introduced life cycle funds, others index funds, giving customer a choice between different products. Index funds, that are likely to outcompete active management over long period, account for 14.8% of the total 2nd pillar market, as of end of September 2023.

The most representative metrics that provide an adequate picture of the competitive landscape within the management of retirement savings within the 2nd pension pillar are (1) assets under management (AUM); and (2) the number of participants in the investment plans for the 2nd pension pillar.

Assets under management (AUM) in the 2nd pension pillar segment in Latvia

The total assets under management (AUM) of INDEXO for all of the investment plans provided are the following – EUR 178 862 051 in 2019, EUR 279 354 497 in 2020, EUR 464 410 702 in 2021, EUR 574 737 132 in 2022, and EUR 795 189 316 at the end of September 2023. A steady year-on-year growth trend can be detected leading to 47.6% annualized increase comparing total AUM of INDEXO in 2019 and 2022.

Table 5.3.1

	2017	2018	2019	2020	2021	2022	Sep 2023
Total AUM	3,278,372,298	3,595,914,104	4,511,324,201	5,085,557,339	5,999,370,198	5,672,754,039	6,493,863,878

⁵ National Statistical System of Latvia. Average monthly and median wages and salaries 1994Q1 - 2023Q3. Available: https://data.stat.gov.lv/pxweb/en/OSP_PUB/START_EMP_DS_DSV/DSV010c.

Indexo AUM	27,867,904	69,905,995	178,862,051	279,354,497	464,410,702	574,737,132	795,189,316
Market share	0.9%	1.9%	4.0%	5.5%	7.7%	10.1%	12.2%

Source: Information from www.manapensija.lv and internal calculations on AUM of INDEXO in all three 2nd pension pillar investment plans.

From the information provided in the table above, steady growth can be distinguished in the market share of INDEXO with respect to assets under management (AUM): from 3.96% in 2019 to 12.25% in September of 2023. According to publicly available information, INDEXO has the fastest growing assets under management (AUM) in 2nd pension pillar asset management market for the period from end of September 2018 to end of September 2023 with a cumulative annual growth rate of 69.9%.

Number of participants in the 2nd pillar pension asset management market in Latvia

As of September of 2023, the client number of INDEXO stands at 107.7 thousand. Despite higher client base, INDEXO has maintained a high growth rate. The year-on-year increase of client numbers between 2021 and 2022 was 39.8%.

Table 5.3.2

	2017	2018	2019	2020	2021	2022	Sep 2023
Total clients	1,278,144	1,293,613	1,300,135	1,295,750	1,296,141	1,294,456	1,295,868
Indexo clients	3,914	19,121	32,827	48,537	65,005	90,874	107,655
Market share	0.3%	1.5%	2.5%	3.7%	5.0%	7.0%	8.3%

Source: Information from www.manapensija.lv on and internal calculations on a number of participants of in all three Indexo 2nd pillar asset management schemes

From the information provided in the table above, a steady increase can be distinguished in INDEXO's market share with respect to the number of participants in INDEXO's three investment plans: from 0.3% in 2017 to 8.3% in September of 2023. According to publicly available information, INDEXO has the fastest growth with respect to the clients (participants) in the period from end of September 2018 to end of September 2023 compared to the other 2nd pillar pension asset management market participants in Latvia. The cumulative annual growth rate for this period has been 68.5%.

5.4. Private voluntary pension scheme (3rd pension pillar)

Overview of 3rd pillar asset management

The private voluntary pension scheme or the 3rd pension pillar was launched in July 1998. It gives an opportunity to create and accumulate additional contributions in addition to the state guaranteed 1st and the 2nd pension pillar. The savings created over time will serve as a supplement to the state-guaranteed pension.

At the end of September 2023, the market for 3rd pillar products was 732 million euros with 198.7 thousand active participants and 396.6 thousand total participants. The market has been steadily growing since inception. About 80% of the AUM comes from private individual contributions and 20% from employer contributions. The average assets per client in 3rd pillar are significantly smaller than in the 2nd pillar funds (5,011 euros in 2nd pillar vs 1,846 euros in 3rd pillar at the end of September 2023).

The cost of the 3rd pension pillar in Latvia has historically been very high. Latvian pension managers are providing active management services and the results have been lagging market indexes. To challenge that, INEXO launched its passive index-based fund service with low fees and individualized accounts with automatic rebalancing in April 2021.

There are incentives in place to promote 3rd pillar investments both by individuals and companies:

- Individuals can claim back income tax on contributions to 3rd pillar pension scheme which together with the contributions into life insurance saving products does not exceed 10% of their gross wage capped at 4,000 euros of contributions per annum;
- Employer contributions are not subject to individual income tax and social taxes on contributions to 3rd pillar pension scheme which together with the contributions into life insurance saving products does not exceed 10% of the gross wage of the employee regardless of whether the employee is making individual contributions.

To join 3rd pension pillar pension scheme, a person must draw up an individual membership contract. A person can have a number of participation contracts with one or various Investment management companies and their investment plans.

The client of a 3rd pillar pension fund does not have access to their accumulated savings until the age of 55 with certain exceptions related to disability etc. They may at any time stop contributions to the funds and resume at will.

5.5. Total revenues

INDEXO as a state funded pension and private pension manager ultimately earns commission fees which make up INEXO's revenue. The fees differ for the 2nd pension pillar and the 3rd pension pillar plans. Fees are calculated as a percentage of the pension plan's average net asset value.

The following tables break down the revenue from fees by INEXO based on consolidated and stand-alone financial statements. The 3rd pillar plans were launched in 2021.

Table 5.5.1

Commission income, EUR	Year ended 31 December			9-month period ended 30 September
	Consolidated			
	2020	2021	2022	2023
"INDEXO Jauda 16-50"	605,781	1,079,807	1,595,223	1,575,692
"INDEXO Izaugsme 47-57"	324,495	448,589	560,851	505,302
"INDEXO Konservatīvais 55+"	42,191	67,546	86,603	77,063
3 rd pillar plan "INDEXO AKCIJU PLĀNS"	-	5,637	32,196	48,691
3 rd pillar plan "INDEXO OBLIGĀCIJU PLĀNS"	-	442	2,747	3,886
Total	972,467	1,602,021	2,277,620	2,210,634

Table 5.5.2

Commission income, EUR	Year ended 31 December			9-month period ended 30 September
	Stand-alone			
	2020	2021	2022	2023
"INDEXO Jauda 16-50"	605,781	1,079,807	1,595,223	1,575,692
"INDEXO Izaugsme 47-57"	324,495	448,589	560,851	505,302
"INDEXO Konservatīvais 55+"	42,191	67,546	86,603	77,063
3 rd pillar plan "INDEXO AKCIJU PLĀNS"	-	2,321	13,257	20,049
3 rd pillar plan "INDEXO OBLIGĀCIJU PLĀNS"	-	182	1,131	1,600
Total	972,467	1,598,445	2,257,065	2,179,706

6. KEY STRATEGIES OF INDEXO

Overall INDEXO strategy

INDEXO strategy is based on 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.

Passive asset management

INDEXO as an asset manager has chosen to manage the funds under its management using a passive asset management strategy. INDEXO believes that this is the most efficient investment strategy and has proven to outperform active asset management over the decades. Investments in index funds lead to a simple, efficient, and low-cost product, ensuring clients an average market return that in the medium and long term is highly likely to outperform the vast majority of actively managed funds.

Active and focused client acquisition

INDEXO approaches clients actively and with great focus by direct sales in retail stores in major Latvian cities, by use of various digital channels, by successful marketing campaigns, as well by telemarketing.

INDEXO brand – agent of positive change

The INDEXO brand is already well known for lobbying and achieving improvements in pension related legislation. Pro-active education of society about pensions, savings and investments is also one of the key focuses. Therefore, INDEXO is planning to continue its brand recognition course through improvement and educational work that is beneficial for society as whole and will continue innovative activity in digital media and social networks.

Transparency about costs and fees

INDEXO has and will continue to be fully transparent and clear about costs and fees.

Future development of the asset management business

INDEXO's strategy on the future development of the asset management business is based on investing in the development of INDEXO sales specialists (brand ambassadors) who help to attract and educate potential new clients, to improve client access to great low-cost products and to expand its asset management products.

Further development of the role of INDEXO sale specialists (brand ambassadors)

The 2nd pension pillar is and will continue to be one of the main focuses of INDEXO. The company will continue to invest into development and growth of its sales team (brand ambassadors) in order to continue effective direct approach of even more clients.

Current 2nd pillar pension system does not provide an option for individualized pension accounts and customers reaching the age of 55 will need personalized advice on their pension savings planning to find an optimal solution for pre-retirement saving period. Over coming years as the demand for such service will grow, INDEXO intends to introduce a service to help its clients with and individual approach to their financial planning.

Improvement of low-cost financial products offered

INDEXO is constantly working to improve client access to great low-cost products. In the coming years INDEXO expects to create even better tools for clients to undertake financial planning for savings and retirement and offer access to savings products through the INDEXO customer platform.

INDEXO believes that development of even greater products and focus on expansion of its team that will be able to further introduce these products to clients will be one of the main cornerstones for successful future development of INDEXO's asset management business.

Expansion of INDEXO's asset management products

INDEXO is planning to introduce significant strategic changes by expanding its asset management products which would potentially not only offer investments in the global economy, but also specifically in the local Latvian economy (market).

In particular, up until now the investment strategy included only investments in index funds. As of January 2023 in several of INDEXO's 2nd pension plans ("INDEXO Jauda 16-50" and "INDEXO Izaugsme 47-57") has been introduced the option to invest up to 7% of the managed investments in alternative investment funds registered in Latvia, hoping to contribute to the growth of the Latvia's capital market. Primarily it is planned to invest in real estate, again providing real competition to existing real estate funds. INDEXO believes that this will be a significant commitment to the Latvian market and economy, especially since in November 2022 INDEXO co-founded as a minority shareholder an alternative investment fund management company for a planned low-cost real estate fund management.

Further development – banking licence

INDEXO's long term strategy is to expand its business outside of asset management and develop a bank as its subsidiary within the INDEXO organizational structure.

7. DEPENDENCY ON AGREEMENTS, LICENCES AND SIMILAR TYPE OF AGREEMENTS

INDEXO and its subsidiary Indexo Atklātais Pensiju Fonds AS are holding special permits (licences) issued by the Bank of Latvia (in Latvian: Latvijas Banka), authorising companies to provide their services. On 16 May 2017 INDEXO received a licence for the provision of investment management services and management of state-funded pension scheme assets, in turn on 20 January 2021 Indexo Atklātais Pensiju Fonds AS obtained a licence for private pension funds. INDEXO and Indexo Atklātais Pensiju Fonds AS are dependent on special permits (licences) to render their main services with respect to the investment management segment. Consequently, both special permits (licences) issued to INDEXO and Indexo Atklātais Pensiju Fonds AS are considered as critical for the business of companies.

INDEXO and Indexo Atklātais Pensiju Fonds AS have entered into several agreements specified below that are of significant importance for operation of both companies and thereby are considered as business critical.

Moreover, INDEXO has entered into several agreements which are specified below in relation to the establishment of INDEXO Bank that are considered to be critical for successful start of commencing banking operations.

Agreement on Management of State-Funded Pension Scheme Funds

On 27 June 2017 INDEXO entered into an Agreement on Management of State-Funded Pension Scheme Funds with the State Social Insurance Agency of the Republic of Latvia. The parties have agreed that INDEXO shall perform the management of the funds, i.e., contributions made, future fruits and other assets, of state-funded pension scheme.

Custodian Bank Agreement on State-Funded Pension Scheme Funds

On 13 October 2020 INDEXO concluded a Custodian Bank Agreement on State-Funded Pension Scheme Funds with "Swedbank" AS. The parties have agreed that "Swedbank" AS shall maintain the accounts of investment plans within 2nd pension pillar managed by INDEXO as well as keep the assets and perform registration thereof, including performance of transactions and carrying out settlements with the assets, receipt and transfer of securities, etc.

Custodian Bank Agreement

On 17 February 2021 Indexo Atklātais Pensiju Fonds AS entered into a Custodian Bank Agreement with "Swedbank" AS. The parties have agreed that "Swedbank" AS shall maintain the accounts of pensions plans within 3rd pension pillar developed by Indexo Atklātais Pensiju Fonds AS, hold and keep the accounts and other assets of pension plans as well as perform registration thereof.

Agreement on Management of Pension Fund

On 22 August 2021 INDEXO concluded an Agreement on Management of Pension Fund with Indexo Atklātais Pensiju Fonds AS. The parties have agreed that INDEXO shall manage the funds of two pension plans within 3rd pension pillar developed by Indexo Atklātais Pensiju Fonds AS, i.e., "INDEXO Akciju plāns" and "INDEXO Obligāciju plāns", as well as agreed that INDEXO will perform pension plans marketing activities and certain pension fund administrative functions. This agreement replaced previous agreements between the parties on the same subject matter.

8. INVESTMENTS

INDEXO Group's operations require regular investments in INDEXO Group's assets to improve the services offered to clients. Furthermore, investments are also required to establish and maintain compliance with regulatory requirements.

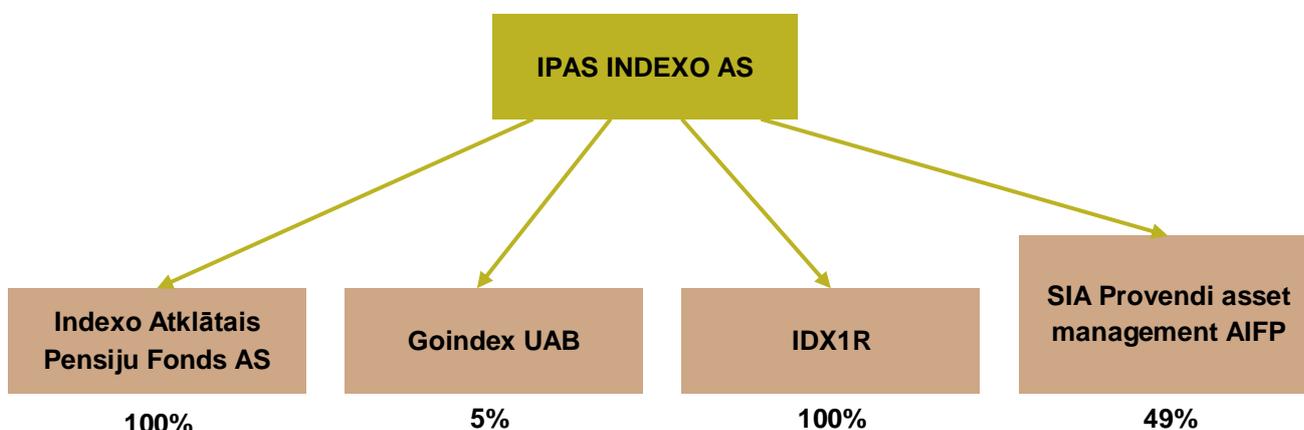
During the period covered by the historical financial information, INDEXO made the following material investments beyond the scope of everyday economic activities:

- (1) During the year ended 31 December 2020, on 5 June 2020 a decision was adopted on founding Indexo Atklātais Pensiju Fonds AS with the aim of offering a 3rd pillar pension service to clients. Indexo Atklātais Pensiju Fonds AS capital consists of 400,000 shares with nominal value of EUR 1 per share, thus constituting an investment of EUR 400,000 by INDEXO.
- (2) During the year ended 31 December 2021, INDEXO invested (1) an amount of EUR 11,663 by acquiring 5% of the share capital of GOINDEX UAB (please see more on GOINDEXO UAB in Section 9 "ORGANISATIONAL STRUCTURE" of the Universal Registration Document) and (2) additional investment of EUR 200,000 in the share capital of Indexo Atklātais Pensiju Fonds AS.
- (3) During the year ended 31 December 2022, INDEXO invested (1) in the share capital of AS "IDX1R" an amount of EUR 2,000,000 (please see more on AS "IDX1R" in Section 9 "ORGANISATIONAL STRUCTURE" of the Universal Registration Document); and (2) in the share capital of SIA Provendi asset management AIFP an amount of EUR 49,000 (please see more on SIA Provendi asset management AIFP in Section 9 "ORGANISATIONAL STRUCTURE" of the Universal Registration Document).
- (4) During 2023 year INDEXO invested (1) in the share capital of AS "IDX1R" an additional amount of EUR 3,000,000 (please see more on AS "IDX1R" in Section 9 "ORGANISATIONAL STRUCTURE" of the Universal Registration Document); (2) an additional investment of EUR 150,000 in the share capital of Indexo Atklātais Pensiju Fonds AS; an additional investment of EUR 49,920 in the share capital of GOINDEX UAB.

9. ORGANISATIONAL STRUCTURE

The chart below presents the organisational structure of INDEXO as of the date of this Universal Registration Document.

Figure 9.1



Data of INDEXO, Indexo Atklātais Pensiju Fonds AS, Goindex UAB, IDX1R and SIA Provendi asset management AIFP are provided below.

Table 9.1

IPAS INDEXO

Legal form	Joint Stock Company (AS – akciju sabiedrība)
Country of registration	Latvia
Registration authority	Commercial Register of Latvia
Registration number	40203042988
Registration date	10.01.2017
Legal address	Elizabetes street 13 - 1A, Riga, LV-1010, Latvia
Registered and paid-up share capital	EUR 3,795,407
Conditional share capital	EUR 282,676
Shares	3,795,407
Shareholders	Please see Section 16 “SHAREHOLDERS” of this Universal Registration Document
Licence	Investment Management Company
Issuance date	16.05.2017
Issuing authority	The Bank of Latvia (in Latvian: Latvijas Banka) (previously – Financial and Capital Market Commission)

IPAS “Indexo”. IPAS “Indexo” (INDEXO) is a licensed investment management company which provides investment management services (3rd pension pillar by managing funds of INDEXO Atklātais Pensiju Fonds AS) and management of state-funded pension scheme assets (2nd pension pillar). Please see Section 4.2

“Types of activities of INDEXO” of this Universal Registration Document for more detailed information regarding INDEXO.

Table 9.2

INDEXO Atklātais Pensiju Fonds AS

Legal form	Joint Stock Company (AS – akciju sabiedrība)
Country of registration	Latvia
Registration number	40203248944
Registration date	13.06.2020
Legal address	Elizabetes street 13 - 1A, Riga, LV-1010, Latvia
Share capital	EUR 750,000
Shares	750,000
Shareholders	IPAS INDEXO AS – 750,000 shares (100% of share capital)
Licence	Pension Fund
Issuance date	20.01.2021
Issuing authority	The Bank of Latvia (in Latvian: Latvijas Banka) (previously – Financial and Capital Market Commission)

Indexo Atklātais Pensiju Fonds AS. Indexo Atklātais Pensiju Fonds AS is a licensed private pension fund and a wholly owned subsidiary of INDEXO.

Indexo Atklātais Pensiju Fonds AS has developed two pension plans within the 3rd pension pillar which are managed by INDEXO.

Table 9.3

Goindex UAB

Legal form	Private limited liability company
Country of registration	Lithuania
Registration number	305706496
Registration date	26.02.2021
Legal address	Lvivo g. 25-701, LT-09320 Vilnius, Lithuania

Goindex UAB. As of the date of the Universal Registration Document INDEXO owns 5% of Goindex UAB shares and has been a shareholder in the company since June 2021. One of the shareholders of Goindex UAB is the member of the Management Board of INDEXO– Henrik Karmo.

Goindex UAB is a start-up which aims to develop a pension management business offering globally diversified life-cycle 2nd and 3rd pillar pension funds with the key focus on low-cost index fund investments and transparent and easy-to-understand pension savings plan solutions.

Goindex UAB is not considered a significant subsidiary of INDEXO within the meaning of the Regulation; therefore, a description of Goindex UAB has been provided for information purposes.

Table 9.4

AS IDX1R

Legal form	Joint Stock Company (AS – akciju sabiedrība)
Country of registration	Latvia
Registration number	40203448611
Registration date	19.12.2022.
Legal address	Elizabetes iela 13 - 1A, Rīga, LV-1010, Latvia
Share capital	EUR 5,000,000
Shares	5,000,000
Shareholders	IPAS INDE XO AS – 5,000,000 shares (100% of share capital)

INDEXO created a subsidiary company AS IDX1R for the needs of the future INDEXO Bank. As of the date of the Universal Registration Document INDEXO owns 100% of IDX1R shares.

The INDEXO team is currently working on the documentation of the bank license application, and it is planned that after receiving the license, this newly established AS IDX1R will become the INDEXO Bank.

Table 9.5

SIA Provendi asset management AIFP

Legal form	Private limited liability company
Country of registration	Latvia
Registration number	40203438204
Registration date	02.11.2022.
Legal address	Daugavgrivas street 7B, Riga, LV-1048, Latvia
Share capital	EUR 100,000
Shares	100,000
Shareholders	IPAS INDE XO AS – 49,000 shares (49% of share capital)
Licence	Alternative Investment Management Company
Issuance date	20.12.2022
Issuing authority	The Bank of Latvia (in Latvian: Latvijas Banka) (previously – Financial and Capital Market Commission)

INDEXO co-founded an alternative investment fund management company to create a new low-cost real estate fund in the Latvian market. INDEXO as of the date of the Universal Registration Document is the largest shareholder of SIA Provendi asset management AIFP with 49% shares.

INDEXO is committed to develop Latvian capital markets and provide savers with better alternatives for saving. Even though it is not in direct relation to INDEXO's currently primary type of activity – operations within the pension management market – real estate is one of the most important assets for people to save money for retirement.

10. OPERATING AND FINANCIAL REVIEW

The following discussion of INDEXO's financial position and operational results should be read in conjunction with INDEXO's historical financial information as at and for the financial years ended 31 December 2020, 2021, and 2022 and the accompanying notes included in the audited financial statements, and with the information relating to INDEXO's business included elsewhere in this Universal Registration Document.

The discussion includes forward-looking statements that reflect the current view of the Management Board and involves risks and uncertainties. INDEXO's actual results could differ materially from those contained in any forward-looking statements as a result of factors discussed below and elsewhere in this Universal Registration Document, in particular, in Section 2 "RISK FACTORS" and in the Securities Note, once it has been approved by the Bank of Latvia (in Latvian: Latvijas Banka), in particular, in section about reasons for the offering and use of proceeds. Prospective investors should read the entire Universal Registration Document and not merely rely on the information contained in this Section 10 "OPERATING AND FINANCIAL REVIEW".

10.1. Overview

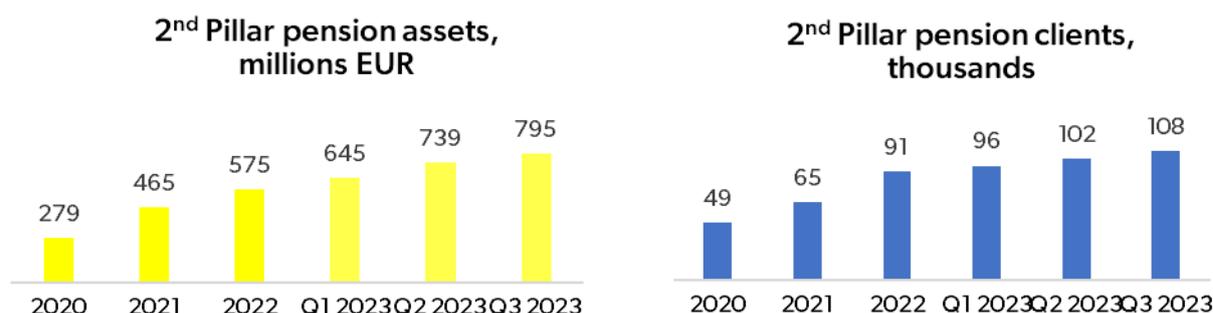
INDEXO offers three products within the 2nd pension pillar, where the client can decide on the investment strategy that most suits the client, and since 2021 INDEXO also offers 3rd pension pillar plans tailored for clients, considering their age and necessities.

At the beginning of the year ended 31 December 2020 INDEXO, managed 4.0% of all state-funded pension scheme funds, but at the end of that period 5.5% of all state-funded pension schemes.

In the year ended 31 December 2021 INDEXO was the fastest growing 2nd pillar pension plan manager in the market, adding 16 thousand clients and EUR 186 million AUM. In the year ended 31 December 2022, INDEXO added a record number of clients (25,869) in INDEXO history, reaching 90,874 and AUM grew by 24% in comparison with 2021 to EUR 574.7 million.

Figure 10.1.1

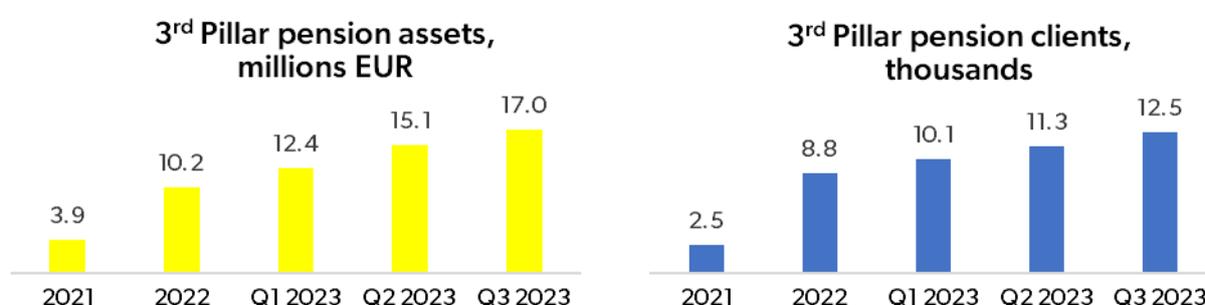
2nd pillar AUM and client growth



Since the inception of 3rd pension pillar products INDEXO has been able to attract 12.5 thousand customers and reach AUM of EUR 17.0 million.

Figure 10.1.2

3rd pillar AUM and client growth



In the periods covered, INEXO managed to grow income very significantly from fees, resulting in a 54% cumulative annual growth rate from the year ended 31 December 2020 amount of EUR 972 thousand to the amount of the year ended 31 December 2022 of EUR 2.3 million.

The main costs for INEXO are administrative costs and these costs have been the main reason for comprehensive losses in some of the periods covered; however, this is a strategic decision by the Management Board of INEXO to employ new talent in order to establish INEXO Bank and fulfil INEXO Bank's business plan. INEXO remains highly focused on client acquisition and growth for 2nd and 3rd pillar asset management, thus employing a considerable sales team.

Therefore, in the year ended 31 December 2022 administrative costs exceeded income from fees, resulting in a consolidated loss of EUR 1.27 million for INEXO.

The following tables break down the income and costs of INEXO based on consolidated and stand-alone financial statements.

Income data from the financial statements (EUR):

Table 10.1.1

	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)
Corporate income tax	-	-	(1,069)	(4,151)

Total comprehensive profit/(loss) for the year, attributable to shareholders for the year	(38,951)	8,901	(1,271,803)	(2,091,528)
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Table 10.1.2

	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)
Corporate income tax	-	-	(1,069)	(3,367)
Total comprehensive profit/(loss) for the year, attributable to shareholders for the year	(10,735)	220,711	(1,017,401)	(267,459)

Revenue generation

INDEXO as a state funded pension and private pension manager ultimately earns commission fees which make up INDEXO's revenue. The fees differ for the 2nd pension pillar and the 3rd pension pillar plans. Fees are calculated as a percentage of the pension plan's net average asset value.

2nd pension pillar plans

All the plan's fixed fees for the state funded pension scheme 2nd pension pillar plans are made up of two parts:

- asset manager fees;
- custodian bank fees.

Currently the custodian bank of INDEXO is AS Swedbank, meaning the custodian fees charged to customers are being distributed to the bank, leaving only the asset manager fees to INDEXO.

In the following table the fees for first three quarters of 2023 are compiled for the 2nd pension pillar plans. All the fees are charged monthly, but ultimately reaching to the below displayed amounts.

Table 10.1.3

Pension plan	Asset manager fee	Custodian bank fee	Total fees
"INDEXO Jauda 16-50"	0.42%	0.08%	0.50%
"INDEXO Izaugsme 47-57"	0.42%	0.08%	0.50%
"INDEXO Konservatīvais 55+"	0.35%	0.08%	0.43%

3rd pension pillar plans

For private pension 3rd pillar plans both the plan's fixed fees are made up of three parts:

- asset manager fees;
- fund fees;
- custodian bank fees.

Similarly to the 2nd pension pillar plans, no variable or third-party fees are charged, and the same custodian bank principle applies to 3rd pension pillar plans.

The following compiles annual fees for 3rd pension pillar plans. Fees are calculated on a daily basis; however, they are charged monthly, ultimately reaching the amounts displayed below.

Table 10.1.4

Pension plan	Asset manager fee	Fund fee	Custodian bank fee	Total fees
"INDEXO Akciju plāns"	0.21%	0.30%	0.11%	0.62%
"INDEXO Obligāciju plāns"	0.21%	0.30%	0.11%	0.62%

10.2. Results of INDEXO's operations

The following tables break down the revenue from fees by INDEXO based on consolidated and stand-alone financial statements. The 3rd pillar plans were launched in 2021.

Table 10.2.1

Commission income, EUR	Year ended 31 December			9-month period ended 30 September
	Consolidated			
	2020	2021	2022	2023
“INDEXO Jauda 16-50”	605,781	1,079,807	1,595,223	1,575,692
“INDEXO Izaugsme 47-57”	324,495	448,589	560,851	505,302
“INDEXO Konservatīvais 55+”	42,191	67,546	86,603	77,063
3 rd pillar plan “INDEXO AKCIJU PLĀNS”	-	5,637	32,196	48,691
3 rd pillar plan “INDEXO OBLIGĀCIJU PLĀNS”	-	442	2,747	3,886
Total	972,467	1,602,021	2,277,620	2,210,634

Table 10.2.2

Commission income, EUR	Year ended 31 December			9-month period ended 30 September
	Stand-alone			
	2020	2021	2022	2023
“INDEXO Jauda 16-50”	605,781	1,079,807	1,595,223	1,575,692
“INDEXO Izaugsme 47-57”	324,495	448,589	560,851	505,302
“INDEXO Konservatīvais 55+”	42,191	67,546	86,603	77,063
3 rd pillar plan “INDEXO AKCIJU PLĀNS”	-	2,321	13,257	20,049
3 rd pillar plan “INDEXO OBLIGĀCIJU PLĀNS”	-	182	1,131	1,600
Total	972,467	1,598,445	2,257,065	2,179,706

Costs

In the year ended 31 December 2022, INDEXO’s consolidated administrative costs amounted to 3,515 thousand EUR (compared to EUR 1,582 thousand for 2021). The amount of costs reflects the strategic decision of INDEXO’s management to commence the establishment of INDEXO Bank, investing in IT, hiring

new talent. At the same time INDEXO continued to be active in customer acquisition to strengthen its position in the market for management of state funded pension scheme assets and maximize the long-term value of INDEXO. Considering the significant investments by INDEXO related to the establishment of INDEXO Bank and active customer acquisition, INDEXO was not profitable at the end of the year ended 31 December 2022.

IPAS INDEXO's costs for the year ended 31 December 2022 were EUR 3,269 thousand in comparison to EUR 1,373 thousand for the year ended 31 December 2021.

INDEXO closed the year ending 31 December 2022 with a loss of EUR 1,272 thousand in comparison to a profit of EUR 9 thousand in the year ended 31 December 2021.

The following tables break down INDEXO's administrative costs in all the periods covered based on consolidated and stand-alone financial statements:

Table 10.2.3

Administration costs, EUR	Year ended 31 December			9-month period ended 30 September
	Consolidated			
	2020	2021	2022	2023
Sales and marketing expenses	310,666	480,797	843,457	617,745
Remuneration to the Management Board and Supervisory Board*	-	100,072	346,113	606,709
Remuneration to other staff	406,689	545,111	1,138,041	1,152,640
National social insurance mandatory contributions to the Management Board and Supervisory Board*	-	24,067	81,648	143,124
National social insurance mandatory contributions	97,971	124,583	267,569	260,430
Share options reserves	-	-	171,524	310,509
IT costs*	-	58,632	155,961	731,777
Professional fees	147,466	152,901	259,551	191,937
Office maintenance costs	15,828	32,568	36,559	41,378
Amortisation of right-to-use asset	13,538	13,183	37,338	27,951
Depreciation of property, plant and equipment	3,912	15,479	32,423	46,917
Employee motivation*	-	5,848	48,033	-
Investors relations costs	-	-	-	5,445
Other staff costs	2,013	6,220	52,215	93,838

Other	9,135	22,326	44,532	55,830
Total	1,007,218	1,581,787	3,514,964	4,286,232

Table 10.2.4

Administration costs, EUR	Year ended 31 December			9-month period ended 30 September
	Stand-alone			
	2020	2021	2022	2023
Sales and marketing expenses	310,666	400,838	836,886	612,416
Remuneration to the Management Board and Supervisory Board*	-	89,891	334,808	198,752
Remuneration to other staff	406,689	542,869	1,111,585	724,383
National social insurance mandatory contributions to the Management Board and Supervisory Board*	-	21,619	78,981	46,886
National social insurance mandatory contributions	97,971	124,169	261,210	171,478
Share options reserves	-	-	171,524	310,509
IT costs*	-	20,121	113,287	92,612
Professional fees	119,755	106,069	156,310	104,948
Office maintenance costs	15,802	31,778	28,686	21,441
Amortisation of right-to-use asset	13,538	13,183	37,338	27,951
Depreciation of property, plant and equipment	3,912	4,620	4,083	2,945
Investors relations costs	-	-	-	5,445
Employee motivation*	-	5,848	47,189	-
Other staff costs	2,013	6,207	52,215	68,391
Other	8,656	5,579	35,086	45,083
Total	979,002	1,372,791	3,269,188	2,433,240

Consolidated Profits or Losses

Table 10.2.5

	Year ended 31 December			9-month period ended 30 September
	Consolidated			
	2020	2021	2022	2023
Profit/(loss) for the year	(38,951)	8,901	(1,271,803)	(2,091,528)

Table 10.2.6

	Year ended 31 December			9-month period ended 30 September
	Stand-alone			
	2020	2021	2022	2023
Profit/(loss) for the year	(10,735)	220,711	(1,017,401)	(267,459)

10.3. Financial position of INDEXO

In the periods covered the balance sheet of INDEXO grew quite significantly, mainly due to a share issue of EUR 829 thousand during the year ended 31 December 2020 and initial public offering and subsequent public listing of shares of EUR 7,490 thousand during the year ended 31 December 2022.

The following tables break down the main points of the statement of the financial position of INDEXO during the periods covered based on consolidated and stand-alone financial statements.

Table 10.3.1

	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 Equity and Liabilities	1,793,153	2,041,656	8,792,656	7,233,346
Total liabilities	147,791	387,393	701,415	664,801
Total equity and reserves	1,645,362	1,654,263	8,091,241	6,568,545

Table 10.3.2

	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 Equity and Liabilities	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

During the year ended 31 December 2022, INDEXO's share capital was EUR 3,568,511, which consisted of 3,568,511 Shares, each with a nominal value of EUR 1. All shares are fully paid.

The following tables break down the total equity of INDEXO based on consolidated and stand-alone financial statements.

Table 10.3.3

	Year ended 31 December			9-month period ended 30 September
	Consolidated			
	2020	2021	2022	2023
Share capital	3,016,987	3,016,987	3,568,511	3,795,407
Share options	5,436	5,436	176,960	487,469
Share premium	77,175	77,175	7,062,908	7,094,334
Retained losses	(1,454,236)	(1,445,335)	(2,717,138)	(4,808,665)
Total equity and reserves	1,645,362	1,654,263	8,091,241	6,568,545

Table 10.3.4

	Year ended 31 December			9-month period ended 30 September
	Stand-alone			
	2020	2021	2022	2023
Share capital	3,016,987	3,016,987	3,568,511	3,795,407
Share options	5,436	5,436	176,960	487,469
Share premium	77,175	77,175	7,062,908	7,094,334
Retained losses	(1,426,019)	(1,205,308)	(2,222,709)	(2,490,167)

Total equity and reserves	1,673,579	1,894,290	8,585,670	8,887,043
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On September 2023 INDE XO's share capital was increased to EUR 3,795,407 due to the execution of conversion of employee share options. The share capital consists of 3,795,407 shares, each with a nominal value of EUR 1. All shares are fully paid.

Total assets

The following tables break down the total assets of INDE XO based on consolidated and stand-alone financial statements.

Table 10.3.5

	Year ended 31 December			9-month period ended 30 September
	Consolidated			
	2020	2021	2022	2023
Cash and cash equivalents at the end of the reporting period	1,330,429	1,162,841	7,231,123	3,848,531
Receivables	102,008	169,055	220,190	271,477
Prepayments	17,921	3,465	24,279	92,932
Contract acquisition costs	246,401	535,977	990,417	1,313,664
Other assets	10,707	2,828	6,937	82,111
Intangible assets	-	108,114	177,177	1,294,274
Property, plant and equipment and right-of-use assets	85,687	47,713	81,870	159,481
Investments in subsidiary undertakings	-	-	-	-
Investments in associates	-	-	49,000	78,400
Loans to associated companies	-	-	-	80,813
Other securities and investments	-	11,663	11,663	11,663
Total Assets	1,793,153	2,041,656	8,792,656	7,233,346

Table 10.3.6

	Year ended 31 December			9-month period ended 30 September
	Stand-alone			
	2020	2021	2022	2023
Cash and cash equivalents at the end of the reporting period	941,010	798,271	4,970,780	1,728,653
Receivables	200,044	199,955	388,743	267,415
Prepayments	2,511	3,465	24,279	2,904
Contract acquisition costs	246,401	535,977	990,417	1,313,664
Other assets	10,707	2,828	6,937	4,970
Intangible assets	-	-	-	-
Property, plant and equipment and right-of-use assets	19,615	47,713	81,870	57,717
Investments in subsidiary undertakings	400,000	600,000	2,600,000	5,750,000
Investments in associates			49,000	78,400
Loans to associated companies	-	-	-	80,813
Other securities and investments	-	11,663	11,663	11,663
Total Assets	1,820,288	2,199,872	9,123,689	9,296,198

On-call claims to credit institutions

Table 10.3.7

	Year ended 31 December			9-month period ended 30 September
	Consolidated			
	2020	2021	2022	2023
Placements with Swedbank AS	730,828	564,007	2,218,707	256,338
Placements with SEB banka AS	599,601	598,834	2,012,416	14,851
Short-term deposits with Swedbank AS	-	-	1,000,000	3,577,343
Short-term deposits with	-	-	2,000,000	-

SEB banka AS				
Total (Cash and cash equivalents)	1,330,429	1,162,841	7,231,123	3,848,531

Table 10.3.8

	Year ended 31 December			9-month period ended 30 September
	Stand-alone			
	2020	2021	2022	2023
Placements with Swedbank AS	341,409	199,438	1,958,364	4,666
Placements with SEB banka AS	599,601	598,833	12,416	14,783
Short-term deposits with Swedbank AS	-	-	1,000,000	1,709,203
Short-term deposits with SEB banka AS	-	-	2,000,000	-
Total (Cash and cash equivalents)	941,010	798,271	4,970,780	1,728,653

INDEXO keeps its cash assets at AS Swedbank and AS SEB bank. The S&P rating of these banks is A+, Moody's- Aa3 and Fitch- A+ / AA-. Assessment of the expected level of credit losses concluded that the level was insignificant and no provisions were made for expected credit losses.

Accrued income

The following tables break down accrued income receivable from each of the pension plans managed by INDEXO and subsidiaries of INDEXO based on consolidated and stand-alone financial statements:

Table 10.3.9

	Year ended 31 December			9-month period ended 30 September
	Consolidated			
	2020	2021	2022	2023
"INDEXO Jauda 16-50"	65,799	116,622	155,050	195,850
"INDEXO Izaugsme 47-57"	31,720	44,214	53,014	59,924
"INDEXO Konservatīvais 55+"	4,489	6,813	8,002	8,798
3 rd pillar plan "INDEXO Akciju plāns"	-	1,300	3,799	6,414
3 rd pillar plan "INDEXO Obligāciju plāns"	-	106	325	491

AS "Indexo Atklātais Pensiju Fonds"	-	-	-	
IDX1R, AS	-	-	-	
Total	102,008	169,055	220,190	271,477

Table 10.3.10

	Year ended 31 December			9-month period ended 30 September
	Stand-alone			
	2020	2021	2022	2023
"INDEXO Jauda 16-50"	65,799	116,622	155,050	195,850
"INDEXO Izaugsme 47-57"	31,720	44,214	53,014	59,924
"INDEXO Konservatīvais 55+"	4,489	6,813	8,002	8,798
3 rd pillar plan "INDEXO Akciju plāns"	-	535	1,564	2,641
3 rd pillar plan "INDEXO Obligāciju plāns"	-	44	133	202
AS "Indexo Atklātais Pensiju Fonds"	98,036	31,727	5,143	
IDX1R, AS	-	-	165,837	
Total	200,044	199,955	388,743	267,415

Investments in group companies

During the year ended 31 December 2020, on 5 June 2020 a decision was passed on founding AS "Indexo Atklātais Pensiju Fonds" with the aim of offering a 3rd pillar pension service to customers. The subsidiary's capital consists of 400 000 shares with a nominal value of EUR 1 per share, thus constituting an investment of EUR 400 thousand.

Year 2021 was the first year in which AS "Indexo Atklātais pensiju fonds" offered its services. It incurred losses both in 2021 and 2022. Losses were planned for the first years of operation of the AS "Indexo Atklātais pensiju fonds" as the private pension plans under management have to accumulate the number of customers and related investments in the plans to generate sufficient returns in a form of asset management fees to cover operating costs.

In 2021 AS "Indexo Atklātais pensiju fonds" share capital was increased by EUR 200,000. On 31 December 2022 share capital of AS "Indexo Atklātais pensiju fonds" consists of 600,000 shares with a nominal value of EUR 1 per share.

During the 9-month period ended 30 September 2023, an additional investment of EUR 150,000 was made in the share capital of AS "Indexo Atklātais pensiju fonds" by INDEXO.

AS “IDX1R” was established on 19 December 2022 with the aim to develop the legal and IT infrastructure to receive a banking license. On 30 September 2023, share capital of AS “IDX1R” consists of 5,000,000 shares with a nominal value of EUR 1 per share.

Contract acquisition costs

In the year ended 31 December 2020 INDEXO started to partly capitalise customer acquisition costs. INDEXO capitalises the variable remuneration of sales specialists related to customer acquisition by depreciating it over a period of seven years.

In the year ended 31 December 2022, client acquisition costs reached EUR 990 thousand, an increase of 84.7% compared to the costs of the year ended 31 December 2021.

Table 10.3.11

	Year ended 31 December			9-month period ended 30 September
	Consolidated			
	2020	2021	2022	2023
Customer attraction costs	246,401	535,977	990,417	1,313,664
Total	246,401	535,977	990,417	1,313,664

Table 10.3.12

	Year ended 31 December			9-month period ended 30 September
	Stand-alone			
	2020	2021	2022	2023
Customer attraction costs	246,401	535,977	990,417	1,313,664
Total	246,401	535,977	990,417	1,313,664

10.4. Key factors affecting results of operations and financial performance of INDEXO

The maximum fee caps for the 2nd pillar are regulated by law in the State funded pension law, meaning that they cannot be raised unreasonably high. Furthermore, after INDEXO's entry into the 2nd pillar market, competition has ensued in recent years with competitor pension plan managers significantly lowering their management fees, creating an environment where all the market players are seeking to gain a competitive advantage. Nevertheless, INDEXO sees this as a benefit for society and is confident of its position in the market as INDEXO has already gained great trust from its customers and is only striving to create even better products to offer. Please read more in depth about the competition in both 2nd and 3rd pension pillar offerings in the Section 5 “PRINCIPAL MARKETS”.

INDEXO's financial performance is directly linked to its number of customers and assets under management (AUM). With more customers, more fees can be charged, meaning an increase in revenues. Furthermore, please see the Section 2 “RISK FACTORS” in order to review all the factors that may affect the results of operations and financial performance of INDEXO.

11. LIQUIDITY AND CAPITAL RESOURCES

11.1. Capital resources

Currently INDEXO is still in an aggressive growth phase and its principal source of liquidity is share capital and positive cash flows from financing activities.

INDEXO holds its cash and cash equivalents in EUR.

INDEXO believes it has enough liquidity to cover all of its current and non-current liabilities and will also have sufficient liquidity requirements for the foreseeable future.

INDEXO sustains a sufficient amount of equity to be able to compensate for losses that would be incurred by customers if INDEXO was at fault for the losses. The amount of required equity is determined in accordance with the Regulation of the European Parliament and of the Council of 26 June 2013 No. 575/2013.

Selected items of statements of cash flows

Table 11.1.1

	Year ended 31 December			9-month period ended 30 September
	Consolidated			
	2020	2021	2022	2023
Cash and cash equivalents at the beginning of the period	983,648	1,330,429	1,162,841	7,232,869
(Decrease)/increase in cash and cash equivalents from operating activities before changes in assets and liabilities	(909)	104,926	(889,521)	(1,728,483)
Increase/(decrease) in cash and cash equivalents from operating activities	(400,335)	(78,987)	(1,292,370)	(806,952)
Decrease in cash and cash equivalents from investing activities	(67,596)	(72,400)	(145,652)	(1,072,412)
(Decrease)/increase in cash and cash equivalents from financing activities	814,712	(16,201)	7,506,304	223,509
Cash and cash equivalents at the end of the reporting year	1,330,429	1,162,841	7,231,123	3,848,531
(Decrease)/increase in cash and cash equivalents	346,781	(167,588)	6,068,282	(3,384,338)

Table 11.1.2

	Year ended 31 December			9-month period ended 30 September
	Stand-alone			
	2020	2021	2022	2023
Cash and cash equivalents at the beginning of the period	983,648	941,010	798,271	4,972,526
(Decrease)/increase in cash and cash equivalents from operating activities before changes in assets and liabilities	27,307	305,877	(663,458)	64,154
Increase/(decrease) in cash and cash equivalents from operating activities	(463,183)	92,961	(1,285,545)	(558,635)
Decrease in cash and cash equivalents from investing activities	(401,525)	(219,499)	(2,048,250)	(2,972,901)
(Decrease)/increase in cash and cash equivalents from financing activities	814,712	(16,201)	7,506,304	223,509
Cash and cash equivalents at the end of the reporting year	941,010	798,271	4,970,780	1,728,653
(Decrease)/increase in cash and cash equivalents	(42,638)	(142,739)	4,172,509	(3,243,872)

Cash flow from operating activities before changes in assets and liabilities

For the year ended 31 December 2022 the consolidated net cash flow from operating activities before changes in assets and liabilities amounted to negative EUR 890 thousand, which was more than a EUR 990 thousand decrease from the amount of the year ended 31 December 2021. The main factor for the decrease was the investments made for the establishment of INDEXO Bank.

Cash flow from operating activities

For the year ended 31 December 2022 the consolidated net cash flow from operating activities amounted to negative EUR 1,292 thousand, which was a decrease from the negative EUR 79 thousand net cash flow from operating activities in the year ended 31 December 2021.

Cash flow from investment activities

Net cash flows from investing activities were negative in all the respective periods and the amount has decreased in each successive period. The cash outflow is mainly attributable to establishing AS "IDX1R" in 2022 with the aim to develop the legal and IT infrastructure to receive a banking license and investment of EUR 5,000,000 into its share capital. Also, AS "Indexo Atklātais Pensiju Fonds" was established in 2020 and investment of EUR 400 thousand into share capital, as well as further investments of EUR 200 thousand in 2021 and of EUR 150 thousand in 2023. On 31 December 2021 also an investment of EUR 11 thousand was made in the company UAB Goindex, acquiring 5% of equity.

Cash flow from financing activities

In the year 2023 INDEXO share capital increased by EUR 226 896 thousand and share premium amounted to EUR 31 427 due to share option exercise.

In the year ended 31 December 2022 INDEXO did an initial public offering in which share capital was raised by EUR 535 thousand and share premium increase amounted to EUR 6,955 thousand. Also, in the year ended 31 December 2022 INDEXO share capital increased by EUR 17 thousand and share premium amounted to EUR 31 thousand due to share option exercise. In the year ended 31 December 2020 additional capital was attracted to comply with capital requirements because the asset value of managed pension plans exceeded EUR 200 million. The share issue amounted to EUR 829 thousand.

Cash and cash equivalents at the end of the period

Net cash and cash equivalents at the end of the year ended 31 December 2022 stood at EUR 7.23 million. Net cash and cash equivalents at the end of the period increased by 522% y-o-y from EUR 1.16 million for the year ended 31 December 2021, due to public listing via initial public offering which took place during the reporting period.

Net cash and cash equivalents at the end of the year ended 31 December 2021 stood at EUR 1.16 million. Net cash and cash equivalents at the end of the period decreased by 12.6% y-o-y from EUR 1.33 million for the year ended 31 December 2020.

No material changes have occurred to INDEXO's cash flows or material unused sources of liquidity after the year ended 31 December 2022.

11.2. Funding structure

The capital structure of INDEXO consists of no long-term debt from credit institutions or other forms of long-term financial debt. At the end of year ended 31 December 2022 the Debt to Equity ratio for INDEXO is 0.01. The ratio indicates that INDEXO is mostly funded from equity. For a detailed breakdown of equity and liabilities please see the statement of financial position in Section 18 "HISTORICAL FINANCIAL INFORMATION".

12. REGULATORY ENVIRONMENT

12.1. Key development in regulatory framework

In recent years there have been several key developments in Latvian 2nd and 3rd pension pillar regulation that have already brought various changes and are expected to bring some more.

Disclosure of client information

In accordance with changes in State Funded Pension Law that will come into force on 1 July 2024, from 1 July 2024, on the first day of each quarter, the State Social Insurance Agency will be required to provide 2nd pension pillar asset managers with information on their clients, including name, surname, date of birth, personal identification number and contact details. In addition, each quarter the State Social Insurance Agency will provide the 2nd pension pillar asset managers with information on the total funds accumulated by scheme participants broken down by the birth years of these scheme participants (without disclosing their personal data).

Client suitability assessment

In accordance with changes in State Funded Pension Law that will come into force on 1 July 2024, from 1 July 2024, the 2nd pension pillar asset managers will be required to identify scheme participants whose funds they manage in accordance with information provided by the State Social Insurance Agency and evaluate whether the scheme chosen by the participant corresponds to their age and inform them at least once a year about the inconsistency between the chosen plan and the plan that corresponds to their age. In addition, the asset manager will be required to determine the needs of the scheme participant by sending them an invitation to select the criteria for investing their accumulated funds that are important to them, and by providing them with individual consultation upon request to make the best choice for their needs.

Requirements for disclosure of the policy for investments in Latvia

In accordance with changes in State Funded Pension Law that came into force on November 11, 2022, from 1 January 2023, the 2nd pension pillar asset managers will have to ensure that for each investment plan the investment policy for investment in financial instruments in Latvia is published in the prospectus of the investment plan and in the information document intended for the pension scheme participant. In annual report (starting with annual report for year 2023) the manager is required to publish the planned objectives and achieved results for investing the managed pension scheme assets in Latvia.

Display of information

In accordance with changes in State Funded Pension Law that will come into force on 1 July 2024, from 1 July 2024 the statement of account of a participant in a 2nd pillar pension scheme can be transferred to another secure online solution for the participant's reflection, in addition to the state administration service portal www.latvija.lv, if certain conditions are met. As a result, if the participant will give consent and the service provider ensure safe and secure access, the client's 2nd pillar account statement could also be shown in the online-banking environment.

More efficient pension investments

In accordance with changes in State Funded Pension Law that came into force on 16 February 2021 a possibility to establish investment funds with up to 100% (up to 75% before) of total scheme assets invested in equities was introduced. This was a major improvement in a funded pension scheme, especially for participants at a younger age, as the 2nd pension pillar asset management is a long-term investment. Hence, higher investment in stock markets today will make up for customers' higher pension rate at the retirement age (with high probability).

Investments in a single index funds

In accordance with changes in State Funded Pension Law that came into force on 16 February 2021, up to 25% of the 2nd pension pillars assets (funded management scheme) can now be invested in a single index fund. In the opinion of INDEXO, index funds have been globally long-term investors primary choice for decades, allowing to invest in hundreds and thousands of different securities using a single instrument, managing investment risks and keeping costs low. This change allows asset managers to choose the world's largest index funds by incurring the lowest costs and leverage scale to get good pricing terms for clients.

Investments in alternative investment funds

In accordance with changes in State Funded Pension Law that came into force on 16 February 2021, the possibility for asset managers to invest in certain alternative investment funds has also been increased up to 25%. This is a positive change and serves as a catalyst for investment in the Latvian economy.

The possibility to inherit 2nd pension pillar assets

The possibility to inherit 2nd pension pillar assets has been introduced as of 1 January 2020. Following INDEXO's initiative signed by more than 12 thousand supporters, a person can now make a choice, indicating that his or hers accumulated 2nd pension pillar assets can be inherited in case he or she dies before claiming the pension (including early retirement). The possibility is provided in accordance with procedures specified in the Civil Law of Latvia thus particularly protecting families with only one earner and motivating people to take due care of their 2nd pension pillar asset accumulation.⁶

There have also been changes regarding Cabinet Regulation No. 272 of 27 May 2003 regarding the operation of the 2nd pension pillar:

An automatic client allocation mechanism has been amended where clients not making an active choice while entering the labour market and starting contributing to the 2nd pillar funds, are equally allocated between fund manager's equity plans. Previously the clients were automatically allocated to bond plans.

As of 2022, new 2nd pension pillar participants who have not chosen in favour of a particular Investment Management Company were diverted to one of the 2nd pension pillar investment plans that invests up to 50% of assets in the stock market. And as of 2023, new 2nd pension pillar participants are diverted to one of the 2nd pillar asset management plans that invests up to 100% of assets in the stock market (except for members who have reached the age of 55).

Future possible trends for the 2nd pension pillar

It should be noted that INDEXO is actively participating in industry discussions and working on potential additional changes in the legislative environment to contribute to the transformation of the pension system in Latvia.

These initiatives include, amongst others, (1) pay-out of the pension system; (2) ensuring that also asset managers themselves can organize pay-outs that are cheaper and more favourable to participants than currently available options; (3) introduction of a personal automatic investment account for every resident, with decreasing investment risk level based on time left until retirement; and (4) improvements in transparency and

⁶ For more information, please see (source in Latvian language): <https://indexo.lv/blogs/ka-mantot/>.

accessibility of public information provided in manapensija.lv, it should include more information about commission fees and indirect costs.

2nd pillar Market and Competitive landscape

Since the inception of state funded pension system in 2001, the pension fund assets have shown continuous and fast growth driven by the rising GDP of Latvia, the growth of average salary of Latvian residents, number of people participating in the 2nd pillar pension system as well as the market returns of the 2nd pillar investments. Growing contributions due to salary increase as well as significantly higher proportion of the 2nd pillar assets being invested into equities remain the most important drivers of the 2nd pillar growth in the coming years.

Amendments in the Law on Private Pension Funds

Changes in the Law on Private Pension Funds that came into force on January 13, 2020, have introduced new procedure for changing asset manager and asset management scheme (including a partial transfer of capital to another fund). Asset manager now must accept application for changing asset manager remotely (for example, on its own portal or in the Internet bank) with the same means of authentication. In addition, application form must be simple, comprehensible and freely accessible.⁷ This change facilitates participant mobility, allowing to change easily its 3rd pillar asset manager.

INDEXO is relatively new entrant (since April 2021) to the 3rd pillar asset management market in Latvia, thus a close eye is kept on other potential improvements that could improve participant's prospects of 3rd pillar asset accumulation.

12.2. Regulatory framework for asset management segment

The operation of investment management companies in Latvia are governed by Investment Management Companies Law and relevant applicable regulations issued by the Bank of Latvia (in Latvian: Latvijas Banka) and other applicable European level regulations.

The operation of 2nd pension pillar is governed by State Funded Pensions Law and relevant applicable regulations issued by the Cabinet of Ministers and the Bank of Latvia (in Latvian: Latvijas Banka).

The operation of 3rd pension pillar is governed by Private Pension Fund Law and relevant applicable regulations issued by the Cabinet of Ministers and the Bank of Latvia (in Latvian: Latvijas Banka).

12.3. Regulatory framework for a credit institution

A credit institution operates in a complex regulatory environment. It is subject to various laws and regulations, including a number of prudential and regulatory controls designed to maintain the safety and soundness of banks, ensure their compliance with economic and other objectives and limit their exposure to risk.

As INDEXO intends to establish a bank (INDEXO Bank), one of the most important processes is obtaining a license of a credit institution, because a credit institution may commence its activities in the Republic of Latvia only after obtaining and registration of a license (permit) for performance of commercial activities in accordance with the procedures laid down in laws. The licensing of credit institutions is governed by the Credit Institution Law and other relevant European level regulations and Bank of Latvia (in Latvian: Latvijas Banka) regulations.

⁷ For more information, please see (source in Latvian language): <https://indexo.lv/blogs/parmainas-3pl/>.

Supervision of credit institution

Once establishing a bank and obtaining a license, a great part of the credit institution's operation is its supervision. In Latvia, credit institutions are supervised by the Bank of Latvia (in Latvian: Latvijas Banka).

The most important supervisory indicator for credit institutions is the capital adequacy ratio (own funds requirements). A credit institution must hold a certain amount of capital in relation to the assets of the credit institution and its riskiness. Another threshold supervised by the Bank of Latvia (in Latvian: Latvijas Banka) is ratio of liquidity. Supervisory policies, or changes in supervisory requirements, can affect the performance of credit institutions and thus the wider economy, for instance, changes in capital ratio requirements can affect the availability of credit, the price of all types of credit, and others.

13. RECENT TRENDS, DEVELOPMENTS AND MATERIAL CHANGES

Recent trends and developments

There are no significant recent trends with respect to INDEXO Group's production, sales and inventory, and costs and selling prices in the period after the unreviewed consolidated interim financial statements for the 9-month period which ended on 30 September 2023 and up to the date of this Universal Registration Document.

INDEXO unreviewed consolidated interim financial statements for the 9-month period which ended on 30 September 2023

Furthermore, there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on INDEXO Group's prospects for the least the current financial year.

Material Changes

There were no material changes in INDEXO Group's financial position and operations in the period after the audited financial statements as of 31 December 2022 and up to the date of this Universal Registration Document.

14. MANAGEMENT AND SUPERVISORY BODIES, REMUNERATION AND BENEFITS

14.1. Governance structure

INDEXO has duties and responsibilities towards its shareholders and hence INDEXO is governed in accordance with the applicable laws and regulations by keeping in mind the interests of the shareholders, employees, and INDEXO clients primarily.

The Management Board and the Supervisory Board are the managing bodies of INDEXO, and the Shareholders' meeting is the highest managing body of INDEXO. The organisational structure of INDEXO is designed to ensure effective management, clearly separating the responsibilities of members of the Management and Supervisory Boards, including ensuring compliance control, risk management, and maintenance of internal control functions in INDEXO, as well as ensuring accounting and administration.

General meeting

The General Meeting is the supreme management and decision-making body of INDEXO.

Supervisory Board

The function of the Supervisory Board is in supervising the Management Board and representing the interests of shareholders in-between of General Meetings and supervising the activities of the Management Board within the framework specified in the Commercial Law.

Management Board

The Management Board carries out general management of INDEXO, except for the issues attributed to the competence of the General Meeting and Supervisory Board.

Following acquisition of credit institution licence by AS IDX1R, under perspective INDEXO Group governance structure AS IDX1R will act as responsible entity within INDEXO Group to ensure INDEXO Group's compliance with prudential requirements on a consolidated basis within the meaning of the Credit Institutions Law and the 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, as well as will act as a main entity within the Group responsible for coordination of strategies and provision of intragroup services in relation to group-level functions. The place of business of the Management Board and the Supervisory Board is the registered address of INDEXO – Elizabetes street 13 - 1A, Riga, LV-1010, Latvia.

14.2. Management Board

INDEXO Articles of Association provide that the Management Board shall consist of a minimum of three members who are appointed for a term in office of five years. The Members of the Management Board can represent INDEXO by any two members of the board jointly.

Some of the main functions (the list is non-exhaustive) of the Management Board of INDEXO include:

•	Management: of INDEXO business.
•	Compliance: with applicable laws and regulations, policies, plans, internal rules, and procedures approved by INDEXO.
•	Informing: the Supervisory Board on the operation of the internal control system and execution of operational strategy.
•	Risk management: identification, measurement, management, regular revision, and reporting of risks to INDEXO.
•	Representing: INDEXO in contractual relations.
•	Developing: INDEXO development and operational strategy.
•	Determination: of appropriate qualifications and sufficient experience of INDEXO personnel and the principles of accounting and valuation of assets, liabilities, off-balance sheet requirements and liabilities, income, and expenses.

INDEXO members of the Management Board are approved by the Bank of Latvia (in Latvian: Latvijas Banka). Upon assessing the repute of INDEXO Management Board, the Bank of Latvia (in Latvian: Latvijas Banka) took into consideration the information provided by the persons themselves as well as references received from previous employers and other information on the previous professional experience of the abovementioned persons. Thus, the regulatory authority has evaluated these persons' eligibility for the role. Also, the members of INDEXO Management Board meet the following criteria:

- sufficient competence in the field for which the person is responsible;
- higher education and corresponding professional experience of not less than three years;
- an impeccable reputation;
- the right to perform commercial activities has not been suspended.

The names and positions of INDEXO Management Board members as of the date of this Universal Registration Document are set out in the table below.

Table 14.2.1

Members of the Management Board				
Name	Position	Served since	Appointment date	Date of expiration
Valdis Siksnis	Chairman of the Management Board	10 January 2017	25 April 2022	24 April 2027
Henrik Karmo	Member of the Management Board	16 August 2018	5 July 2023	4 July 2028
Ieva Bauma	Member of the Management Board	1 June 2022	1 June 2022	31 May 2027

Valdis Siksnis



Mr. Valdis Siksnis is a professional with more than 20 years of experience in the financial sector. He is one of the founders of INDEXO and has served as a member of the Management Board since INDEXO was founded in 2017. Mr. Valdis Siksnis directly and indirectly owns 8,04% of the total number of INDEXO Shares.

Mr. Valdis Siksnis is responsible for ensuring operational compliance, legal risk management, and management of the Information Technology Department. He is also a member of the INDEXO Investment committee.

Mr. Valdis Siksnis graduated from the University of Latvia Faculty of Computer sciences and applied mathematics. Mr. Siksnis has finished an executive MBA program at Aalto University in Helsinki.

From 2003 – 2011 Mr. Valdis Siksnis was the Head of Nordea Bank Finland Latvian branch. From 2010-2013 he continued his professional development as chairman of the Management Board of Nordea Open Pension Fund of Latvia. In addition to his role as Head of Nordea Bank Latvian branch, in October 2011 he became a Business Development Manager for the Baltic States and Poland. In 2012 he was appointed as a member of the Supervisory Board of Nordea Bank Polska S.A. During his period Nordea grew from a small player in the Latvian financial market to one of the industry leaders. Nordea's loan portfolio grew from EUR 300 million to EUR 3 billion, annual profits from EUR 3.5 million to EUR 30 million, and market share of loans from 6% to 17%.

In the last 5 years he has also held Management Board or Supervisory Board member's position with SIA Hanza Holdings (21.12.2017. till 22.03.2019.), SIA "MEE invest" (13.09.2017. till 27.07.2018.), AS "ENERGOECO" (27.09.2016. till 10.04.2018.), SIA "LNK (Latvijas Novitātes Komplekss)" (24.08.2018. till 08.05.2020.), Sabiedrība ar ierobežotu atbildību "HANZAS BUSINESS CENTER" (22.05.2018. till 23.11.2018.), Sabiedrība ar ierobežotu atbildību "Alpha Osta" (18.08.2020. till 08.03.2021.), SIA "RCCH" (21.07.2017. till 19.05.2020.), SIA "KOOL LATVIJA" (23.11.2017. till 09.12.2019.), SIA "Monetizator" (21.12.2015. till 08.09.2021.), SIA "JV Holdings" (12.03.2019. till 21.12.2021.), SIA CCINV005 (30.10.2015. till 26.07.2021.), AS "Spring Holding" (02.05.2019-22.12.2021.), SIA "DVH" (27.12.2016. till 16.08.2022.), SIA "Callidus Capital" (20.11.2013. till 03.01.2023.), and SIA "DVH" (27.12.2016. till 16.08.2022.).

In 2022 SIA "JV Holdings", SIA CCINV005, and AS "Spring Holding" completed the voluntary liquidation process where Mr. Siksnis was a liquidator. Whereas SIA "DVH" was reorganised by way of splitting up the company in 2022 and was excluded from the Latvian Enterprise Register on 16.08.2022.

In addition to his role in INDEXO, Mr. Valdis Siksnis is also a member of the Management Board at sabiedrība ar ierobežotu atbildību "VSCAP", and AS IDX1R.

As of the date of this Universal Registration Document, these positions and activities of Mr. Valdis Siksnis outside INDE XO are not significant with respect to INDE XO, except for the position as a member of the Management Board of AS IDX1R.

Henrik Karmo



Mr. Henrik Karmo is a professional with nearly 25 years of experience in the financial sector. He is one of the founders of INDE XO and since 16.08.2018 also a member of the Management Board. Mr. Henrik Karmo indirectly owns 8.11% of the total number of INDE XO Shares.

Mr. Henrik Karmo is responsible for performing INDE XO Accounting, and Asset Accounting sections work organization and management at INDE XO.

Mr. Karmo graduated from the Stockholm School of Economics in Riga and holds a Bachelor's degree in Business administration.

Since 13.06.2020. Mr. Karmo is chair of the Supervisory Board of Indexo Atklātais Pensiju Fonds AS. He carries out member of the Management Board duties at "PERFECT MATCH". He is also a member of the Supervisory Boards at Goindex UAB, and Tulundusūhistu Tuleva. Mr. Karmo is also a director at OÜ Capital Coordination Dagny OÜ, Beacon Properties OÜ, HKTP Properties OÜ, Gdynia Invest OÜ, in Estonia and Milo Invest sp. z o.o. in Poland.

Mr. Henrik Karmo served as a member of the management board of SIA "DVH" from 27.12.2016. till. 16.08.2022. SIA "DVH" was reorganised by way of splitting up the company in 2022 and was excluded from the Latvian Enterprise Register on 16.08.2022.

He holds no positions in other companies outside INDE XO that are significant with respect to INDE XO.

Ieva Bauma



Ms. Ieva Bauma before becoming a Member of the Management Board was a Marketing and Brand Manager at INDE XO. Ms. Ieva Bauma directly owns 0,07% of the total number of INDE XO Shares

Ms. Ieva Bauma graduated from Riga Technical University obtaining a bachelor's degree in Financial engineering and a master's degree in Entrepreneurship and Management.

She gained previous experience as a Project Manager at AS "Latvijas pasta banka" (2015-2016), SIA "Enefit" (2016-2021). During her employment at SIA "Enefit" she successfully developed and implemented a marketing strategy that attracted new customers and fostered loyalty among existing customers in the B2C and B2B segments, created a customer communication plan, etc.

Ms. Ieva Bauma does not hold any additional position to INDE XO.

14.3. Supervisory Board

INDEXO Articles of Association provide that the Supervisory Board shall consist of five members who are appointed for a term in office of five years. The Supervisory Board oversees the performance of the Management Board of its managerial duties, taking into account the interests of the Shareholders.

Some of the main functions (the list is non-exhaustive) of the Supervisory Board of INDEXO include:

•	Monitor: the activities of the Management Board and periodic improvement of the internal control system.
•	Determine: the duties of the members of the Management Board, the remuneration, and the procedure for evaluation of the results of the activities of the Management Board.
•	Supervise: that INDEXO affairs are arranged in accordance with applicable laws and regulations, the Articles of Association, and resolutions of the Shareholders' meeting.
•	Oversee: the activities of the Internal Auditor of INDEXO.
•	Review: the report on the operation of INDEXO internal control system regarding the efficiency of the operation of INDEXO's internal control system.
•	Consider: INDEXO's annual report and the proposal by the Management Board regarding use of profits and prepare a report.
•	Approve and consent: to the conclusion of a transaction between INDEXO and a member of the Management Board or the Supervisory Board or a related person or the auditor.

In order to perform these functions, the Supervisory Board has the right to:

- request from the Management Board at any time a report on the situation of INDEXO and to get acquainted with all the activities of the Management Board;
- inspect the registers and documents of INDEXO, as well as the treasury and all the property of INDEXO, entrusting the inspection to one of its members or instructing an invited expert to perform the inspection or clarify certain issues;
- convene a Shareholders' meeting or to convene a meeting if the public interest so requires.

INDEXO members of the Supervisory Board are approved by the Bank of Latvia (in Latvian: Latvijas Banka). Upon assessing the repute of INDEXO's Supervisory Board, the Bank of Latvia (in Latvian: Latvijas Banka) took into consideration the information provided by the persons themselves as well as references from previous employers and other information on the previous professional experience of the abovementioned persons. Thus, the regulatory authority has evaluated these persons' eligibility for the role. The members of INDEXO Supervisory Board shall be competent in financial management matters and meet the following criteria:

- an impeccable reputation;
- the right to perform commercial activities has not been suspended.

Details on the members of the Supervisory Board of INDEXO, as of the date of this Universal Registration Document, are provided below.

Table 14.3.1

Members of the Supervisory Board				
Name	Position	Served since	Appointment date	Authority term
Valdis Vancovičs	Chairman of the Supervisory Board	21 September 2020	19 April 2023	29 March 2028*
Svens Dinsdorfs	Deputy Chairman of the Supervisory Board	21 September 2017	19 April 2023	29 March 2028*
Renāts Lokomets	Member of the Supervisory Board	21 September 2017	19 April 2023	29 March 2028*
Ramona Miglāne	Member of the Supervisory Board	19 April 2023	19 April 2023	29 March 2028*
Ivita Asare	Member of the Supervisory Board	19 April 2023	19 April 2023	29 March 2028*

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

Valdis Vancovičs



Mr. Valdis Vancovičs is a business management professional with extensive experience in the telecommunications industry. Mr. Valdis Vancovičs directly owns 1.53% of the total number of INDEXO Shares.

Mr. Vancovičs holds an executive MBA in Business administration from IEDC - Bled School of Management.

In addition to his role with INDEXO, Mr. Valdis Vancovičs is currently the Chair of the Management Board of SIA "Tele2" and a member of the association "Latvijas Telekomunikāciju asociācija", he is also a member of a supervisory board of AS IDX1R.

Mr. Valdis Vancovičs has acquired extensive supervisory and management director experience; he served as a member of the Management Board of SIA "Tele2 Holdings" (period of service 2010-2017), a member of the Supervisory Board of SIA "Tele2 Shared Service Center" (period of service 2014-2017). Also, Mr. Valdis Vancovičs was a member of the association "Rīgas jahtklubs" (period of service 2015-2021).

As of the date of this Universal Registration Document, these positions and activities of Mr. Valdis Vancovičs outside of INDEXO are not significant with respect to INDEXO.

Svens Dinsdorfs



Mr. Svens Dinsdorfs is a professional with extensive experience in financial management. Mr. Svens Dinsdorfs indirectly owns 1.67% of INDEXO shares.

Mr. Svens Dinsdorfs graduated from the Stockholm School of Economics in Riga and holds Bachelor's and Master's degree in Finance and Economics.

Mr. Svens Dinsdorfs owns shares in companies SIA "Lendorf", SIA "ANTILA", SIA "JAUNĶEMERU CEĻŠ", SIA "LĪVMALE". In addition, Mr. Svens Dinsdorfs is a member of the Management Board of AS "ELKO GRUPA" since 2006, a member of a supervisory board of AS IDX1R since 2023, and a member of the management board of SIA "Lendorf". He is also a member of association "RTM Tour".

As of the date of this Universal Registration Document, these positions and activities of Mr. Svens Dinsdorfs outside of INDEXO are not significant with respect to INDEXO.

Renāts Lokomets



Mr. Renāts Lokomets is a professional with many years of experience in the banking industry. Mr. Renāts Lokomets does not directly or indirectly own Shares in INDEXO.

Mr. Renāts Lokomets holds a bachelor's degree in Economics, Journalism, and Communication and a master's degree in Finance and IT from the Hebrew University in Jerusalem. He has also graduated from the Riga Graduate School of Law obtaining a master's in law degree specializing in Law and Finance.

Currently, Mr. Renāts Lokomets is a member of the Management Board of SIA "HALOM HOLDING", "Summus Capital" a real estate investment holding group established in Estonia, and a member of a supervisory board of AS IDX1R. He is also a member of the supervisory board of SIA "Eterna International". Also, Mr Renāts Lokomets is a member of association "Rīgas Ebreju kopiena".

Mr. Renāts Lokomets was a member of the association "Latvijas Jaunuzņēmumu asociācija" (period of service 2016-2017).

As of the date of this Universal Registration Document, these positions and activities of Mr. Renāts Lokomets outside of INDEXO are not significant with respect to INDEXO.

Ramona Miglāne



Ms. Ramona Miglāne has extensive professional expertise within FinTech, banking and finance, mergers and acquisitions, and venture capital. Ms. Ramona Miglāne does not directly or indirectly own Shares in INDEXO.

Ms. Ramona Miglāne holds a master's degree in law from the University of Latvia, Faculty of Law and is an Attorney at Law.

In addition to her role with INDEXO, Ms. Ramona Miglāne is currently a shareholder and a member of Law Firm ZAB "drill." PS, a member of a supervisory board of Digital Mind AS, a member of a supervisory board of akciju sabiedrība "LOPKOPIBAS IZMĒĢINĀJUMU STACIJA JAUNPILS", a member of a supervisory board of AS ZS Invest Holdings, a chairwoman of a supervisory board of AS ALPS Investment serves as a legal advisor for the Latvian Startup Association and is a member of a Latvian Bar Association. Ms. Ramona Miglāne also is a guest lecturer to *Biznesa augstskola Turība*.

In addition to the above, Ms. Ramona Miglāne has acquired an extensive experience by serving on various boards. A chairwoman of a supervisory boards of: AS "mogo" (period of service 2014-2018), AS Mintos Holdings (period of service 2015-2020), AS Mintos Marketplace (period of service 2016-2020), AS Hipocredit (period of service 2016-2019), AS DelfinGroup (period of service 2019-2021). A member of a supervisory boards of: SIA KB Investments (period of service 2014-2019), AS Finitera (period of service 2014-2019), SIA BCAP Holding (period of service 2018-2019), AS 11.lv investments (period of service 2017-2019), AS Avole Holdings (period of service 2014-2019), AS Obelo Capital (period of service 2014-2019), SIA PK Investment (period of service 2014-2019), AS "Sun Finance Scandinavia" (period of service: during 2018), SIA SK Investments (period of service 2014-2019), SIA Liepaja Investments (period of a service 2014-2019), AS Novo Holdings (period of a service 2014-2020), AS MLJH Capital (period of service 2017-2020), SIA LK Investments (period of service 2014-2019), AS Skanstes Biroju Centrs (period of service 2017-2020), SIA "Skanstes City" (period of service 2017-2018), AS Grumpy Investments (period of service 2016-2019), AS Dzimtene (period of service 2016-2020).

As of the date of this Universal Registration Document, these positions and activities of Ms. Ramona Miglāne outside of INDEXO are not significant with respect to INDEXO.

Ivita Asare



Ms. Ivita Asare has extensive professional expertise in the banking sector. Ms. Ivita Asare directly owns 0,02% of INDE XO shares.

Ms. Ivita Asare holds a bachelor's degree and master's in Business Administration from the Stockholm School of Economics Riga and Riga Business School of Riga Technical University respectively. She has also acquired teachers' qualification from the University of Latvia.

In addition to Ms. Ivita Asare's role in Indexo, she also serves as a member in associations: "ULBROKAS SPORTA KLUBS", "Latvijas Komandu sporta spēļu asociācija" and "Handbola skola".

Ms. Ivita Asare has gained great experience within the banking and finance industry by serving as a member of the management board of Luminor Bank AS and being the Head of Business Intelligence, planning and control (period of service 2017-2019) and being the Head of Baltic Business Development, Baltic planning and control unit (period of service 2013-2017).

As of the date of this Universal Registration Document, these positions and activities of Ms. Ivita Asare outside of INDE XO are not significant with respect to INDE XO.

14.4. Senior managers

In addition to the members of the Management and Supervisory Board of INDE XO, INDE XO has also brought together a strong Senior Management team. Below are Senior Managers considered relevant to establishing that INDE XO has the appropriate expertise and experience for the management of its business.

Artūrs Roze



Mr. Artūrs Roze is a Financial Manager at INDE XO. Mr. Artūrs Roze directly owns 0.14% of the total number of INDE XO Shares.

Mr. Arturs Roze obtained a BSc in Economics and Business Administration from the Stockholm School of Economics in Riga.

He gained previous experience as a Business analyst at Swedbank (2016-2018) where his duties included analysing some of the largest Latvian enterprises, creating cash flow projections, business and real estate valuations, defining credit risk parameters, and advised financing structures.

In addition to his position at INDE XO, he is also Chairman of Management Board of SIA "R cap".

As of the date of this Universal Registration Document, these positions and activities of Mr. Artūrs Roze outside of INDE XO are not significant with respect to INDE XO.

Līga Katrīna Kļaviņa



Ms. Līga Katrīna Kļaviņa is an Operational Risk Manager at INDEXO. Ms. Līga Katrīna Kļaviņa directly owns 0,07% of the total number of INDEXO shares.

Ms. Līga Katrīna Kļaviņa graduated from Riga Technical University obtaining a bachelor's and master's degree in Business administration and Management and from the Police Academy of Latvia obtaining a bachelor's degree in Science of Law and lawyer qualification.

She gained previous experience as a Compliance Officer at Nordea Bank AB Latvian branch (2014-2017), Compliance Project Manager at Luminor Latvia (2017-2018), Anti Money Laundering and Fraud Prevention Team Lead at Webhelp Baltics (2019-2020), Compliance Officer / Money Laundering Reporting Officer at Estonian company "Booyaa" (2020-2021). Mrs. Līga Katrīna Kļaviņa gained extensive professional experience in the field of compliance, risk management, AML/CFT/CPF, and internal control systems and their management. Additionally, she holds a CAMS certification.

Ms. Līga Katrīna Kļaviņa does not hold any additional position to INDEXO, except for a member of the Management Board position at INDEXO's subsidiary Indexo Atklātais Pensiju Fonds AS.

14.5. Declarations

To the knowledge of the members of the Management Board, no member of the Management Board or Supervisory Board, or Senior Management has ever been prosecuted in criminal proceedings or convicted of malicious or fraudulent acts in the previous 5 years.

As of the date of this Universal Registration Document, voluntary liquidation proceedings have been finalised in relation to several companies where Mr. Valdis Siksnis was a member of the Management Board. On 21 December 2021, voluntary liquidation proceedings were initiated with respect to SIA "JV Holdings". On 22 December 2021, voluntary liquidation proceedings were initiated with respect to AS "Spring Holding" and SIA CCINV005. Mr. Valdis Siksnis also served in the role of liquidator of all three companies which finalized liquidation in 2022.

In addition to the above, in 2022 SIA "DVH" was reorganized and ceased to exist without a liquidation procedure where Mr. Valdis Siksnis served as a member of the management board.

As of the date of this Universal Registration Document, voluntary liquidation proceedings and reorganisations have been finalised which resulted of companies being excluded from the Latvian Enterprise Register where Ms. Ramona Miglāne was a member of the Supervisory Board: AS 11.lv investments was liquidated and SIA PK Investment and SIA SK Investment was reorganised and excluded from the Latvian Enterprise Register in 2019, AS MLJH Capital was liquidated and SIA KB Investments was reorganised and excluded from the Latvian Enterprise Register in 2020, AS Skanstes Biroju Centrs was liquidated and SIA LK Investments and AS Grumpy Investments was reorganised and excluded from the Latvian Enterprise Register in 2021.

In that respect, to the knowledge of the members of the Management Board, no other member of the Management Board or Supervisory Board, or Senior Management has been declared bankrupt or been associated with any bankruptcy, receivership, or liquidation in their capacity as a founder, director or senior manager of a company or partner of a limited partnership.

To the knowledge of the members of the Management Board, no court or other competent authority has prohibited any member of the Management Board or Supervisory Board or Senior Management from serving as a member of any governing body of any company or organization or has imposed any prohibition on participation in the management of any business or company, nor has any criminally punishable offence been ordered against any such individual in the previous five years.

14.6. Conflicts of interest

INDEXO has set in place and follows internal policy for prevention of conflicts of interest of INDEXO pursuant to the Law on Investment Management Companies and Private Pension Fund Law. These laws set strict rules regarding prevention of any conflicts of interest.

In order to prevent conflict of interest, INDEXO Group especially considers situations when INDEXO Group or the person related thereto, or a person (directly or indirectly) controlling INDEXO Group:

- could obtain profit or avoid financial losses at the expense of INDEXO Group;
- is interested in the outcome of a service provided, and it is in contradiction with the interests of INDEXO Group;
- has a financial or other interest in acting for the benefit of another client or a group of clients rather than in INDEXO Group's interests;
- carries out the same activities in the interests of INDEXO and of the client or a group of clients other than INDEXO Group;
- receives or will receive an inducement from a person other than INDEXO Group for management services provided to a fund that will be in the form of cash, goods, or services other than the standard fee or commission for that service.

In order to ensure that conflicts of interest are prevented, INDEXO Group takes all necessary measures in order to identify and prevent conflicts of interest that may arise in provision of services. Thus, INDEXO Group has:

- efficient procedures for preventing or controlling information exchange between persons associated with INDEXO Group who are involved in provision of management services and activities which involve a risk of conflict of interest, where such information exchange may harm the interests of one or several clients.
- prevented any direct link between the remuneration or income of persons associated with INDEXO Group whose activities are related to providing different management services where conflict of interest may arise in relation to activities carried out while providing management services.
- limited inappropriate influence of third parties on management services and carried out by a person associated with INDEXO Group.
- taken other measures to limit possible conflict of interest situations.

Restrictions on Personal Transactions. Persons connected with INDEXO Group shall not enter into personal transactions based on inside information, recommend such transactions to a third party, or disclose their views or information based on inside information that could be used by a third party to enter into a transaction.

To the knowledge of the members of the Management Board and as of the date of this Universal Registration Document, no actual or potential conflicts of interest exist between the duties of any member of the Management Board or Supervisory Board or Senior Management, or INDEXO subsidiaries, and their private or commercial interests.

14.7. Remuneration and benefits

General principles of remuneration

In order to ensure a high-performance culture for its employees over the long term, INDEXO sets remuneration that is competitive, differentiated, and in line with business logic, market practice, employee competence, and long-term performance.

Remuneration consists of:

A fixed part of remuneration	This is determined by reference to the level of education, professional experience, position, duties, and responsibilities.
Variable remuneration	This is determined by reference to individual performance.
Personnel options	Granted in accordance with INDEXO Personnel Option Issue Regulations. Personnel options may be granted to members of the Management Board and employees of INDEXO as an additional benefit to variable and fixed remuneration. Please see further Section 15.2 "Personnel Share Option Plans for Management Board and Employees".
Other benefits	INDEXO may grant other benefits in addition to the fixed and variable components of remuneration.

The fixed part of remuneration consists of pay that is not connected with individual performance by the employee (salary, contributions to private pension funds, equity-linked instruments).

Variable remuneration consists of performance-related components. The variable remuneration of the members of the Management Board and of the staff may consist of different elements, such as monetary (e.g., bonuses) or non-monetary (e.g., shares or share-linked instruments) pay-outs.

Other benefits could be provided in a form of contributions for employees to a private pension fund, health insurance, a lump-sum allowance in the event of the death of a family member or birth of a child, covering the costs of additional training, conferences, and other kinds of benefit specified in INDEXO's remuneration policy.

The principles of calculating and determining remuneration are set in INDEXO Remuneration policy which is described in more detail below in this Section.

Remuneration paid and other declarations

The tables below outline the total amount of remuneration paid to Management Board, Supervisory Board, Audit Committee members and the Senior managers of INDEXO in 2022.

Table 14.7.1

Description	Total gross remuneration paid in 2022 (EUR)
All members of the Management Board	283,734
All members of the Supervisory Board	7,000
Audit Committee	600
All Senior managers	66,261.93

For employees' remuneration in the year 2022, INDEXO paid an aggregate annual remuneration of EUR 1,782,759 gross. Remuneration consisted of a combination of salary of EUR 1,207,262 EUR gross and a variable part of remuneration – EUR 575,947. In the interests of safeguarding INDEXO employees, INDEXO

has chosen not to publicly disclose any other information on the amounts of remuneration paid to individual employees.

INDEXO also makes **contributions to employees' 3rd pension pillar**. The amount of the contribution is linked with length of employment and contributions by employees themselves. No amounts are set aside or accrued by INDEXO to provide for pension or similar benefits.

On 31 December 2022 additional amounts set aside or accrued by INDEXO to enable payment of pension, retirement, or similar benefits for the benefit of members of the Supervisory Board or Management Board of INDEXO are as follows:

- unused leave – EUR 56,279;
- the variable component of staff remuneration and related tax EUR 39,920;
- health Insurance – EUR 17,560.

Details on the amount of remuneration that members of the Supervisory Board are entitled to, as of the date of this Universal Registration Document are as follows:

- Member of the Supervisory Board – EUR 500 gross for each Supervisory Board meeting attended;
- Members of the Supervisory Board who are also members of the audit committee – EUR 100 gross for each audit committee meeting attended;
- independent members of the audit committee – EUR 300 gross for each audit committee meeting attended.

No additional compensation, redundancy, or severance benefits are set forth in the employment agreements of the members of the Management Board in excess of statutory severance stipulated under the statutory provisions of Latvian labour law.

Two members of the Management Board, namely, Mr. Valdis Siksnis and Mr. Henrik Karmo, are performing their duties based on an authorisation agreement between the members of the Management Board and INDEXO. INDEXO has also entered into authorisation agreements with each member of the Supervisory Board. No member of the Management Board and Supervisory Board is entitled to receive any compensation or severance benefits whatsoever in the event of termination of their service.

Remuneration policy

On 24 March 2022, the Shareholders' meeting of INDEXO approved version 1.5. of the Remuneration policy of the Supervisory Board, Management Board, and staff and personnel.

INDEXO remuneration policy ensures fair, transparent, and predictable remuneration and:

- INDEXO Shareholder meetings determine, allocate, and supervise the fixed part of the remuneration of the members of the Supervisory Board of INDEXO. The Supervisory Board of INDEXO shall determine the fixed and variable components of the remuneration of the members of the Management Board of INDEXO;
- the remuneration of the Management and Supervisory Board is commensurate with the remuneration of other employees of INDEXO;
- the remuneration of an employee of INDEXO is determined in accordance with the employee's professional qualification and is competitive in the Latvian labour market and directly relates to the employee's individual achievement in accordance with the job description and individual goals set;

- in order to avoid conflicts of interest, INDEXO shall ascertain that its employees, members of the Management Board and Supervisory Board are not involved in the process of determining their own compensation.

INDEXO maintains a Remuneration policy that encourages Management and Supervisory Board and employees to achieve INDEXO's short-term and long-term objectives by implementing the following principles:

•	Equal pay for work that is equally valued and performed
•	Attract, motivate, and retain highly professional, honest, and talented staff
•	INDEXO's ability to strengthen its equity shall not be restricted by the remuneration system
•	The remuneration promotes prudent and effective risk management, INDEXO's long-term interests, and sustainability
•	The remuneration system shall not conflict with the principles of protecting the interests of clients and investors and the interests of other stakeholders
•	In respect of risk profile positions, ensure Remuneration policies and practices do not encourage risk-taking that is inconsistent with the risk profile of the investment plan managed by INDEXO and the fund's operating rule

14.8. Audit and other committees

Audit committee

INDEXO has established an internal Audit committee. The Audit committee consists of 3 members of which no more than 2 members can be members of the Supervisory Board and of whom at least 2 of the members shall meet the independence and impeccable reputation criteria set by the law.

The internal Audit committee consists of Mr. Svens Dinsdorfs, Renāts Lokomets and independent member of the committee, Mrs. Ieva Jāgere. Committee meetings take place as necessary, but not less frequently than once a quarter.

The Committee shall act in accordance with the Audit committee regulations, the resolutions of the Supervisory Board and the Shareholders' meeting, the applicable laws and regulations.

The members of the Committee shall be entitled to remuneration determined by INDEXO's Shareholders' meeting in accordance with the INDEXO's Remuneration Policy.

The duties of the Audit include:

- monitoring the process of preparation of INDEXO's annual report and to make proposals to the Supervisory Board to ensure the reliability of the annual report;
- monitor and evaluate the effectiveness of the INDEXO's risk management processes and the INDEXO's policies in place to mitigate identified risks and make proposals to address risks identified;
- monitor the effectiveness of the INDEXO's internal control and internal audit system;
- monitor the conduct of the audit of the INDEXO's annual report;
- provide the Internal Audit function with unrestricted access to all information, assets and personnel of INDEXO necessary for the conduct of the internal audit;
- evaluate the effectiveness of internal systems to ensure regulatory compliance.

Internal auditor

The duties of the internal auditor include:

- to supervise the annual statement of a capital company and preparation of the consolidated annual statement;
- to supervise the efficiency of operation of internal control, risk management, and internal audit systems;
- to supervise the course of audit (check) of the annual and consolidated annual statement of a capital company;
- performing special inspections and investigations of INDE XO own-account transactions and personal transactions of persons related to INDE XO and their compliance with the requirements for prevention of conflicts of interest;
- to check and supervise whether the sworn auditor appointed by a capital company complies with the requirements for independence and objectivity laid down in the Audit Services Law and assessment of threats to independence;
- to inform the council of a capital company of the conclusions drawn by the sworn auditor in the audit (check) of the annual and consolidated statement and to provide an opinion on how this audit (check) has promoted the credibility and objectivity of the annual statement and consolidated annual statement.

INDE XO has an internal auditor which directly reports to the Supervisory Board of INDE XO. The internal auditor is elected by the Supervisory Board, which operates in accordance with the audit plan approved by the Supervisory Board, the description of the internal audit system, and the relevant outsourcing agreement. The main task of the internal auditor is to perform independent supervision of INDE XO's internal control system, as well as to assess its adequacy and effectiveness in order to assist INDE XO's Supervisory Board, Management Board, and employees to perform their functions more effectively. The internal auditor function is performed by KPMG Baltics SIA, reg. no. 40003235171, legal address: Roberta Hirša street 1, Riga, LV-1045, Latvia.

Remuneration committee

The function and responsibilities of a remuneration committee are considered by INDE XO to be sufficiently handled by the members of the Management Board and members of the Supervisory Board as of the date of this Universal Registration Document.

14.9. Corporate governance

INDE XO is committed to the highest standards of corporate governance. INDE XO has implemented internal policies and procedures which are mandatory by applicable laws and regulations.

The Management Board has set high standards of good practice in relation to board leadership and effectiveness, remuneration, accountability, and relations with shareholders in different internal policies. The internal corporate governance system also tries to foster trust and ethical behaviour thereby ensuring that INDE XO's long-term objectives are met.

INDE XO does not have an "umbrella" corporate governance code. However, the overall internal corporate governance system consists of many internal documents that are mandatory by applicable laws and regulations and represent best practice. With internal policies and procedures, INDE XO strives to provide effective, transparent, and compliant management which therefore creates a responsible, safe, and comfortable environment for INDE XO employees, investors, and clients.

As set by the Law on Investment Management Companies, in order for INDEXO to maintain a licence it shall ensure the establishment and functioning of a comprehensive and efficient internal control system that is supervised and from time to time audited by the Bank of Latvia (in Latvian: Latvijas Banka). The internal control system:

- clearly **states duties and allocation of powers** of the members of the Supervisory and Management Board in respect of carrying out and controlling INDEXO business;
- **sets in place a system** for identifying, managing, monitoring, and reporting risks existing in and potential to INDEXO activities;
- **establishes appropriate internal control procedures.**

INDEXO has in place internal documents forming part of the internal corporate governance system (the list does not include all the internal policies and procedures of INDEXO's corporate governance system):

•	accounting policy and organisation of accounting records
•	policy for material operational risk management
•	information system protection regulations
•	a description of the internal audit system
•	AML/CFT/CPF and sanctions risk management policies
•	policy for prevention of conflicts of interest
•	remuneration policy
•	dividend policy
•	rules and procedure for use of information systems and technological resources
•	other internal policies and procedures

INDEXO has implemented a data protection system which includes mandatory documents, policies, registries, and other documents to ensure processing of personal data in accordance with the GDPR. INDEXO has also appointed a data protection officer who is involved in any process which triggers data processing activities by INDEXO. Also, INDEXO has technical and organisational measures in place to react to possible external threats regarding data processing. INDEXO complies with the corporate governance regimes applicable to it.

15. EMPLOYEES

15.1. Personnel and workforce

The quality, competences, and commitment of INDEXO employees are important factors for successful development and management of INDEXO. The success of INDEXO is largely dependent on attracting and retaining a qualified employees in a long term. In order to attract and retain qualified personnel, INDEXO offers remuneration which is highly dependent on the activity of the employee, as well as other benefits which could attract qualified personnel also in future.

INDEXO has adopted Remuneration and personnel policy for the Supervisory Board, Management Board and employees. The main objective of the policy is to ensure effective personnel management practices in accordance with existing INDEXO corporate values, ethical standards, and long-term interests in order to successfully achieve INDEXO goals, implement its strategy without taking inadequate risks and ensure proper remuneration and employment conditions for employees. Please see more information on INDEXO Remuneration policy in Section 14.7 “Remuneration and benefits” of this Universal Registration Document.

In addition, since 2021 INDEXO has implemented Share Option Plans for its employees and management. For more information see Section 15.2 “Personnel Share Option Plans for Management Board and Employees”.

INDEXO believes that its corporate culture and attention to details when it comes to wellbeing and motivation of its employees are key factors that allow to retain its current employees as well as to attract new highly skilled employees.

2021 and 2022 was a crucial year for the growth of INDEXO. Highly professional, motivated and dedicated employees joined the team of INDEXO and by 31.12.2021 there were already 53 employees employed by INDEXO. By 31.12.2022 there were 83 employees employed by INDEXO whereas by the end of September 2023 the headcount was 76 employees. INDEXO intends to further expand its overall business, including its customers and headcount.

The historical employee headcount numbers of INDEXO Group as of the end of the past three years of operation are presented in the table below.

Table 15.1.1

	2020	2021	2022	Sep 2023
Average number of employees employed by INDEXO	31	53	83	76

The place of permanent employment of the majority of employees of INDEXO is within the metropolitan area of Riga, Latvia. No employee of the Group is a member of any trade union. Group is not a party to any collective bargaining agreement.

In addition, INDEXO believe that an important contributor to its success has been its culture, which fosters teamwork, excellent customer service and highly professional, motivated, and dedicated employees. Therefore, INDEXO fully supports and implements principles of open, inclusive, and honest work culture and offers its employees regular training and personal growth opportunities. Every employee of INDEXO learns INDEXO's values, which are the foundation of our entire organisation. All employees, who deal with customers on a daily basis are trained to be able to provide answers to a wide range of questions related to pension plans and their and provide high quality, friendly service. Furthermore, in order to provide additional motivation to its employees, INDEXO has developed comprehensive personnel share option programs (please see Section

15.2 “Personnel Share Option Plans for Management Board and Employees” of this Universal Registration Document).

15.2. Personnel Share Option Plans for Management Board and Employees

2021 Share Option Plan

In 2021 INDEXO approved a personnel share option plan for the Shares of INDEXO (**2021 Share Option Plan**). The purpose of the 2021 Share Option Plan is to further align the long-term interests of Management and Mid-Management employees of INDEXO Group with long-term interests in increasing the value of INDEXO. The personnel share options within the 2021 Share Option Plan were issued in two phases, namely the first round took place in 2021 and the second round took place in March 2022.

The personnel shares issued have a strike price of EUR 2,86 per option at which the person who has received the personnel options will be able to convert them into INDEXO Shares upon expiry of the minimum holding period (12 months from the date on which the person was granted the options). The holder of personnel share options is entitled to acquire newly issued shares in INDEXO until the expiry of the exercise period specified in the notice to the holder referred to in INDEXO Terms of personnel options issue.

As of the date of this Universal Registration Document, INDEXO has issued altogether 66,096 options within the 2021 Share Option Plan from which 33,420 options were converted into INDEXO Shares. INDEXO does not intend to issue new shares as part of the 2021 Share Option Plan.

The following table summarizes the information on the Shares represented by the options granted within the 2021 Share Option Plan.

Table 15.2.1

2021 SHARE OPTION PLAN		
	PHASE ONE	PHASE TWO
Approved	29.03.2021.	24.03.2022.
The maximum amount for conditional equity capital	EUR 17,136	EUR 48,960
Strike price of each option	EUR 2.86	
Rights that will attached to the shares	Each option converted into a share will provide one vote at the Shareholders' meeting of INDEXO and the same rights as existing shares of INDEXO.	
Eligible person for exercising the option	Each person granted a personnel share option(s) may exercise the option(s) after expiry of the holding period (12 months) and at the time: <ul style="list-style-type: none"> - has achieved certain personal or corporate business objectives of INDEXO Group; - has a valid employment relationship with INDEXO Group; or - is a member of the Board of Directors of INDEXO Group. 	
Minimum holding period	12 months.	

2022 Share Option Plan

In order to facilitate further commitment to the long-term development of INDEXO and to reward the dedication and loyalty of INDEXO Management Board and senior employees, the INDEXO Shareholders' meeting on 24 March 2022 approved a new personnel share option plant (the "2022 Share Option Plan"). In order to achieve the best possible tax efficiency, options within the 2022 Share Option Plan will be issued in two phases.

The 2022 Share Option Plan is closely connected with the results, outcome, and long-term development of INDEXO. In accordance with the procedures for allocation of personnel share options provided in the terms of the 2022 Share Option Plan, material benefit to INDEXO personnel share option holder arises only under certain circumstances, namely, if at the exercise date in 2026 INDEXO's share price is higher than the strike price – EUR 16.51.

The following table summarizes the information on the Shares represented by the options granted within the 2022 Share Option Plan.

Table 15.2.2

2022 OPTION PLAN		
	PHASE ONE	PHASE TWO
Approved	24.03.2022	30.03.2023
Maximum amount for conditional equity capital	EUR 250,000	EUR 300,000
Strike price of each share	EUR 1* <i>*if the Share price of INDEXO does not exceed EUR 27.48 at the target date, clawback of INDEXO's shares received will be determined in accordance with INDEXO Terms of personnel options issue.</i>	EUR 27.48* <i>*if the Share price of INDEXO exceeds EUR 27.48 at the target date and the options granted to an option holder are not converted into INDEXO Shares, the option holder has the right to request recalculation of the number of options in accordance with INDEXO Terms of personnel options issue. If as per calculation it is determined that the option holder is entitled to a smaller number of options than they were granted, then clawback of the remaining amount of options granted will be exercised. In this case the strike price for each share will be set to EUR 1.</i>
Basis for granting personnel share options	Personnel share options are granted on the basis of an option agreement between the option holder and INDEXO which provides for (1) restrictions on operations with shares acquired during Phase I and the Phase II and (2) conditions for return of shares acquired during Phase I.	
Rights attached to the shares	Each option converted into a share will provide one vote at the Shareholders' meeting of INDEXO and the same rights as existing shares of INDEXO.	
Eligible person	The following persons have the right to receive personnel options: - members of the Management Board of INDEXO Group who have a valid employment relationship with INDEXO Group or another type of contract	

	<p>on the basis of which the Management Board member of INDE XO Group performs their duties in INDE XO Group.</p> <ul style="list-style-type: none"> - senior employees of INDE XO Group who have a valid employment relationship with INDE XO Group. <p>Under certain conditions personnel options granted can be cancelled (<i>bad leaver</i>).</p>
Material benefit	The material benefit of an INDE XO personnel option holder arises only if specific requirements are met - if the share price at the exercise date in 2026 exceeds EUR 16.51.
Minimum holding period	12 months.

16. SHAREHOLDERS

The largest shareholders of INDEXO are:

- SIA PERFECT MATCH holding 7.94% of INDEXO shares, and
- SIA VSCAP holding 5.41% of INDEXO shares.

As of the date of this Universal Registration Document, no other Shareholder of INDEXO holds more than 5% of all Shares in INDEXO.

The Company's major shareholders do not have different voting rights.

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

Qualifying holding and events which may result in a change in control of INDEXO

As INDEXO is a licensed investment management company, strict eligibility rules apply to shareholders having a qualifying holding in INDEXO. Pursuant to the Law on Investment Management Companies a shareholder with a qualifying holding may only be a person:

- whose identity can be verified;
- who has an impeccable reputation;
- whose financial standing is sound and can be documentarily proved.

As of the date of this Universal Registration Document, INDEXO does not have any individual or legal entity having a qualifying holding in INDEXO.

Measures in place to ensure that control is not abused

INDEXO's Shareholder structure is highly fragmented, and no shareholder holds the majority of the share capital in INDEXO and the corresponding votes (over 50% of the share capital and the votes). Moreover, persons eligible to become Shareholders of INDEXO with qualifying holding are limited due to strict regulatory requirements.

17. RELATED PARTY TRANSACTIONS

INDEXO is party to related-party transactions. All the related-party transactions of INDEXO are carried out on fair market terms and are beneficial to shareholders of INDEXO. The terms and conditions of the related-party transactions are not different from the terms and conditions of similar transactions that are entered into by INDEXO with third parties in the ordinary course of business and are at arm's length.

Detailed information on the related-party transactions involving INDEXO is provided in Note 19 of INDEXO's audited consolidated and separate annual report for the financial year ended on 31 December 2022, Note 18 of INDEXO's audited stand alone and consolidated financial statements for the financial year ended on 31 December 2021, Note 17 of INDEXO's audited stand alone and consolidated annual report for the financial year ended on 31 December 2020.

18. HISTORICAL FINANCIAL INFORMATION

The tables included in this Section set out selected consolidated financial information for INDEXO and stand-alone financial information for IPAS INDEXO for the periods indicated. The financial information contained in the tables is extracted from the audited financial statements of INDEXO and IPAS INDEXO, prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, and of the unreviewed consolidated interim financial statements for the 9-month period which ended on 30 September 2023.

In the year ended 31 December 2021, INDEXO started to produce consolidated financial statements as the subsidiary AS "Indexo Atklātais Pensiju Fonds" started to offer 3rd pension pillar products to customers and started operations. The header of the following three tables indicates the basis on which the information is being presented, for the statement of changes in equity, the first column contains the indication of how the information is presented.

New standards applied by INDEXO

Standards or interpretations effective for the first time for the annual periods beginning 1 January 2022:

- Proceeds before intended use, Onerous contracts – cost of fulfilling a contract, Reference to the Conceptual Framework – narrow scope amendments to IAS 16, IAS 37 and IFRS 3, and Annual Improvements to IFRSs 2018-2020 – amendments to IFRS 1, IFRS9, IFRS16 and IAS 41 (effective for annual periods beginning on or after 1 January 2022).

The amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use. The proceeds from selling such items, together with the costs of producing them, are not recognized in profit or loss. An entity has to use IAS 2 to measure the cost of those items. Cost does not include depreciation of the asset being tested because it is not yet ready for its intended use. The amendment to IAS 16 also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. An asset might therefore be capable of operating as intended by management and subject to depreciation before it has achieved the level of operating performance expected by the management.

The amendment to IAS 37 clarifies the meaning of 'costs to fulfil a contract'. The amendment explains that the direct cost of fulfilling a contract comprises the incremental costs of fulfilling that contract; and an allocation of other costs that relate directly to fulfilling. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract.

IFRS 3 was amended to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. Prior to the amendment, IFRS 3 referred to the 2001 Conceptual Framework for Financial Reporting. In addition, a new exception in IFRS 3 was added for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37 or IFRIC 21, rather than the 2018 Conceptual Framework. Without this new exception, an entity would have recognized some liabilities in a business combination that it would not recognize under IAS 37. Therefore, immediately after the acquisition, the entity would have had to derecognize such liabilities and recognize a gain that did not depict an economic gain. It was also clarified that the acquirer should not recognize contingent assets, as defined in IAS 37, at the acquisition date.

The amendment to IFRS 9 addresses which fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to either third parties or the lender. Under the amendment, costs of fees paid to third parties will not be included in the 10% test.

Illustrative Example 13 that accompanies IFRS 16 was amended to remove the illustration of payments from the lessor relating to leasehold improvements. The reason for the amendment is to remove any potential confusion about the treatment of lease incentives.

IFRS 1 allows an exemption if a subsidiary adopts IFRS at a later date than its parent. The subsidiary can measure its assets and liabilities at the carrying amounts that would be included in its parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. IFRS 1 was amended to allow entities that have taken this IFRS 1 exemption to also measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. The amendment to IFRS 1 extends the above exemption to cumulative translation differences, in order to reduce costs for first-time adopters. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption,

The requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41 was removed. This amendment is intended to align with the requirement in the standard discount cash flows on a post-tax basis.

- Covid-19-Related Rent Concessions – Amendments to IFRS 16 (effective for annual periods beginning on or after 1 April 2021). In May 2020 an amendment to IFRS 16 was issued that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19, resulting in a reduction in lease payments due on or before 30 June 2021, was a lease modification. An amendment issued on 31 March 2021 extended the date of the practical expedient from 30 June 2021 to 30 June 2022.

The impact of the new standards on INEXO's Financial Statements is not significant.

The information set out in this Section is qualified in its entirety by reference to the audited financial statements, including the accounting principles and auditor opinion.

For further information regarding presentation of financial information, accounting principles and currencies please refer to Section 1.3 "Presentation of Information" of this Universal Registration Document.

Separate and Consolidated statements of comprehensive income of INEXO Group and INEXO (EUR)

The tables below set out information from INEXO's Group and INEXO's statements of income for the years ended 31 December 2020, 2021 and 2022, as well as for the 9-month period ended 30 September 2023.

Table 18.1

	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	(3,557)	(9,947)	(32,738)	(41,677)

expenses				
Profit/(loss) before corporate income tax	(38,951)	8,901	(1,270,734)	(2,087,377)
Corporate income tax	-	-	(1,069)	(4,151)
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)
Basic earnings per share*	-	0.00	(0.39)	(0.55)
Diluted earnings per share*	-	0.00	(0.38)	(0.53)

Table 18.2

	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)
Corporate income tax	-	-	(1,069)	(3,367)
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)
Basic earnings per share*	-	0.07	(0.31)	(0.07)
Diluted earnings per share*	-	0.07	(0.30)	(0.07)

Financial position statements of INDEXO (EUR)

The tables below set out selected information from INDEXO's Group and INDEXO's statements of financial position for the years ended 31 December 2021 and 2022, as well as for the 9-month period ended 30 September 2023.

Table 18.3

Assets	Year ended 31 December			9-month period ended 30 September
	Consolidated			
	2020	2021	2022	2023
Placements with financial institutions	1,330,429	1,162,841	7,231,123	3,848,531
Receivables	102,008	169,055	220,190	271,477
Prepayments	17,921	3,465	24,279	92,932
Contract purchase costs	246,401	535,977	990,417	1,313,664
Other assets	10,707	2,828	6,937	82,111
Intangible assets*	-	108,114	177,177	1,294,274
Property, plant and equipment and right-of-use of assets	85,687	47,713	81,870	159,481
Investments in subsidiary undertakings	-	-	-	-
Investments in associates	-	-	49,000	78,400
Loans to associated companies	-	-	-	80,813
Other securities and investments	-	11,663	11,663	11,663
Total Assets	1,793,153	2,041,656	8,792,656	7,233,346
Equity and Liabilities	Year ended 31 December			9-month period ended 30 September
	Consolidated			
	2020	2021	2022	2023
Accrued liabilities	60,543	120,962	193,584	352,089
Debts to suppliers and contractors	4,726	35,049	89,072	67,824
Taxes and national social insurance mandatory contributions	36,235	48,151	95,245	85,151
Lease liabilities	14,696	39,332	90,468	58,535

Other liabilities	31,591	143,899	233,046	101,202
Total Liabilities	387,393	387,393	701,415	664,801
Share capital	3,016,987	3,016,987	3,568,511	3,795,407
Share options	5,436	5,436	176,960	487,469
Share premium	77,175	77,175	7,062,908	7,094,334
Retained losses	(1,445,236)	(1,445,335)	(2,717,138)	(4,808,665)
Total equity and reserves	1,654,263	1,654,263	8,091,241	6,568,545
Equity and Liabilities Total	2,041,656	2,041,656	8,792,656	7,233,346

* Information regarding "Intangible Assets" for year ended 31 December 2020 obtained from the Management Board as the Financial Statement of INDEXO for the year ended 31 December 2020, does not incorporate the respective item.

Table 18.4

Assets	Year ended 31 December			9-month period ended 30 September
	Stand-alone			
	2020	2021	2022	2023
Placements with financial institutions	941,010	798,271	4,970,780	1,728,653
Receivables	200,044	199,955	388,743	267,415
Prepayments	2,511	3,465	24,279	2,904
Contract purchase costs	246,401	535,977	990,417	1,313,664
Other assets	10,707	2,828	6,937	4,970
Intangible assets*	-	-	-	-
Property, plant and equipment and right-of-use of assets	19,615	47,713	81,870	57,717
Investments in subsidiary undertakings	400,000	600,000	2,600,000	5,750,000
Investments in associates	-	-	49,000	78,400
Loans to associated companies	-	-	-	80,813
Other securities	-	11,663	11,663	11,663

and investments				
Total Assets	1,820,288	2,199,872	9,123,689	9,296,198
Equity and Liabilities	Year ended 31 December			9-month period ended 30 September
	Stand-alone			
	2020	2021	2022	2023
Accrued liabilities	60,543	112,354	177,555	288,990
Debts to suppliers and contractors	3,657	32,482	70,669	26,747
Taxes and national social insurance mandatory contributions	36,223	47,457	92,814	16,427
Lease liabilities	14,696	39,332	90,468	58,135
Other liabilities	31,590	73,957	106,513	18,456
Total Liabilities	146,709	305,582	538,019	409,155
Share capital	3,016,987	3,016,987	3,568,511	3,795,407
Share options	5,436	5,436	176,960	487,469
Share premium	77,175	77,175	7,062,908	7,094,334
Retained losses	(1,415,284)	(1,205,308)	(2,222,709)	(2,490,167)
Total equity and reserves	1,673,579	1,894,290	8,585,670	8,887,043
Equity and Liabilities Total	1,820,288	2,199,871	9,123,689	9,296,198

* Information regarding "Intangible Assets" for year ended 31 December 2020 obtained from the Management Board as the Financial Statement of INDEXO for the year ended 31 December 2020, does not incorporate the respective item.

Cash flow statements of INDEXO Group and INDEXO (EUR)

The tables below set out selected information from INDEXO's Group and INDEXO's statements of cash flows for the years ended 31 December 2020 and 2021, as well as for the 9-month period ended September 30, 2023.

Table 18.5

	Year ended 31 December			9-month period ended 30 September
	Consolidated			
	2020	2021	2022	2023
Cash flows from operating activities				
Profit /(loss) before corporate income tax	(38,951)	8,901	(1,270,734)	(2,087,377)
Depreciation of intangible assets	-	-	-	16,935
Depreciation of PPE and amortisation of right-of-use assets	17,450	28,662	69,760	57,986
Amortisation of contract acquisition costs	19,949	65,977	139,277	166,215
Amortisation of Share option reserves	-	-	171,524	310,509
Interest income	-	-	(2,495)	(31,576)
Interest expenses	643	1,386	3,147	1,680
Increase/(Decrease) of cash and equivalents from operating activities before changes in assets and liabilities	(909)	104,926	(889,521)	(1,565,628)
Increase in receivables, prepayments, and other assets	(311,321)	(400,266)	(670,111)	(681,235)
Increase / (Decrease) of accrued liabilities	(88,672)	60,419	76,330	45,021
Increase / (Decrease) of trade payables and other payables	567	155,934	192,001	(166,588)
Corporate income tax	-	-	(1,069)	(4,151)
Increase / (Decrease) in cash and cash equivalents from operating activities	(400,335)	(78,987)	(1,292,370)	(2,372,581)
Cash flows from investing activities				
PPE purchases	(67,596)	(60,737)	(97,402)	(1,269,630)
Investments in subsidiary undertakings	-	-	-	-

Investments in associated company share capital	-	-	(49,000)	(29,400)
Loans issued	-	-	-	(78,400)
Interest income received	-	-	750	29,163
Accrued salesperson wage	-	-	-	113,484
Other securities and investments	-	(11,663)	-	
Increase / (Decrease) in cash and cash equivalents from investment activities	(67,596)	(72,400)	(145,652)	(1,234,783)
Cash flows from financing activities				
Share issue	829,162	-	7,537,257	226,896
Share issue premium	-	-	-	31,427
Payments for the right-of-use of assets	(13,807)	(14,815)	(27,806)	(33,616)
Interest on the right-of-use asset liabilities	(643)	(1,386)	(3,147)	(1,680)
Increase/ (Decrease) in cash and cash equivalents from financing activities	814,712	(16,201)	7,506,304	223,027
(Decrease) in cash and cash equivalents	346,781	(167,588)	6,068,282	(3,384,338)
Cash and equivalents at the beginning of the reporting period	983,648	1,330,429	1,162,841	7,232,869
Cash and equivalents at the end of the reporting period	1,330,429	1,162,841	7,231,123	3,848,530

Table 18.6

	Year ended 31 December			9-month period ended 30 September
	Stand-alone			
	2020	2021	2022	2023
Cash flows from operating activities				
Profit /(loss) before corporate income tax	(10,735)	220,711	(1,016,332)	(264,092)

Depreciation of PPE and amortisation of right-of- use assets	17,450	17,803	41,421	30,948
Amortisation of contract acquisition costs	19,949	65,977	139,277	166,215
Amortisation of Share option reserves	-	-	171,524	310,509
Interest income	-	-	(2,495)	(14,409)
Interest expenses	643	1,386	3,147	1,197
Increase/(Decrease) of cash and equivalents from operating activities before changes in assets and liabilities	27,307	305,877	(663,458)	230,368
Increase in receivables, prepayments, and other assets	(393,947)	(348,542)	(807,765)	(348,152)
Increase / (Decrease) of accrued liabilities	(88,672)	51,811	65,201	(2,049)
Increase / (Decrease) of trade payables and other payables	(7,871)	83,815	121,546	(205,067)
Corporate income tax	-	-	(1,069)	-
Increase / (Decrease) in cash and cash equivalents from operating activities	(463,183)	92,961	(1,285,545)	(324,900)
Cash flows from investing activities				
PPE purchases	(1,525)	(7,836)	-	(6,796)
Investments in subsidiary undertakings	(400,000)	(200,000)	(2,000,000)	(3,150,000)
Investments in associated company share capital	-	-	(49,000)	(29,400)
Accrued salesperson wage	-	-	-	113,484
Loans issued	-	-	-	(78,400)
Interest income received	-	-	750	11,996
Other securities and investments	-	(11,663)	-	
Increase / (Decrease) in cash and cash equivalents from	(401,525)	(219,499)	(2,048,250)	(2,972,901)

investment activities				
Cash flows from financing activities				
Share issue	829,162	-	7,537,257	226,896
Share issue premium	-	-	-	31,427
Payments for the right-of-use of assets	(13,807)	(14,815)	(27,806)	(33,616)
Interest on the right-of-use asset liabilities	(643)	(1,386)	(3,147)	(1,197)
Increase/ (Decrease) in cash and cash equivalents from financing activities	814,712	(16,201)	7,506,304	223,509
(Decrease) in cash and cash equivalents	(42,638)	(142,739)	4,172,509	(3,243,872)
Cash and equivalents at the beginning of the reporting period	983,648	941,010	798,271	4,972,526
Cash and equivalents at the end of the reporting period	941,010	798,271	4,970,780	1,728,653

Statements of changes in equity of INDEXO and IPAS INDEXO (EUR)

The tables below set out information consolidated equity and result of changes in equity for the years ended 31 December 2020, 2021 and 2022, as well as for the 9-month period ended 30 September 2023.

Table 18.7

	Share capital	Share option reserves	Share issue premium	Losses carried forward from previous periods	Total
As at 31 December 2020 (Stand-alone)	3,016,987	5,436	77,175	(1,426,019)	1,673,579
Total comprehensive profit for the period	-	-	-	220,711	220,711
At 31 December 2021 (Stand-alone)	3,016,987	5,436	77,175	(1,205,308)	1,894,290
Increase in Share option reserves	-	171,524	-	-	171,524
Increase in Share capital after public listing	535,000	-	6,955,000	-	7,490,000
Increase in Share capital after share option exercise	16,524	-	30,733	-	47,257
Total comprehensive loss for the period	-	-	-	(1,017,401)	(1,017,401)

As at 31 December 2022 (Stand-alone)	3,568,511	176,960	7,062,908	(2,222,709)	8,585,670
Increase in Share option reserves		310,509			310,509
Increase in Share capital after share option exercise	226,896		31,426		258,322
Total comprehensive loss for the period				(267,459)	(267,458)
As at 30 September 2023 (Stand-alone)	3,795,407	487,469	7,094,334	(2,490,168)	8,887,043

Table 18.8

	Share capital	Share option reserves	Share issue premium	Losses carried forward from previous periods	Total
As at 31 December 2020 (Consolidated)	3,016,987	5,436	77,175	(1,454,236)	1,645,362
Total comprehensive profit for the reporting period	-	-	-	8,901	8,901
As at 31 December 2021 (Consolidated)	3,016,987	5,436	77,175	(1,445,335)	1,654,263
Increase in Share option reserves	-	171,524	-	-	171,524
Increase in Share capital after public listing	535,000	-	6,955,000	-	7,490,000
Increase in Share capital after share option exercise	16,524	-	30,733	-	47,257
Total comprehensive loss for the period	-	-	-	(1,271,803)	(1,271,803)
As at 31 December 2022 (Consolidated)	3,568,511	176,960	7,062,908	(2,717,138)	8,091,241
Increase in Share option reserves	-	310,509	-	-	310,509
Increase in Share capital after share option exercise	226,896	-	31,426	-	258,322
Total comprehensive loss for the period	-	-	-	(2,091,528)	(2,091,528)
As at 30 September 2023 (Consolidated)	3,795,407	487,469	7,094,334	(4,808,665)	6,568,547

19. RIGHTS TO DIVIDENDS AND DIVIDEND POLICY

19.1. Main principles of Dividend Policy

On 24 March 2021 the Shareholders' meeting approved INDE XO Dividend policy.

INDE XO strives to ensure a balance between cash distributions to Shareholders, INDE XO'S strategic objectives and the financial stability of INDE XO. The following key principles are applied in determining and calculating dividends:

- maintaining a balance between the short-term (profit) and long-term (development of INDE XO) interests of the Shareholders;
- ensuring transparency in distribution of profits by explaining to Shareholders the amount of the annual dividend determination.

The amount of dividends is calculated by reference to the net profit of INDE XO as shown in the Annual Report. Dividends are paid to a Shareholder in proportion to the total number of shares in INDE XO held by the Shareholder. Dividends can only be calculated and paid out for fully paid-up shares. Dividends are 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 INDE XO's Articles of Association.

19.2. Decision on distributing dividends

The governing body of INDE XO deciding on profit distribution and dividend payment is the Shareholders' meeting. The Management Board prepares a proposal for dividend allocation and distribution which is then reviewed by the Supervisory Board and adopted at the Shareholders' meeting.

The Shareholders' meeting also decides on the date of payment of dividends, which must be in the same financial year as the decision on payment of dividends. Dividend payment is made no later than 30 days after adoption of the relevant resolution of the Shareholders' meeting.

External and internal factors which may affect recommendation by the Management Board on distribution of INDE XO profits include, but are not limited to, the following:

- the financial situation of INDE XO and the state of the economy;
- INDE XO's legal liabilities and obligations;
- the amount of equity capital required;
- the strategic objectives of INDE XO;
- restrictions imposed by applicable laws and regulations with regard to declaration and distribution of dividends;
- taxation policy;
- the political situation in the Republic of Latvia and the world.

19.3. Setting aside profit

The Management Board may propose setting aside out of the profits of INDEXO such sums as may need to be applied for any reasonable purpose, including provisions intended for meeting contingencies or to be invested in such activities of INDEXO as the Management Board may, from time to time, consider fit. The Management Board may also propose carrying forward any profits which it may think prudent not to distribute with a view to the operating needs of INDEXO.

When a portion of profits is distributed but used in INDEXO's business, INDEXO will seek to strike the right balance between the amount of dividends paid and the amount of profits retained in the business. INDEXO may retain earnings to for example maintain an adequate liquidity ratio and funding of fixed and working capital, and other purposes as seen fit by the Management Board.

19.4. Entitlement to dividends

INDEXO issues notification of payment of dividends via the stock exchange information system. 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. If dividends have not been taken out in time due to the fault of the Shareholder, no interest is paid on the dividends.

In general, INDEXO cannot demand return of dividends previously paid to shareholders unless the distribution of dividends was unlawful, provided that the shareholder receiving the dividends knew or should have known that the distribution of dividends was unlawful at the time of the distribution.

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). While distributing profit and making dividend payments to shareholders, a public limited company is under 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. Dividends paid by INDEXO are taxable in accordance with the statutory requirements of Latvia and may also be taxed in the Shareholder's country of tax residence. For a description of withholding tax on dividends applicable to non-Latvia residents, investor shall refer to section about Taxation in the Securities Note, once it has been approved by the Bank of Latvia (in Latvian: Latvijas Banka).

19.5. Dividends declared

INDEXO has not declared dividend payments on net profit since the date of its incorporation. Thus, the amount of dividend per share for each financial year for the period covered by the historical financial information cannot be specified.

According to current business strategy INDEXO is not planning to declare dividends until the year 2027. Growing bank lending portfolio will need additional capital. INDEXO plans to start paying dividends when the profits from the company exceed the loan book growth opportunities.

20. LEGAL AND ARBITRATION PROCEEDINGS

INDEXO has not been involved in any governmental, legal or arbitration proceedings that have been concluded in the past 12 (twelve) months and have resulted in an administrative act or court judgment. As at the date of the Universal Registration Document, the Management Board of INDEXO is not aware of any pending or threatened governmental, legal or arbitration proceedings.

21. SHARE CAPITAL AND SHARES

21.1. The current share capital of INDEXO

All INDEXO Shares have been issued in accordance with Latvian law and, in particular, the Latvian Commercial Law and the Law on Investment Management Companies. The nature and scope of rights attaching to INDEXO shares can only be amended according to the procedure set forth in the Latvian Commercial Law.

The minimum amount of share capital is determined in accordance with the Law on State Funded Pensions. The amount of share capital depends on the AUM of INDEXO within the funded pension scheme (2nd pension pillar). As of the date of this Universal Registration Document, INDEXO is managing the funds of the funded pension scheme with a value greater than EUR 200,000,000. Therefore, according to the Law on State Funded Pensions INDEXO needs to ensure its share capital at least EUR 3,000,000 thereby reaching the highest threshold prescribed by law.

As of the date of this Universal Registration Document, INDEXO's issued share capital amounts to EUR 3,795,407, divided into 3,795,407 dematerialised shares. All existing Shares are of the same category, with the nominal (face) value of each outstanding Share being EUR 1 (the "Share/Shares").

Table 21.1.1

INDEXO Shares as of the date of Universal Registration Document

Type of share	Total number of shares	Nominal value per share, EUR	Total nominal value, EUR
Dematerialized shares	3,795,407	1	3,795,407

The Shares are registered with Nasdaq CSD under ISIN code LV0000101863 and is kept in book-entry form.

The Shares are listed and admitted to trading on a regulated securities market – Baltic Main List of Nasdaq Riga. The Shares are freely transferrable. No share certificates have been or may be issued. The Shares have not been subject to any public takeover bid during the current or last financial year.

21.2. Share capital historical changes

During the period covered by the Financial Statements, the following changes in share capital took place:

Table 21.2.1

INDEXO share capital changes

Year of registration	Changes	The new amount of share capital (EUR)	Total number of shares (EUR)
2020	The share capital of EUR 3,000,000 was increased by EUR 16,987 resulting in additional A category shares, the total number of A category shares being 2,281,987 and B category shares – 183,750.	16,987	3,016,987
2021	Conversion from the existing two classes of shares, A and B, into one class of	-	3,016,987

	shares, thereby dividing the share capital of INDEXO into 3,016,987 shares with a nominal value of EUR 1 (one Euro) per share.		
2022	The share capital was increased by EUR 16,524 resulting in issuance of 16,524 new shares with nominal value of EUR 1.	16,524	3,033,511
	The share capital was increased by EUR 535,000 resulting in issuance of 535,000 new shares with nominal value of EUR 1.	535,000	3,568,511
2023	The share capital was increased by EUR 16,896 resulting in issuance of 16,896 new shares with nominal value of EUR 1.	226,896	3,795,407

22. THE ARTICLES OF ASSOCIATION

Pursuant to the Article 2 of the Articles of Association the main type of commercial activity performed by INDEXO is fund management activities.

The current version of the Articles of Association was adopted by resolution of the Shareholders' meeting dated 23 November 2023. The text of the Articles of Association currently in force can be found on INDEXO corporate website <https://indexo.lv/par-mums/>.

INDEXO Articles of Association comply with the statutory provisions of Latvian law, primarily complying with the Latvian Commercial Law, the Law on Investment Management Companies, the Latvian Financial Instrument Market Law, and other applicable laws and regulations.

The following is a summary and explanation of the main provisions of the Articles of Association:

- **Shares.** INDEXO has only one type of shares - dematerialised shares. No other categories of shares have been issued by INDEXO or are outstanding as of the date of the Universal Registration Document. Each share entitles the holder to receive dividends, to receive a liquidation quota in the event of liquidation of INDEXO, and to vote at the Shareholders' meeting of INDEXO.
- **Voting rights.** Each Shareholder has the right to participate in and vote at the Shareholders' meeting by electronic means. The authority to establish requirements for the identification of Shareholders and the procedure for the exercise of voting rights is vested in the Management Board.
- **Share capital increase.** The Board of INDEXO is authorized to increase the share capital of INDEXO for a period of up to 5 (five) years in the amount determined by the Shareholders' meeting of INDEXO, not exceeding 3% (three percent) of the share capital at the time of the authorization.
- **Declaration.** The Articles of Association contain no provisions that might have the effect of delaying, deferring, or preventing a change in control of INDEXO and enabling, authorizing, or permitting withdrawal, redemption, or conversion of the existing shares of INDEXO.

23. MATERIAL CONTRACTS

All material agreements entered into by INDEXO Group are within its ordinary course of business and the agreements do not include any provision under which INDEXO Group has any obligation or entitlement which is material to INDEXO Group as of the date of this Universal Registration Document.

24. GLOSSARY

The following definitions apply throughout this Universal Registration Document 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 Universal Registration Document.

Table 24.1

Admission of Shares to Trading	Admission of Shares to Trading on Nasdaq Riga.
AML	Anti-money laundering.
Annual Report	The INDEXO's audited annual report for the financial year ended 31 December 2022.
Articles of Association	Articles of Association of INDEXO effective as of the date of this Universal Registration Document.
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.
Audit Committee	Internal body which assists the Supervisory Board in carrying out its role in relation to internal control and risk management, regulatory compliance, supervision of internal audit.
AUM	Assets under management.
AS SEB bank	AS "SEB banka", registration No. 40003151743, registered address at Meistaru street 1, Valdlauči, Ķekavas pag., Ķekavas nov., LV-1076, Latvia.
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.
BRRD	Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council Text with EEA relevance.
Beacon Properties OÜ	Beacon Properties OU, a private limited company established and operating under the laws of the Republic of Estonia, registry – Ariregister, date of registration – 09-02-2011, registry code 12058105, registered address at Harju maakond, Tallinn, Kesklinna linnaosa, Tina tn 8-4, 10126, the Republic of Estonia.

CEO	Chief executive officer.
CIT	Corporate income tax.
CFO	Chief financial officer.
CFT	Combating the financing of terrorism.
CPF	Counter Proliferation Financing.
Consumer Rights Protection Centre or CRPC	The Consumer Rights Protection Centre of Republic of Latvia (<i>Patērētāju tiesību aizsardzības centrs</i>). The Consumer Rights Protection Centre is a state administration institution under the supervision of the Ministry of Economics, which implements protection of consumer rights and interests.
Commercial Register	The Register of Enterprises of the Republic of Latvia.
COVID-19	The respiratory disease caused by the SARS-CoV-2 virus.
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.
Distributors	Persons who offer, sell or recommend Shares.
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.
Estonian Financial Supervision Authority	The Estonian Financial Supervision Authority, a financial supervision institution with autonomous competence and a separate budget which conducts supervision over credit institutions, insurance companies, insurance intermediaries, investment firms, management companies, investment and pension funds as well as payment service providers, e-money institutions and the securities markets that have been authorised by the Financial Supervision Authority in the name of the state and which is independent in its activities and decisions.
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 publishing this Universal Registration Document.
Financial Statements	Audited Financial Statements and Interim Financial Statements.

General Meeting or Shareholders' meeting	A meeting of INDEXO's shareholders, the highest governing body of INDEXO.
Goindex UAB	A private limited liability company registered in Lithuania, registration number: 305706496; legal address: Eglynlaukio g. 7, Vilnius, Lithuania.
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.
IFRS	International Financial Reporting Standards.
SIA Provendi asset management AIFP	A private limited liability company registered in Latvia, registration number: 40203438204, legal address: Daugavgrivas street 7B, Riga, LV-1048, 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.
INDEXO Jauda 16-50	A plan with maximum allowed investment in the stock market (up to 100%).
INDEXO Izaugsme 47-57	The first 2nd pension pillar plan in Latvia, which offered clients investment in index-based funds.
INDEXO Konservatīvais 55+	Investment plan only in the highest quality bonds of index-based funds.
INDEXO Akciju plāns	3 rd pension pillar plan.
INDEXO Obligāciju plāns	3 rd pension pillar plan.
Interim Financial Statements	The unreviewed consolidated interim financial statements of INDEXO for the 9-month period which ended on 30 September 2023.
Investment management company	The investment management company of funded pension scheme funds.
IPAS "Indexo" or INDEXO, or Company	IPAS "Indexo" is a joint stock company (akciju 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.
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 in accordance with the provisions included in the Securities Note.
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 Universal Registration Document.
Securities Note	A separate document named securities note, which together with this Universal Registration Document and summary forms a prospectus, once the Securities Note and the summary of the prospectus have been approved by the Bank of Latvia (in Latvian: Latvijas Banka).
Senior Managers	Senior Managers are considered relevant to establishing that INDEXO has the appropriate expertise and experience for the management of its business.
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.
Share Option Plan	The personnel option plan for the shares of INDEXO.
Subsidiary or Indexo Atklātais Pensiju Fonds AS	Indexo Atklātais Pensiju Fonds AS is a joint stock company (akciju sabiedrība), incorporated in Latvia and registered in the Commercial

	Register on 13 June 2020 under registration number 40203248944, having its registered address at Elizabetes street 13 – 1A, Riga, LV-1010, Latvia.
Supervisory Board	The Supervisory Board of INDEXO.
“Swedbank” AS	“Swedbank” AS, registration No. 40003074764, registered address at Balasta dambis 15, Riga, LV-1048, Latvia.
United States/US	The United States of America.
Universal Registration Document	This document.