



**FIRST SUPPLEMENT dated 7.08.2025
to the
UNIVERSAL REGISTRATION DOCUMENT
dated April 11, 2025**

IPAS “Indexo”

incorporated and registered in Latvia under registration number 40203042988

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

This document constitutes the first supplement (the “Supplement”) to the Universal Registration Document of INDEXO which has been approved by the Bank of Latvia (in Latvian: Latvijas Banka) on 11 April 2025 (the “Universal Registration Document”). The Supplement is prepared by INDEXO in accordance with Article 10 (1) and Article 23 (1) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 (the “Prospectus Regulation”).

The Supplement has been approved by the Bank of Latvia (in Latvian: Latvijas Banka) on August 7, 2025, in its capacity as the Latvian competent authority under the Prospectus Regulation. The Bank of Latvia only approves the Supplement 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 the Universal Registration Document.

This Supplement should be read in conjunction with the Universal Registration Document, including the documents incorporated by reference therein. The terms used in this Supplement have the same meaning as the terms used in the Universal Registration Document.

This Supplement relates to the prospectuses of the Issuer constituted from (i) the Universal Registration Document and (ii) the following securities notes:

- Securities Note of April 11, 2025;
- Securities Note of August 7, 2025.

The purpose of this Supplement is to update the disclosure on the Issuer contained in the Universal Registration Document, by reflecting latest business, market and regulatory developments; changes in Issuer’s share capital; new investments in subsidiaries; changes relating to major shareholders’ and members of the Supervisory and Management Board holdings in the Issuer; changes in the composition of the Audit Committee; as well as editorial amendments

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

The disclosure on the Issuer contained in the Universal Registration Document is amended by this Supplement as set out in **Annex 1** to this Supplement: The strikethrough text in red is deleted from the Universal

Registration Document by this Supplement and the underlined text in blue is inserted in the Universal Registration Document by this Supplement.

In accordance with Article 23 (6) of the Prospectus Regulation, the Issuer provides as **Annex 2** to this Supplement a consolidated version of the Registration Document as amended by Supplement.

This Supplement will be published in electronic form on the website of Nasdaq Riga <https://nasdaqbaltic.com/> and on the INDEXO website <https://indexo.lv/en/for-investors/>.

TO THE EXTENT THAT THERE IS ANY INCONSISTENCY BETWEEN ANY STATEMENT IN THIS SUPPLEMENT AND ANY STATEMENT IN, OR INCORPORATED BY REFERENCE IN, THE UNIVERSAL REGISTRATION DOCUMENT, THE STATEMENTS IN THIS SUPPLEMENT SHALL PREVAIL.

INDEXO⁷

Annex 1

**Amendments to the Universal Registration
Document dated April 11, 2025 by this
supplement**

**UNIVERSAL
REGISTRATION
DOCUMENT**

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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
Henrik Karmo

signed with a safe electronic signature

Member of the Management Board
Artūrs Roze

signed with a safe electronic signature

Member of the Management Board
Marija Černoštana

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.

Information about INDEXO Group

The information presented in this Universal Registration Document has been prepared with the understanding that INDEXO is the parent company of INDEXO Group. Consequently, where relevant, group-wide information has been provided to ensure a comprehensive understanding of the Group’s operations, financial conditions and prospects. Group-wide information includes the information on subsidiaries included in INDEXO’s financial consolidation scope, namely INDEXO Bank and Indexo Atklātais Pensiju Fonds AS.

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 2024, 31 December 2023, 31 December 2022 (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 2024 and 31 December 2023 and 31 December 2022.

The Audited Financial Statements, available at: [Reports | For Investors | Indexo](#) consist of the following:

- 1) INDEXO audited consolidated and separate annual report for the financial year ended 31 December 2024 and the independent auditor’s report, available at:
<https://indexo.lv/wp-content/uploads/2025/02/IPAS-INDEXO-consolidated-and-separate-annual-report-2024-with-auditor-report.pdf>
- 2) INDEXO audited consolidated and separate annual report for the financial year ended 31 December 2023 and the independent auditor’s report, available at:
<https://indexo.lv/wp-content/uploads/2024/02/ipas-indexo-consolidated-and-separate-annual-report-2023-with-auditor-report.pdf>
- 3) INDEXO audited consolidated and separate annual report for the financial year ended 31 December 2022 and the independent auditor’s report, available at:
<https://indexo.lv/wp-content/uploads/2023/02/ipas-indexo-consolidated-audited-annual-report-2022-with-auditor-report.pdf>

[INDEXO unaudited consolidated interim financial report for the first quarter of year 2025 as of March 31, 2025, available at https://indexo.lv/wp-content/uploads/2025/05/3M-2025-Consolidated-Interim-Report.pdf](https://indexo.lv/wp-content/uploads/2025/05/3M-2025-Consolidated-Interim-Report.pdf)

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.

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 6 “KEY STRATEGIES OF INDEXO” 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 2024 and the independent auditor's report, available at: <https://indexo.lv/wp-content/uploads/2025/02/IPAS-INDEXO-consolidated-and-separate-annual-report-2024-with-auditor-report.pdf>;
- 2) INDEXO audited consolidated and separate annual report for the financial year ended 31 December 2023 and the independent auditor's report, available at: <https://indexo.lv/wp-content/uploads/2024/02/ipas-indexo-consolidated-and-separate-annual-report-2023-with-auditor-report.pdf>;
- 3) INDEXO audited consolidated and separate annual report for the financial year ended 31 December 2022 and the independent auditor's report, available at: [ipas-indexo-consolidated-audited-annual-report-2022-with-auditor-report.pdf](https://indexo.lv/wp-content/uploads/2023/12/ipas-indexo-consolidated-audited-annual-report-2022-with-auditor-report.pdf);
- 4) INDEXO Articles of Association, available on INDEXO corporate website: [Documents | INDEXO Dokumenti | INDEXO](#).
- 4)5) INDEXO unaudited consolidated interim financial report for the first quarter of year 2025 as of March 31, 2025, available at <https://indexo.lv/wp-content/uploads/2025/05/3M-2025-Consolidated-Interim-Report.pdf>

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/en/>).

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: Marijas iela 2A, Riga, LV-1015, Latvia was appointed as INDEXO's external auditor for the accounting period of 2020-2024. PricewaterhouseCoopers SIA is a certified auditor (licence No. 5) and a member of the Latvian Association of Certified Auditors.

ERNST & YOUNG BALTIC SIA, registration number: 40003593454, legal address: Riga, Muižas street 1A, LV-1010, was elected by the Shareholders' meeting of 28 March 2025 as the auditor of INDEXO's annual accounts

for the year 2025. ERNST & YOUNG BALTIC SIA is a certified auditor (licence No. 17) and the member member of the Latvian Association of Certified Auditors.

2. RISK FACTORS

Following acquisition of credit institution licence by AS INEXO Banka, under new INEXO Group governance structure introduced in year 2024, AS INEXO Banka acts as responsible entity within INEXO Group to ensure INEXO 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 a responsible entity within the Group, INEXO Banka is responsible for the development of Group strategy, Group business planning, financial and treasury management, as well as risk management framework. Please refer to Section 14.8 Corporate governance for further details.

Given the above responsibility of INEXO Banka, risk factor section outlines the primary risk factors that the INEXO Group believes could significantly impact its solvency, business operations or profitability.

The INEXO Group 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 INEXO 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 INEXO Group and industries 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.

Taking into account the nature of the business and operations of INEXO Group, it must be noted that INEXO Group regularly assesses and identifies the risks that are associated with all its Group entities. The risk factors presented are disclosed and relevant to INEXO Group as of the date of this Universal Registration Document.

Risk factor section starts with the external risk factors related to macroeconomic, geopolitical and competitive environments followed by description of significant risk factors as identified according to Indexo Group Risk management policy.

The risk factors are presented in order of their materiality 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 INEXO or that INEXO currently considers immaterial may also individually or cumulatively have a material adverse effect on INEXO's or INEXO's Group business, brand, financial results of operations or prospects.

2.1. Risk factors related to macroeconomic and geopolitical environments

Macroeconomic factors. INEXO manages pension funds of residents of Latvia who participate in INEXO 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. 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, INEXO'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 INEXO holds. Moreover, the commission fee received by INEXO depends on the amount of AUM.

The wellbeing of its clients, their income levels, and the funds available for investment are directly affected by the overall performance of the Latvian economy. The wide sanctions adopted within the EU and beyond against the Russian Federation and the Republic of Belarus have adversely affected the Latvian economy through factors such as rising energy prices and inflation.

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.

These factors could have a material adverse effect on INEXO Group business, financial and operational results, conditions or prospects.

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

In recent years, several factors have affected the global economy, with some being more relevant to Europe and Latvia specifically. These factors are potential risk drivers in the economies affected by them, as they may cause events or situations beyond INEXO Group's reasonable control, thereby affecting its business and operations unpredictably.

Geopolitical tension. Increased geopolitical tension was noticeable in the Baltics in early 2022 as Russia invaded Ukraine, which can be perceived as an attack against Europe, its democratic values, and a violation of international law.

As a result, at the end of 2022, annual inflation in Latvia reached the highest level in the last decade—20.8% per year—significantly outpacing the increase in average wages and reducing the real purchasing power of the population.

The increase in energy prices and inflation may indirectly affect financial markets and the free funds of INEXO Group's customers. However, INEXO does not expect the quality of its debtors to deteriorate.

2.2. Risk factors related to the operating environment of the INEXO Group

Competition risk in the pension management segment

Since the moment INEXO 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 INEXO have tried to improve their service and keep up with the trends set by INEXO.

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

INEXO Group is conducting its business in a competitive environment. Therefore, the operational and financial results of INEXO Group could be materially adversely affected if INEXO 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

INEXO 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, INEXO 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 INEXO entered the market. Even though the popularity of the INEXO brand has grown tremendously, there is a risk that INEXO 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. Competitors are also striving to retain their existing clients [and recapture clients INEXO has historically attracted to its services therefore driving up churn of INEXO client base](#). INEXO competitors' group companies could have more readily available financial resources to acquire clients at any cost than INEXO; therefore, INEXO might face a risk that potential new clients will decide not to change their asset manager to become INEXO clients. INEXO is investing in developing its

brand value, and striving to deliver industry-leading results for its pension clients in order to sway customers into choosing INDEXO as their pension manager. INDEXO has allocated financial resources believed to be sufficient to achieve the expected result of client acquisition and fight competition.

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.

Competition risk in the 3rd pension pillar segment

There are several asset managers licensed by the Bank of Latvia to manage 3rd pillar pension, including INDEXO, who manages 3rd pillar pension plans established by INDEXO's subsidiary Indexo Atklātais Pensiju Fonds AS. Indexo Atklātais Pensiju Fonds AS is a relatively new entrant to the market. It is currently in a rapid expansion stage. Moreover, the 3rd pension pillar in Latvia is still in a growth stage, and significant efforts are required to attract more participants to this voluntary private asset management scheme. The challenges faced by Indexo Atklātais Pensiju Fonds AS and INDEXO as an asset manager include competition from established players and the need to improve the open-mindedness and financial literacy of Latvian resident.

Considering that INDEXO Group's competitors in 3rd pension pillar market are mainly asset managers and pension funds, who are the members of large financial groups, competitors have a broader client base already receiving various services from these established brands. INDEXO and Indexo Atklātais Pensiju Fonds, on the other hand, need to build trust in its brand and raise financial literacy to introduce existing 2nd pillar pension clients and potential new clients to the benefits and necessity of investing in the 3rd pension pillar.

Increased competition could lead to an increased number of clients who decide to move away from Indexo Atklātais Pensiju Fonds AS or not begin cooperation altogether thus lowering the growth of this business unit. INDEXO Group actively monitors competitors' activities and churn levels and is ready to allocate more resources to acquire clients or keep existing clients from leaving if the business case supports such investments.

Nonetheless, the popularity of the 3rd pension pillar is only beginning to increase. Since entering the market, Indexo Atklātais Pensiju Fonds AS has been a trendsetter regarding service levels and costs.

Competition risk in the banking market

The banking sector in Latvia is fragmented but top-heavy. With 9 credit institutions and 4 foreign bank branches operating at the end of ~~December 2024~~ [June 2025](#), it is dominated by Scandinavian banking groups (Swedbank, SEB) and American owned banks (Luminor, Citadele) which all have near-identical offerings. At the end of ~~December 2024~~ [March 2025](#), Swedbank, SEB, Citadele and Luminor controlled around ~~84%~~ [83%](#) of the total lending volume, ~~85%~~ [86%](#) of the total deposits volume and 84% of the total assets¹, leaving less than 20 percent of the market to other participants.

Such oligopolistic market situation has been existing for many years and has been comfortable for the 4 largest banks. They have had no motivation or need to step out of the comfort zone and exit derisking strategy. On June 20th 2024 a conference dedicated to the competition, development opportunities, and challenges of commercial banks was held at the University of Latvia (LU). During the event, a study on the transformation of the banking sector in the EU and Northern Europe, as well as on banking competition in the Baltic States and the situation in the Latvian commercial banking sector, developed by LU and the Association of Economists, was presented².

The study results indicate that the concentration level in the banking sector of the Baltic States is high. This points to a lower level of competition, especially compared to Scandinavian countries and the EU average. The so-called 'capital overhaul' in the financial sector has introduced adjustments to banks' 'risk appetite' and

¹ [Kredītiestāžu darbības rādītāji | Latvijas Banka](#)

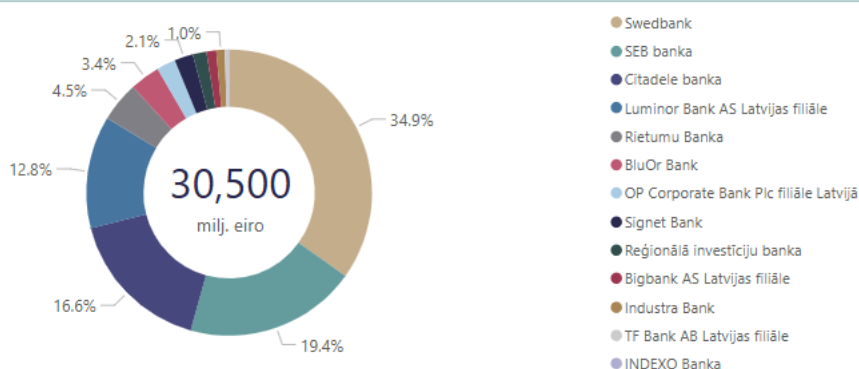
² [Banku_petijums.pdf](#)

has impacted lending. In Latvia the lack of competition has created a situation where banks maintained higher interest rates without fearing losing customers to more competitive lenders.

Surveyed financial sector experts have indicated that niche banks could supplement the Latvian banking sector in the future. Although the entry of new participants into the market or significant changes in the strategies of existing banks could change the competitive situation, these scenarios are considered unlikely among experts.

Latvian banking sector total assets split by banks as of December 2024³

Aktivi, milj.eiro



While banking and pension management are separate industries, INDEXO is facing the same competitors in both. And up until this point INDEXO has been able to outcompete each of them. While the foreign-owned bank established customer relationships and ability to protect their market share should not be ignored, INDEXO Bank - energetic new bank with a great story and proven sales capabilities is able to attract their clients the same way as in the pension market.

We do not foresee strong competition from existing smaller banks. Even with reviewed business models and in most cases having changed their focus away from non-resident to resident customers - they have not made any effective or visible steps to attract customers from the Top 4 banks.

With regard to foreign Fintechs like Revolut and N26, INDEXO does not currently consider them direct competitors, although their actions will be closely followed. Foreign Fintechs lack local market knowledge and "last mile" sales ability. While the INDEXO team believes that a certain segment of local customers will continue to keep some money with Revolut to benefit from their low priced payment and FX services, it is unlikely that Revolut or another foreign fintech will become a home bank for large numbers of retail customers in the Latvian market.

In addition to the competition factor in the banking sector, INDEXO Group considers also other factors, such as the decrease in demand for loans from businesses and individuals, caused by significant reasons like economic uncertainty, consumer preferences, or alternative financing options in the non-bank sector, as well as the increasingly active operation of neobanks, which are gradually expanding their range of services to include lending.

2.3. Risk factors related to INDEXO Group business

The INDEXO Group's strategic goal is to ensure an appropriate balance between the risks the Group takes on and the profit, in order to minimize the potential negative impact of risks on the Group's financial condition and expected operating results as much as possible.

³ Kredītiestāžu darbības rādītāji | Latvijas Banka

Significant risks are those inherent to the operations of the Bank and/or the Group that can materially negatively impact the Bank's and/or the Group's reputation, ability to provide services, achieve set strategic goals, and/or cause significant financial losses.

According to INEXO Group risk management framework following risks as shown in the table below are considered as significant and are described further in this section. Liquidity risk, credit risk, risk of excessive leverage, interest rate risk and concentration risk are summarised and described in Financial risk section.

Risk Category	Group	Bank	IPAS INEXO	Indexo Atklātais Pensiju Fonds
Liquidity risk	x	x	x	x
Credit risk	x	x		
Risk of excessive leverage	x	x		
Interest rate risk	x	x		
Concentration risk	x	x		
Operational risk	x	x	x	x
Compliance risk	x	x	x	x
AML/CFT/CPF and Sanctions risks	x	x		x
Reputation risk	x	x		
Business model (strategy) risk	x	x		
Model risk	x	x	x	x

2.3.1. Business model (strategy) risk

Since INEXO Group's business strategy and objectives are divided in two main directions – (i) future development of its asset management business, (ii) future development of INEXO Bank's business – 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 INEXO Group's asset management business, and planned growth, so that INEXO Group might not reach planned operational and financial results. INEXO Group's reputation may also be harmed in case of unsuccessful realisation of planned development strategy.

Future development of INEXO Bank's business may be affected by unavailability of necessary financial resources required to further develop INEXO Bank services or difficulties in implementing product or service rollouts as well as failure to accurately fulfil all of the regulatory requirements.

In addition, the INEXO Group may not be able to meet INEXO 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, which could negatively impact INEXO Bank's financial position by increasing costs and potentially delaying revenue generation. To mitigate this risk, INEXO Bank implements strong project management practices, including setting clear timelines, milestones, and responsibilities.

INDEXO Bank ensures that adequate resources (financial, human, and technological) are allocated to each project, continuously monitors project progress, and reports any deviations from the plan.

Considering the growing competition and in order to maintain acknowledgement in the market of the INDEXO Group brand as being the trend setter, INDEXO Group's strategy is to remain at the forefront of development of the industry. Therefore, INDEXO 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. INDEXO 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 INDEXO Group's competitive position and results of its operations.

In addition, INDEXO 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 INDEXO Group.

The INDEXO Group mitigate business strategies risk by continuously monitoring operational performance indicators against established plans and taking appropriate actions when necessary.

Nevertheless, acknowledging the aforesaid risks, INDEXO Group has in place a further development strategy (please see Section 6 "KEY STRATEGIES OF INDEXO" of this Universal Registration Document).

2.3.2. Operational risks

INDEXO 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 risks associated with outsourcing/third party service providers and legal risks.

The operational risk events 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.

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.

To mitigate this risk, INDEXO Group continuously reviews and enhances operational and financial controls to ensure they are robust enough to support expansion, including updating policies, procedures, and systems to align with the growing complexity of operations. INDEXO Group implements advanced technological solutions to streamline processes and improve efficiency, managing larger volumes of data and operations more effectively. INDEXO Group hires and trains personnel to ensure they have the skills and knowledge required to manage expanded operations, ensuring that all personnel, systems, and procedures are aligned with the company's development strategy. Additionally, INDEXO Group conducts regular audits and assessments to identify gaps and areas for improvement in controls and procedures, mitigating risks before they become significant issues.

To quickly identify operational risk events and implement appropriate risk mitigation measures in a timely manner, INDEXO Group has established and implemented a database for the systematic recording of operational risk events. All INDEXO Group employees are responsible for identifying operational risk events

and recording them in the database, providing detailed information about the event, its causes, and impact. All operational risk events registered in the database are reviewed, carefully analyzed and if necessary, risk mitigation measures are developed and implemented to improve the internal control system.

Operational risk includes personnel risk, information technology risk, outsourcing risk, legal risk and model risk.

2.3.2.1. *Personnel risk*

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.

To mitigate personnel risk, INDEXO Group uses effective hiring strategies, implements a comprehensive onboarding process to help new hires integrate smoothly into the company, invests in continuous training and development programs to enhance employees' skills and career growth, and fosters a positive and inclusive work culture that values employee contributions.

INDEXO Group builds and maintains a skilled and motivated team of employees who conduct their daily work according to high ethical and professional standards.

2.3.2.2. *Information technology risk*

Successful operation of INDEXO Group's business largely depends upon maintaining the integrity of its communication and IT systems.

The main risk factors include: disruptions to and delays of systems, security breaches, improper or negligent operation of systems by employees or service providers, 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.

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.

INDEXO Group's information systems are vital for maintaining sustainable business practices, and there is low tolerance for damage to information systems caused by malicious attacks and internal threats. To mitigate this risk, INDEXO Group focuses on the timely resolution of identified control deficiencies, consistent third-party risk management, technological control development, and continuous improvement. INDEXO Group has low tolerance for risks associated with system availability.

2.3.2.3. *Outsourcing risk*

INDEXO Group partly relies on the services, products and knowledge of third-party service providers in connection with its IT systems, including an outsourcing service for the operations of the INDEXO's Group IT systems. INDEXO 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.

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.

Accordingly, INDEXO 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 INDEXO's Group operations or result in vulnerability of its IT systems, exposing INDEXO Group to operational failures, additional costs or cyber-attacks. Moreover, failure by these third parties to operate ethically could adversely impact INDEXO's Group reputation both internally and externally or even result in non-compliance with applicable laws and regulations.

INDEXO 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 INDEXO'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 INDEXO 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 INDEXO's Group business, prospects, financial position and/or results of operations.

Taking into account the above, INDEXO Group establishes and implements the procedures, scope, and quality for the use of necessary outsourcing services to manage and minimize the risks associated with outsourcing and the potential impact on INDEXO Group's operational continuity, as well as to reduce expenses related to specific outsourcing services as much as possible. Before delegating any function, The Group and the Company evaluates all risks associated with outsourcing to ensure that it can continue to provide stable and sustainable operations.

2.3.2.4. *Legal risk*

Legal risk represents the risk of legal, administrative or regulatory sanctions, material financial loss, or loss to reputation INDEXO Group may suffer as a result of its failure to comply with national or European legislation, regulations, rules, standards and codes of conduct applicable to their activities or in the situation where entity's legal documentation is inadequate, incomplete or erroneous and does not adequately protect its legal interests.

The objective of legal risk management is to ensure compliance with the legislative acts of the Republic of Latvia, the European Union, and other laws, regulations, and standards applicable to INDE XO Group's operations.

INDE XO Group operates in complex and shifting legal and regulatory environment, which exposes INDE XO Group to a risk of non-compliance with applicable laws regulations. INDE XO Group has legislative and regulatory watch systems in place to guard against risks arising from failure to apply any new laws or regulations. INDE XO Group pursues compliance of activities and legal documentation of all INDE XO Group companies with applicable laws and regulations.

2.3.2.5. Model risk

Internal models used within the INDE XO Group may prove to be flawed and inadequately calibrated, and therefore could produce erroneous results that affect decision-making and may lead to negative financial consequence.

The objective of model risk management is to ensure that developed models meet their intended purpose, align with the operational specifics and complexity of the INDE XO Group, are sufficiently accurate and reliable, and are properly documented and managed.

INDE XO Group takes all necessary measures to ensure that, when using internal models, their methodology, input data, assumptions, limitations, and results are understandable, validated, reviewed, monitored, and, if necessary, appropriately adjusted.

2.3.3. Risk factors associated with the reputation of INDE XO Group and brand awareness

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

The INDE XO Group has established a well-known and strong brand name. Complaints from INDE XO Group's clients or any kind of negative publicity concerning the service, employees' working conditions, preservation of customer data and security practices, publicly available for a large part of society, could have a material adverse effect on the business, financial condition and results of operations of INDE XO Group. In order to promote brand awareness and make sure that the INDE XO Group brand is associated with quality, the Company invests resources in sharing the story about the development of INDE XO Group, providing information, data, and video materials to existing and potential clients. INDE XO Group's marketing activities include press, paid search, social media, display, online advertising, search engine marketing, partnerships, and different types of other advertising methods. INDE XO Group also donates to public benefit organisations and public benefit projects.

Reputation is carefully analysed when making decisions. Any media coverage of the INDE XO Group is closely monitored to maintain a positive corporate image. Media representation is continuously reviewed, and necessary actions are promptly taken to prevent negative media escalation and adverse public reactions.

Justified customer complaints are addressed at the management level and resolved appropriately and in a timely manner. Special attention is given to managing information security risks, with a focus on reducing the likelihood of significant information security incidents, such as large-scale customer data breaches or breaches of sensitive information confidentiality.

2.3.4. Compliance risk

Compliance risk refers to the potential consequences an organization faces if it fails to adhere to industry laws, regulations, and standards.

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.

The INDEXO Group operates in a manner that ensures compliance with applicable laws and regulations. Compliance in the INDEXO Group is ensured by establishing clear roles and responsibilities, and by implementing current external regulatory requirements in internal policies and procedures that are understandable and transparent to employees.

The INDEXO Group takes necessary measures to comply with applicable laws and regulations, including those related to conflict-of-interest management, market abuse, personal data protection, information security, and other areas.

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.

Risks related to changes in Latvian government policy

Changes in Latvian government regulatory policy, especially changes that have not been anticipated by the market, could impact the Group's operating environment for short or extended periods and have a material impact on its financial position on the market and the cost of risk.

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 Ministry 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.

INDEXO Bank also operates in the market segment where regulatory environment is subject to the risk of rapid regulatory policy changes, the recent examples being the introduction of mortgage borrower protection duty imposed on credit institutions and aimed at compensating the negative effect on Latvian households of the EURIBOR rate increase and inflation. Although mentioned changes did not affect INDEXO Bank since changes were applicable to the mortgage loans issued before INDEXO Bank started its operations, new changes in the banking market regulatory policy can not be excluded.

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.

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.

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, under current Latvian tax regime a private individual investing in the 3rd pension pillar is entitled to a personal income tax repayment in the amount of 20% (for the taxation period before 1 January, 2025) and 25,5% (for the taxation period starting from 1 January, 2025) 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 inability to reach planned financial results and prospects by INDEXO Group.

To mitigate this risk, INDEXO Groups continuously monitors tax changes to proactively respond to them.

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.

2.3.5. Risks related to compliance with Financial crime, Fraud and Sanctions regulations

INDEXO Group entities as a licensed financial market participants 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. INDEXO 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.

INDEXO Group is exposed to the risks of financial crime, fraud and sanctions evasion, that, if materialised, could result in potential financial losses and damage to Group's reputation.

INDEXO Group now and in the future could be the target of financial crime and fraud arising from the actions of third parties, customers, and employees. While proactive measures are in place to prevent and detect financial crime and fraud, INDEXO Group continuously improves their effectiveness. Additionally, human error and strict regulatory provisions present challenges in timely combating AML/CFT/CPF. However, thanks to continuous efforts and commitment, INDEXO Group believes that these risks are mitigated and that INDEXO Group is capable of adequately protecting its business, operational results, and financial condition.

2.3.6. Financial Risks

Based on the provisions of Article 33³, Paragraph 3 and Paragraph 5 of the Credit Institutions Law, INDEXO Bank has been recognized as the responsible entity within the INDEXO Group, authorized to ensure the consolidated compliance of the INDEXO Group with the prudential requirements stipulated in the Credit Institutions Law and the Capital Requirements Regulation.

Capital adequacy risk

The INDEXO Group's entities are strictly regulated with respect to their financial stability. Therefore, IPAS INDEXO, Indexo Atklātais Pensiju Fonds AS and AS INDEXO Bank need to adhere to requirements associated with capital adequacy prescribed by the applicable laws for each entity.

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

In addition, private pension funds must adhere to capital adequacy requirements in accordance with the Private Pension Fund Law.

The INDEXO Bank evaluates the adequacy of capital necessary to cover the risks inherent to the Bank and the Group's operations, in accordance with Regulation (EU) No. 575/2013 of the European Parliament and Council (June 26, 2013) on prudential requirements for credit institutions, and amending Regulation (EU) No. 648/2012, as well as the simplified methods described in the Bank of Latvia regulation No. 321 "Rules for the Capital Adequacy Assessment Process of Credit Institutions".

Inability to meet applicable capital adequacy requirements could cause an adverse effect on the operations of respective INDEXO Group entity and annulment of its license.

To mitigate this risk, INDEXO Group implements robust risk management practices, including comprehensive risk assessment and monitoring, conducts capital planning, streamlines operations to reduce costs and improve efficiency, and performs regular audits and reviews of financial statements and risk management practices to ensure compliance and identify areas for improvement.

The INDEXO Group and Bank capital adequacy is assessed within the ICAAP framework by analyzing whether the existing and planned capital is sufficient to cover all significant risks in both base and stress scenarios. This assessment allows evaluating the viability of the business model and the ability to maintain an adequate capital base under various operating conditions.

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 loans, receivables, cash and cash equivalents and other investments.

The foundation of the INDEXO Group's credit risk management is an adequate assessment of the creditworthiness of borrowers and counterparties, as well as compliance with established restrictions and

limits. The INEXO Group invests funds only in financial assets whose risks can be identified, assessed, and managed.

The assets of INEXO Group are kept in the Bank of Latvia, Latvian credit institutions, highly liquid securities and through issuing loans.

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 INEXO 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).

To mitigate this risk, INEXO Group conducts regular audits and reviews of related party transactions to ensure compliance with regulatory requirements and to identify any potential conflicts of interest. INEXO Group also implements and enforces strict conflict of interest policies, ensuring that any potential conflicts are disclosed and managed appropriately.

Liquidity risk

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

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

The goal of the INEXO Group liquidity risk management strategy is to ensure the necessary level of liquidity by achieving an appropriate, optimal balance between profitability and risk in accordance with established risk management principles.

The INEXO Group implements a liquidity management strategy, taking into account the terms and volatility of the resources attracted, the level of asset liquidity, as well as the balance of asset and liability maturities, changes in the Group's and the Company's operations, and external conditions affecting them.

To manage liquidity risk, the INEXO Group use a combination of the following asset and liability management methods:

- Asset management, which involves accumulating liquidity reserves and investing free financial resources, taking into account management decisions and cash flow forecasts.
- Liability management, which is based on the ability to attract funding if necessary.

Concentration risk

Concentration risk refers to the potential for financial loss due to an overexposure to a single counterparty, sector, or geographic region.

Concentration risk is closely related to other risks.

Concentration risk can lead to significant losses if the INEXO Group has a large exposure to a single debtor or sector that defaults. This interconnectedness means that high concentration can exacerbate credit risk.

Concentration risk can also impact liquidity. If the INEXO Group is heavily reliant on a few funding sources, any disruption in these sources can lead to liquidity shortages. This is because concentrated exposures can make it harder to quickly liquidate assets or secure alternative funding.

The INEXO Group integrates the concentration risk management system into the internal control system and identify risk drivers that may cause concentration risk in various areas of operation.

Concentration risk is mitigated by setting various concentration limits, including limits on large exposure transactions.

Excessive leverage risk

Leverage risk is the risk arising from the INDE XO Group's vulnerability, caused by actual or potential leverage of its funding structure, which may be resulted as sale of assets caused by the financial hardship, which could result in losses or value adjustments of residual assets and increase of leverage the risk may arise as a result of shrinking INDE XO Group's Tier 1 capital due to losses, as well as excessive accumulation of the exposures in comparison with the amount of Tier 1 capital. Leverage risk is characterized by the leverage ratio and the mismatch between assets and liabilities.

Excessive leverage risk is mitigated by continuously monitoring the alignment of current operational indicators with established plans and taking appropriate actions when necessary.

Interest rate risk

Interest rate risk refers to the potential for financial losses due to changes in interest rates. It primarily affects fixed-rate investments, such as bonds, where as interest rates rise, bond prices fall, and vice versa. This risk can impact the AUM within INDE XO's managed pension plans, the INDE XO Group's profitability and the value of its assets and liabilities.

The extent to which the INDE XO Group is exposed to interest rate risk is characterized by the term structure of interest rate-sensitive assets, liabilities, and off-balance sheet claims and liabilities, prepared by considering the remaining repayment or interest rate repricing terms of interest rate-sensitive financial instruments.

The objective of interest rate risk management is to ensure an appropriate balance between the interest rate risk assumed by the Group companies and profitability, in order to minimize the potential negative impact of interest rate risk on the financial condition and operations of the INDE XO Group.

To assess and mitigate interest rate risk, the INDE XO Group regularly evaluates and plans the repricing term structure, calculates the reduction in net interest income and economic value due to adverse changes in interest rates, and determines the amount of capital required to cover interest rate risk.

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 management company's 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:** Roberta Hirša street 1, Riga, LV-1045, Latvia;
- **e-mail address:** info@indexo.lv;
- **telephone number:** +371 20006088;
- **corporate website:** <https://indexo.lv>.

4. BUSINESS 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 ~~144~~ 145 thousand clients with more than ~~1,339~~ 1,346 million-euro assets under management (AUM) as of end of ~~December 2024~~ June 2025.

INDEXO offers modern low-cost pension plans in 2nd (mandatory) and 3rd (voluntary) pension pillars to its clients by investing the contributions in market index based low-cost instruments.⁴ INDEXO does not have an aim to offer the cheapest management fees but instead focuses on decreasing all indirect cost such as trading fees and indirect management fees of the instruments in its portfolios to keep the total expense ratios (TER) low. Both mandatory and voluntary markets are fast growing due to Latvian GDP growth and average wage growth.

To facilitate precise expense tracking and obtain the bank licence, the subsidiary of IPAS INDEXO, AS INDEXO Banka (till May 2024 AS "IDX1R"), was established on December 19, 2022, which it received on May 16, 2024. 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. After growing to be one of the largest pension managers in Latvia, INDEXO added local investment to its strategy in 2023 and has since invested in local real estate through a local alternative investment fund.

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.

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

Simple investment management model makes INDEXO's business highly scalable.

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.

⁴ 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.

Direct sales model allows INEXO 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. INEXO aims to be one of the leaders of the investment management services market in Latvia. As of ~~December 2024~~ June 2025, INEXO has approximately ~~14.8%~~ 14.6% of 2nd pillar market share in terms of AUM and ~~9.6%~~ 9.7% in terms of clients and, as of ~~December 2024~~ March 2025, ~~3.8%~~ 3.9% of 3rd pillar market share in terms of AUM and ~~3.7%~~ 3.8% in terms of clients.

In July 2025 INEXO has agreed to acquire IPAS VAIRO, a local 2nd pillar asset management company offering lifecycle approach to fund management in Latvia. At the time of signing IPAS VAIRO had approximately 1% market share in Latvian 2nd pillar pension management. Completion of the transaction remains subject to obtaining the required regulatory approvals and the fulfillment of customary conditions precedent.

(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.

Since its launch on August 28, 2024, INEXO Bank has gained over ~~21 000~~ 37.3 thousand customers within its nearly first months-year of operations. As of June 2025, the total deposits stood at over EUR ~~33~~ 48.3 million and our loan portfolio exceeded EUR ~~1.06~~ 12.4 million. At INEXO Bank, all customer onboarding applications are submitted through the bank's new mobile app. We have launched INEXO Bank with main daily banking services for private persons – payments, cards, savings (deposits and pensions) ~~and~~ consumer lending, mortgages refinancing in a convenient modern mobile bank. We view it as only a starting point for our product rollout.

During 2024 the average number of INEXO Bank's full-time equivalent employees was 50, in order to ensure the bank has sufficient resources to deliver high-quality service to our customers and be compliant with regulatory requirements. At the end of September, we relocated to the modern Verde office building. This not only facilitated teamwork but has also enhanced INEXO's appeal as an employer. Although our main customer engagement channels are digital, on February 17th we opened our only physical customer service centre in the Verde office building. This initiative aims to increase INEXO's brand visibility and make us more accessible to both existing and future customers.

To facilitate precise expense tracking and obtain the bank license, the subsidiary of IPAS INEXO, AS INEXO Banka (till May 2024 AS "IDX1R"), was established on December 19, 2022. However, some bank development-related costs still need to be booked in the parent company, IPAS INEXO. The largest cost items include capital-raise-related costs, fees for signed commitment letters to support future bank capital needs, and option costs for INEXO Bank employees. However, all other bank development-related costs are separated from INEXO and are reflected in INEXO Bank's financial results as presented in the Bank's annual report.

The operational results from the first month confirm that INEXO Bank - with over 141 145 thousand pension clients, a well-recognized and positively viewed brand, and a modern IT infrastructure - is well-positioned to challenge the oligopolistic local banking market. We aim to reshape entrenched norms of high commission fees, complex and opaque pricing, unfriendly customer service, and a restrictive risk culture

The main operating principles of INEXO 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 INEXO 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

	Transparency	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 3 rd party fees.
	Simple and understandable products	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.
	Passive asset management strategy	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 INEXO clients' savings are growing. In addition, since 2023 in several of INEXO's 2 nd pension plans ("INEXO Jauda 16-55" and "INEXO Izaugsme 55-62") 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.
	Being a trend setter	Being a trend setter in the market is also one of INEXO's great strengths since, as a result of INEXO entering the market, financial literacy and access to good products has significantly increased. At the time of INEXO'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 INEXO entered the market as the first low-cost index-fund pension plan provider it launched real competition in the pension savings market. INEXO'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 INEXO is what gives inspiration and drives INEXO to move forward with its ambitious plans for the future. Based on a brand survey carried out in November 2024, INEXO brand is recognized by 70% of our target audience and 27% of the population would be willing to do business with INEXO companies. This gives confidence that the mission and direction where INEXO 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 5850+ <u>6450+</u> and each one of them is a valuable component of creating INEXO's success story and an ambassador for INEXO in public.

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

	CLIENTS	AUM, millions	REVENUE
31.12.2018	19,121	69.9	305,552
31.12.2024	141,914	1339.2	4,474,815
Growth	7.4x	19.2x	14.6x

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); (3) and retail banking through its subsidiary INDEXO Banka.

(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	2023	2024
AUM	27,867,904	69,905,995	178,862,051	279,354,497	464,410,702	574,737,132	896,048,339	1,301,587,933
Clients	3,914	19,121	32,827	48,537	65,005	90,874	113,408	125,321
AUM/Client	7,120	3,656	5,449	5,755	7,144	6,325	7,901	10,386
3rd Pillar								
AUM	-	-	-	-	3,947,555	10,212,208	21,144,360	37,635,751
Clients	-	-	-	-	2,532	8,826	13,751	16,539
AUM/Client	-	-	-	-	1,559	1,157	1,538	2,276

According to the publicly available data⁵, INDEXO is the fastest growing pension asset manager in Latvia in absolute terms as of end of December 2024. When it comes to client growth dynamics, the number of clients within a year has grown by 12% (from 127.2 thousand to 141.9 thousand). Assets under management (AUM) have grown by 46.0% (from 917.2 million euro to 1,339.2 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

EUR	2020	2021	2022	2023	2024
Total income from provision of asset management services	972,467	1,602,021	2,277,620	3,123,426	4,474,815
Commission from management of INDEXO Jauda 16-55	605,781	1,079,807	1,595,223	2,234,735	3,259,677
Commission from management of INDEXO Izaugsme 55-62	324,495	448,589	560,851	705,778	917,567
Commission from management of INDEXO Konservatīvais 62+	42,191	67,546	86,603	106,180	120,879
Commission from management of INDEXO Akciju plāns	-	5,637	32,196	71,100	136,488
Commission from management of INDEXO Obligāciju plāns	-	442	2,747	5,633	10,439

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

⁵ Based on data from Manapensija.lv.

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:
<ul style="list-style-type: none">- 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 (2nd 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 INDEKO 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 INDEKO, 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.

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.

INDEKO passive equity investment strategy follows MSCI World Developed Market Index. This means that equity part of pension plans assets is invested into developed world index fund instruments 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.

Administration of the investment plan funds

The organisational structure of INDEKO 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 INDEKO, as well as ensuring accounting and administration.

Provision of information and marketing

One of the main operating principles of INDEKO is transparency therefore it is at the utmost importance that information regarding the provided services and products are available to existing INDEKO 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's office on 1 Roberta Hirsā Street, LV 1045, Riga, Latvia on business days from 9:00 to 17:00;
- (2) INDEXO's website: www.indexo.lv;
- (3) 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.

(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 4.2.5

Social media campaign	INDEXO raises public awareness and creates public discussion with respect to the Latvian pension <u>and banking</u> system, and the services offered by INDEXO.
<u>Always-on digital marketing (Google Search & PMax)</u>	<u>INDEXO continuously runs digital campaigns via Google Search and Performance Max to ensure that people interested in pension-related topics reach INDEXO content efficiently. These campaigns help capture intent-driven audiences and reinforce brand visibility.</u>
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.
<u>Search Engine Optimization (SEO)</u>	<u>INDEXO works on improving its website's SEO to appear in top positions in organic search results, particularly for queries related to pensions, retirement savings, and related financial topics.</u>
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'24&'25 and Investoru Klubs Festival'23. <u>INDEXO sponsorship guidelines are developed in line with the compan's mission, vision, values and long-term business goals. INDEXO supports initiatives that promote: (1) the economic well-being of Latvian society (economic empowerment), (2) financial literacy (education, books), (3) innovation and advanced modern solutions, (4) preservation and appreciation of local cultural values, and (5) active local community engagement and development, e.g. Rimi Riga Marathon'24&25 and Investoru Klubs Festival'23.</u>

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 16-55"; (2) "INDEXO Izaugsme 55-62"; and (3) "INDEXO Konservatīvais 62+".

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".

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 4.2.6

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 was the legal entity that applied for the bank license. All individuals who were working on the banking project were employed by AS IDX1R, and all bank related investments and agreements with third-party service providers have been executed through this entity.
February 2023	Mambu has been chosen the key banking technology platform for the operation of INDEXO Bank which will ensure a cloud-native banking platform. Mambu ensures INDEXO Bank with key digital financial service technology – current accounts, payments, consumer deposit and lending functionality, as well as helps to develop the future service portfolio as the new INDEXO Bank expands into new product segment. SaaS based IT infrastructure has been 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 - customer relations and business management are conducted on this environment with the help of Microsoft Dynamics software .
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.
September 2023	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 .
January 2024	AS IDX1R share capital was increased by EUR 10,000,000 from EUR 5,000,000 to EUR 15,000,000

May 2024	AS IDX1R has received banking licence (16 May 2024).
May 2024	Company AS IDX1R name were changed to AS INDE XO Banka (20 May 2024)
August 2024	INDE XO Banka has started banking operations (28 August 2024), offering to private customers payments, cards, term deposits, vaults and consumer loans.
September 2024	New office space in Verde office complex . Changes in legal adress from Elizabetes iela 13A-1, Riga, Latvia to Roberta Hirša iela 1, Riga, Latvia
September 2024	INDE XO Banka share capital was increased by EUR 2,309,445 from EUR 15,000,000 to EUR 17,309,445
March/April 2025	INDE XO Banka share capital was increased in total by EUR 933,500 to 18,242,945.00 EUR INDE XO Banka share capital was increased in total by EUR 800,000 to 18,109,445.00 EUR
April 2025	INDE XO Banka share capital was increased in total by EUR 2,868,500 to 20,977,945.00 EUR
June 2025	INDE XO Banka share capital was increased in total by EUR 140,000 to 21,117,945.00 EUR

The bank establishment project began in early 2023 with the goal of opening the bank at the start of 2024. However, the licensing process extended beyond the anticipated timeline, resulting in a sixmonth delay compared to the original business plan submitted to the regulator during the licensing process. Despite the delay the Bank launch was successful and in the first month of operation, the Bank attracted more than 10 thousand clients and at the end of 2024 INDE XO Bank had 21.1 thousand clients with EUR 33.10 million in total deposits and its loan portfolio exceeded EUR 1.06 million (gross)

The bank's operations were launched with a suite of daily banking services for private individuals payments, cards, savings (deposits and vaults) and consumer lending all available in user friendly and modern mobile app. INDE XO Bank is the only credit institution in Latvia which pays interest rate for customer current account balances and is among top payers also for other deposit products. We consider this as a starting point for expanding our product offering.








The table above indicates the investment timeline for two main systems within INDE XO **cComposable**, cloud native banking IT infrastructure. Since starting the bank development project in 2023 INDE XO Bank makes significant IT investments to continue enhancing and developing a wider range of banking services.




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

<p>2017</p>	 <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>
<p>2018</p>		
<p>2019</p>		
<p>2020</p>	<p>Has developed and operate extremely effective and sustainable client acquisition strategy.</p>	<p>Continues to offer competitive fees, effective investments, and efficiency.</p>
<p>2021</p>	 <p>In April we launched the first 3rd pillar robo-advisory product with automated investment decisions in index funds.</p>	
<p>2022</p>	 <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>

<p>2022</p>	 <p>INDEXO co-founded a real estate fund management company to create a new low-cost real estate fund in the Latvian market.</p>	 <p>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.</p>
<p>2023</p>	 <p>On 28 July 2023 INDEXO became the third largest 2nd pension pillar manager in Latvia, ahead of large banks like Citadele and Luminor</p>	
<p>2024</p>	<p>In May 2024 INDEXO Banka receives a European credit institution licence. In August 2024 INDEXO Banka launches banking services for private customers in Latvia</p>	
<p><u>2025</u></p>	<p><u>In July 2025 IPAS INDEXO signs an agreement to acquire local 2nd pension pillar asset management company IPAS VAIRO. Completion of the transaction remains subject to obtaining the required regulatory approvals and the fulfillment of customary conditions precedent.</u></p>	
<p><u>2025</u></p>	<p><u>In September 2025, IPAS INDEXO intends to launch a voluntary public takeover offer to acquire shares in AS “DelfinGroup”, a Latvian publicly listed company engaged in the consumer lending sector. The purpose of the offer is to acquire a majority of the voting share capital of DelfinGroup. As consideration, the offeror intends to offer shareholders of DelfinGroup shares in IPAS INDEXO and, as alternative, a cash payment, subject to the terms and conditions that will be set out in the offer document. The takeover offer is subject to obtaining the necessary regulatory approvals, including permissions from the Bank of Latvia and the Competition Council of the Republic of Latvia, as well as the approval of IPAS INDEXO shareholders for the issue of new shares, that will be used as a consideration for the offer.</u></p>	

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 Group currently operates in two operating segments: (1) asset management; and (2) banking . 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). INDEXO subsidiary Indexo Atklātais Pensiju Fonds AS operates in the market of private pension fund services (private pension fund administration),

As of 31 December 2024, the addressable market for INDEXO products in the 2nd pillar is 8.778 billion euros and 979 million for 3rd pillar. 2nd pillar market has been growing 18.9% cumulatively over past 5 years and 3rd pillar 11.0% over the same period.

- (2) Banking: INDEXO subsidiary INDEXO Bank operates in the banking market. 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, which was received on 16 May, 2024. INDEXO Bank started operations on August 28, 2024. The Bank's operations were launched with a suite of daily banking services for private individuals payments, cards, savings (deposits and vaults) and consumer lending all available in user friendly and modern mobile app. Since then, INDEXO Bank has been actively engaged in development and provision of new banking products.

This Section provides an overview of both the asset management segment and the banking 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: today's tax-payers contribute to today's pensioners through 1st pension pillar contributions and will receive the same treatment when they are retired. The 2nd pension pillar creates mandatory individual investment savings for the future with the aim to hedge against demographic risks present in 1st pillar. The 3rd pillar aims to supplement the state mandatory scheme which is expected to replace below 50% of a person's pre-retirement earnings. 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

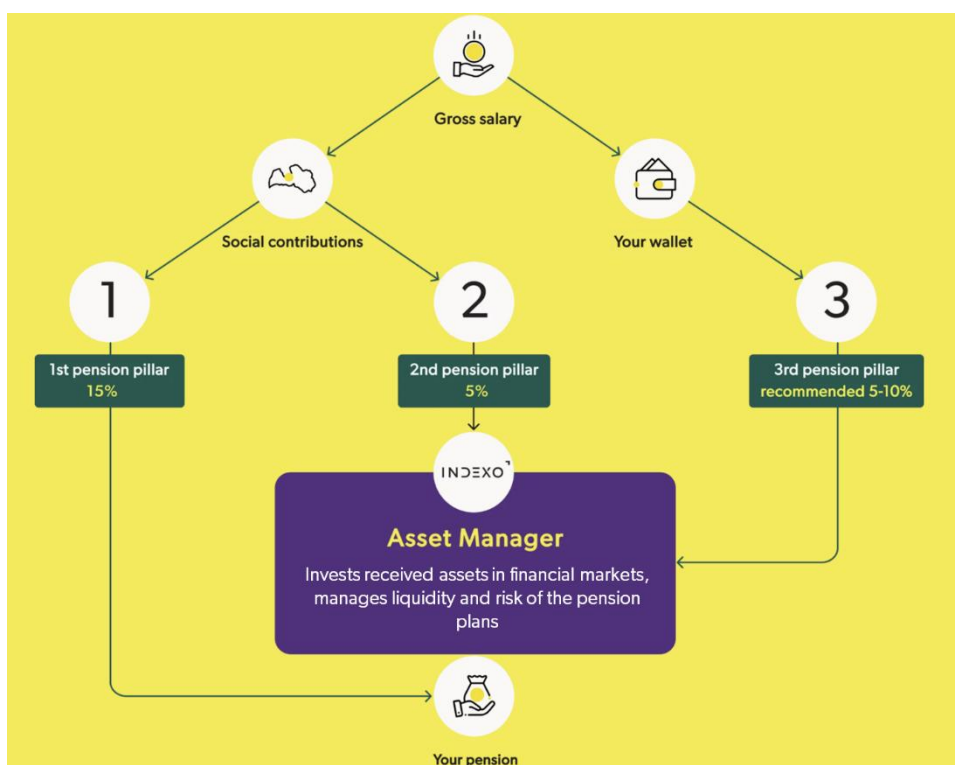
Overview and the structure of the state-funded pension scheme regulation

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 pension scheme (including 2nd pension pillar)



Customers

Contributions to the 2nd pension pillar are made automatically from social security contributions. The contribution rate is 5% (five per cent) - decreased from 6% in 2025 - 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.⁶

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

According to current legislation the state funded pension scheme funds can be managed by an investment management company registered in Latvia or the branch in Latvia of an investment management company registered in a Member State of the European Union (EU) or a State of the European Economic Area (EEA). Similarly, a depository also referred to as a custodian of the funded pension scheme funds may be a bank registered in Latvia, which in accordance with the procedures laid down in laws and regulations has commenced the provision of investment services and non-core services, including the keeping of financial instruments, or the branch in Latvia of a bank registered in EU or EEA, if the respective bank is entitled to provide investment services and non-core services, including the keeping of financial instruments.

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 with the aim of adding additional controls.

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.

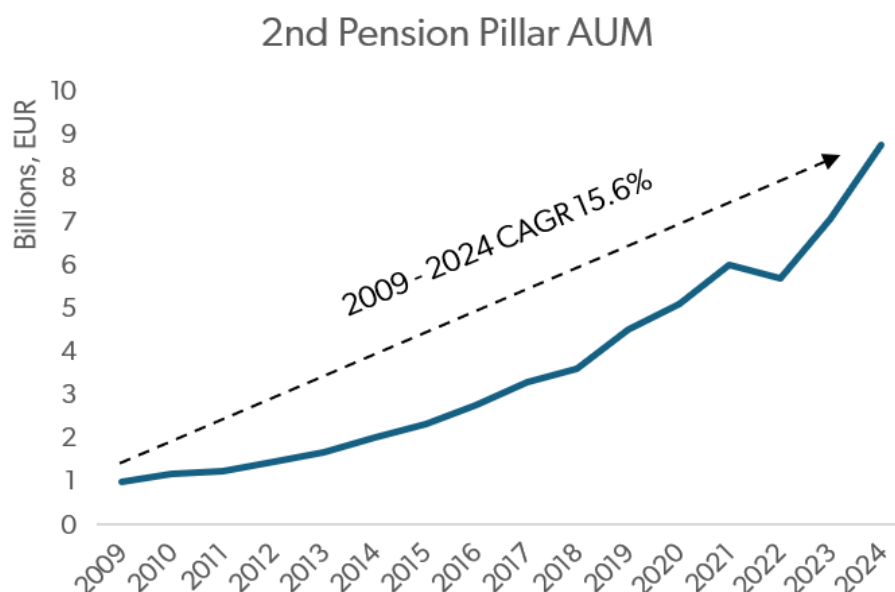
Investment plans are a set of provisions in accordance with which the management of funds of the funded pension scheme shall be carried out. The relevant investment plan provisions are presented in a specifically developed prospectus and the basic information document intended for the pension plan participants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

⁶ 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 786 euros in 2014 to 1,744 euros in 2024.⁷

There are eight investment management companies that manage retirement savings within the 2nd pension pillar, including INDEXO. Currently, these investment management companies offer 34 investment plans in Latvian market that can further be segmented depending on asset investment risk level – 25 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 historically have outperformed active management over long period, account for 21% of the total 2nd pillar market, as of end of December 2024.

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 896 048 339 in 2023, and at the end of 2024 – 1 301 587 933. A steady year-on-year growth trend can be detected leading to 49.6% annualized increase comparing total AUM of INDEXO in 2019 and 2024.

Table 5.3.3

	2017	2018	2019	2020	2021	2022	2023	2024
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	7,690,950,513	9,756,866,965
Indexo AUM	27,867,904	69,905,995	178,862,051	279,354,497	464,410,702	574,737,132	896,048,339	1,301,587,933

⁷ National Statistical System of Latvia. Average monthly and median wages and salaries 1994Q1 - 2024Q4. Available: https://data.stat.gov.lv/pxweb/en/OSP_PUB/START_EMP_DS_DSV/DSV010c.

Market share	0.9%	1.9%	4.0%	5.5%	7.7%	10.1%	12.7%	14.8%
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Source: Information from www.manapensija.lv and internal calculations on AUM of INDEKO 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 INDEKO with respect to assets under management (AUM): from 3.96% in 2019 to 14.83% in December 2024. According to publicly available information, INDEKO has the fastest growing assets under management (AUM) in 2nd pension pillar asset management market for the period from end of 2019 to end of 2024 with a cumulative annual growth rate of 48.7%.

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

As of December of 2024, the client number of INDEKO stands at 125.3 thousand.

Table 5.3.4

	2017	2018	2019	2020	2021	2022	2023	2024
Total clients	1,278,144	1,293,613	1,300,135	1,295,750	1,296,141	1,294,456	1,305,487	1,309,279
Indexo clients	3,914	19,121	32,827	48,537	65,005	90,874	113,408	125,321
Market share	0.3%	1.5%	2.5%	3.7%	5.0%	7.0%	8.7%	9.6%

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 INDEKO's market share with respect to the number of participants in INDEKO's three investment plans: from 2.5% in 2019 to 9.6% in December of 2024. According to publicly available information, INDEKO has the fastest growth with respect to the clients (participants) in the period from end of 2019 to end of 2024 compared to the other 2nd pillar pension asset management market participants in Latvia. The cumulative annual growth rate for this period has been 30.7%.

5.4. Private voluntary pension scheme asset management

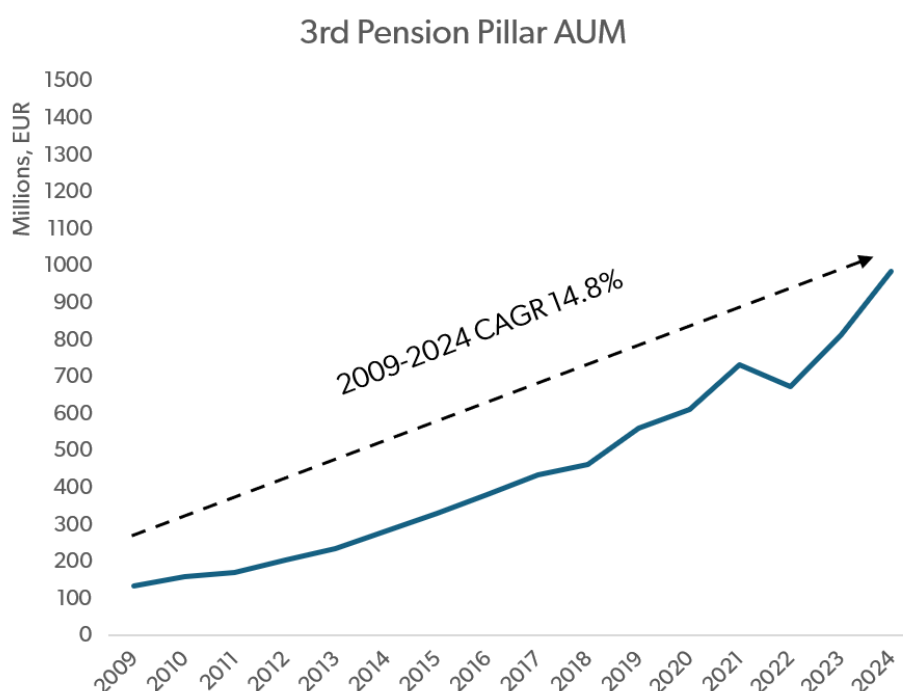
Overview of 3rd pillar asset management

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 December 2024, the market for 3rd pillar products was 985.5 million euros with 228 thousand active participants and 445 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 (6,704 euros in 2nd pillar vs 2,206 euros in 3rd pillar at the end of December 2024).

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, INDEKO launched its passive index-based fund service with low fees and individualized accounts with automatic rebalancing in April 2021.

Figure 5.4.1



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, risky professions 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 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 average net asset value. Please see Section 7 for details on the Agreement on Management of Pension Fund between INDEXO and Indexo Atklātais Pensiju Fonds AS.

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 5.5.1

Commission income, EUR	Year ended 31 December		
	Consolidated		
	2022	2023	2024

“INDEXO Jauda 16-55”	1,595,223	2,234,735	3,259,677
“INDEXO Izaugsme 55-62”	560,851	705,778	917,567
“INDEXO Konservatīvais 62+”	86,603	106,180	120,879
3 rd pillar plan “INDEXO AKCIJU PLĀNS”	32,196	71,100	136,488
3 rd pillar plan “INDEXO OBLIGĀCIJU PLĀNS”	2,747	5,633	10,439
Commission income from AS INDEXO Bank Clients	-	-	29,675
Total	2,277,620	3,123,426	4,474,815

Table 5.5.2

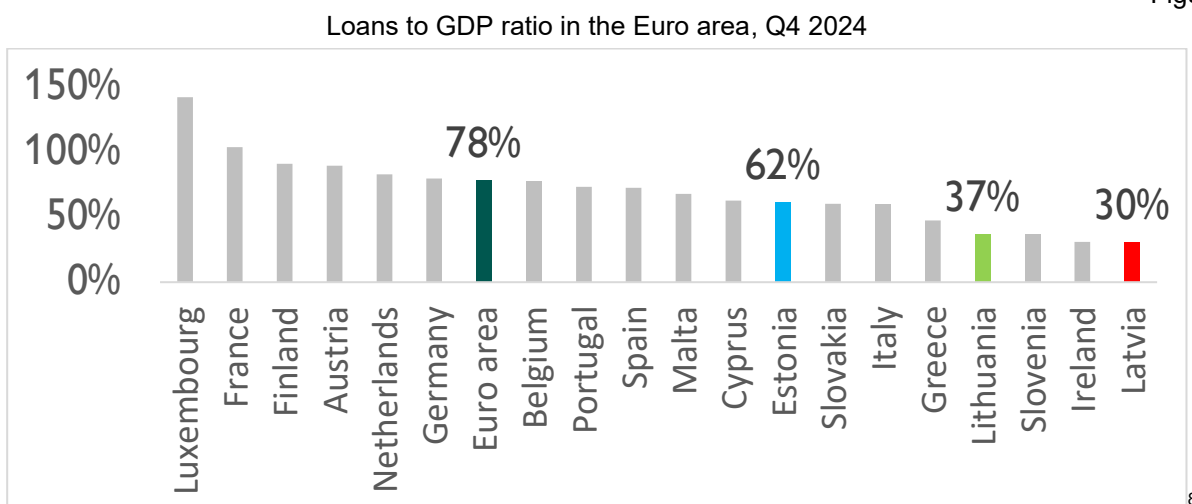
Commission income, EUR	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
“INDEXO Jauda 16-55”	1,595,223	2,234,735	3,259,677
“INDEXO Izaugsme 55-62”	560,851	705,778	917,567
“INDEXO Konservatīvais 62+”	86,603	106,180	120,879
3 rd pillar plan “INDEXO AKCIJU PLĀNS”	13,257	29,277	56,201
3 rd pillar plan “INDEXO OBLIGĀCIJU PLĀNS”	1,131	2,319	4,298
Total	2,257,065	3,078,289	4,358,622

5.6. Overview of banking market

Please read the below section in conjunction with Competition risk in the banking market under Section 2.2.

Since lending growth has lagged GDP growth for a while, the ratio of loans to GDP has continued to decrease, and overall, Latvia has one of the lowest private sector indebtedness percentages in the EU. By our estimates, in order for Latvia to remove the lending gap between rest of Euro Area or even the neighbouring country Estonia in terms of local debt (households and businesses) per GDP, there is room for the local economy to borrow in excess of 4 billion euros. This provides ample room for loan portfolio development even without taking clients away from the competition.

Figure 5.6.1



In terms of disposable income, Latvia, together with other Baltic states, ranks at the lower end of the EU-28 countries, despite its debt-to-income ratio being relatively small.

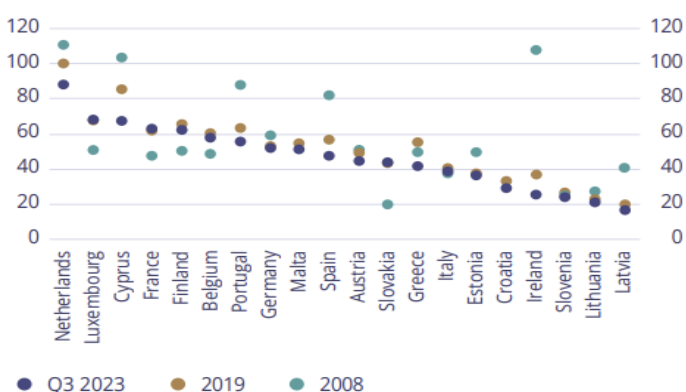
The financial situation of households has been improving over recent years. The average wage has been rising faster than consumer prices since mid-2023, and households' purchasing power has reached its pre-inflation-shock level. According to Latvijas Banka's March 2024 forecasts, on average, income will outpace inflation in 2024 and the following two years.

Latvia's aggregate household debt is the lowest in the euro area and amounted to 17.6% in the third quarter of 2023 and to 22% in the second quarter of 2024 (see [charts](#) below ~~charts~~ on Aggregate household debt in euro area countries).

Figure 5.6.2

Aggregate household debt in euro area countries

(% of GDP)

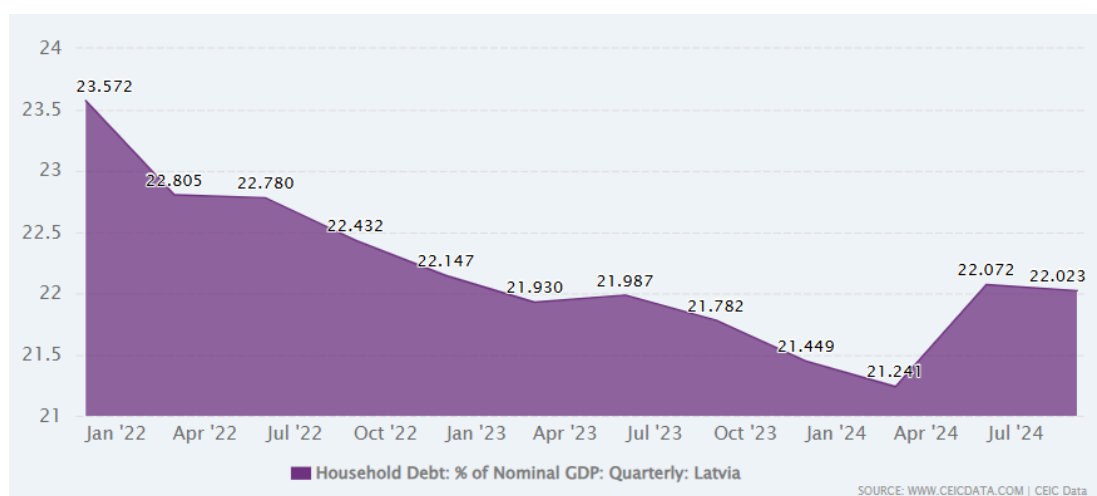


Sources: ECB and Latvijas Banka's calculations.

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⁸ [Loans | ECB Data Portal; Homepage | ECB Data Portal](#)
⁹ [FSP 2024 EN.pdf](#)

Figure 5.6.3



In all three Baltic States, the indicators characterising competition in the lending market are among the weakest in the euro area (see Chart 1.16). This negatively affects both the conditions of financial services and access to financing. The results of the analysis conducted by the OECD and Latvijas Banka suggest that lending rates have risen faster in countries with weaker competition in the lending market compared to countries with stronger competition. The deposit rates, on the other hand, have increased at a much slower pace. Thus, bank profitability has also grown most rapidly in countries where competition is weaker (see Chart 1.17)^{10,44}.

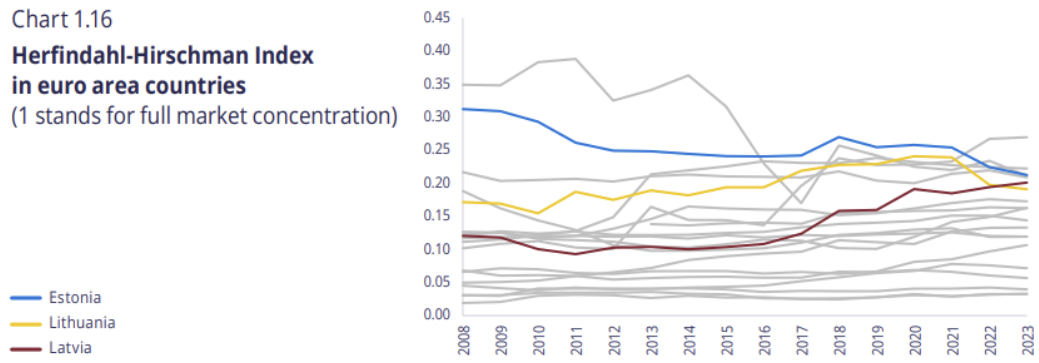
Figure 5.6.4

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[FSP_2024_EN.pdf](#)

⁴⁴ [FPP_2024_EN.pdf](#)

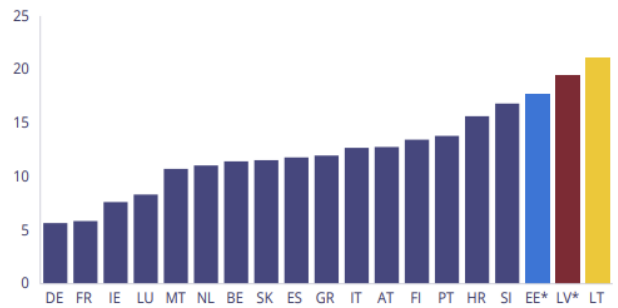
Chart 1.16
Herfindahl-Hirschman Index
in euro area countries
 (1 stands for full market concentration)



Source: ECB Banking structural statistical indicators (SSI).

Note. The higher the score, the higher the market concentration.

Chart 1.17
Return on equity of credit institutions
in euro area countries in 2023
 (%)



Sources: ECB Consolidated Banking data (CBD2), Latvijas Banka, Eesti Pank.

* Indicators include only credit institutions and branches of foreign credit institutions licensed in the respective country.

6. KEY STRATEGIES OF INDEXO

INDEXO Group story

IPAS “INDEXO” was launched in 2017 with the aim to improve the local financial market conditions and increase financial literacy of residents. Since its inception, INDEXO has become the fastest growing pension fund manager in the market and an agent of positive change in the local financial market. The idea to create a new, local, digitally focused bank emerged as a natural next step for INDEXO development as the company strives to bring competition back to Latvian financial industry and develop Latvian capital markets. INDEXO team believes that the foreign-owned banks that dominate the local market are inadequately serving the Latvian economy.

INDEXO Group mission is to fight for a better financial environment in Latvia and we are a financial services group that strengthens the well-being of Latvian citizens by providing modern, personalized services in the markets we operate. This section further elaborates how INDEXO and INDEXO Bank strategies build upon the Group’s vision and mission.

Strategy and future development of the asset management business

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.

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 3rd pension pillar will overtake 2nd pillar to be one the main focuses of INDEXO as it provides the largest future potential with more limited political risk.

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.

Growth through M&A activity

INDEXO has agreed to acquire IPAS VAIRO, a local 2nd pillar asset management company offering lifecycle approach to fund management in Latvia. At the time of signing IPAS VAIRO had EUR 87m of AUM and 14 thousand clients. Completion of the transaction remains subject to obtaining the required regulatory approvals and the fulfillment of customary conditions precedent.

In September 2025, IPAS INDEXO intends to launch a voluntary public takeover offer to acquire shares in AS "DelfinGroup", a Latvian publicly listed company engaged in the consumer lending sector. The takeover offer is subject to obtaining the necessary regulatory approvals, including permissions from the Bank of Latvia and the Competition Council of the Republic of Latvia, as well as the approval of IPAS INDEXO shareholders for the new share issue.

Strategy and further development of the banking business

During 2024 INDEXO Bank completed its first 4 months of operation. In the first month of banking operation, INDEXO Bank attracted more than 10 thousand clients with total deposits almost amounting to EUR 9.0 million. At the end of ~~February~~ June 2025 INDEXO Bank has ~~28.6~~ 37.3 thousand clients with EUR ~~42.8~~ 48.3 million in total deposits and EUR ~~4.2~~ 11.9 million in consumer loans.

At the core of the Bank's development for the next couple of years is a straightforward concept:

1. Develop a world-class mobile (retail) banking solution which will
2. attract local retail deposits, permitting the Bank to
3. lend actively to retail customers
4. enabling the Bank to earn interest and fee income from its customer relationships.

In terms of product offering, the keyword is "simple" – INDEXO Bank is having a *simple* product and service line, a *simple* agreement structure, and *simple*, transparent pricing.

At the present, our timeline for the planned introduction of key new services for 2025 is as follows:

• Daily banking improvements. In our commitment to providing seamless and innovative banking solutions, INDEXO Bank launched Google Pay on April 1, 2025 ~~and by the end of~~ and on April 29, 2025 ~~will we~~ launched Apple Pay. This milestone reflects our dedication to embracing cutting-edge technology to enhance the payment experience for our customers. With these digital wallet integrations, clients ~~will be~~ are able to make secure, fast, and convenient transactions using their mobile devices, whether in-store, online or within apps. ~~After Google Pay and Apple INDEXO Bank will launch first features of Family/Junior Accounts during first half of 2026 in Q3 2025. This new feature is designated to simplify family financial management while also enabling parents to issue dedicated debit cards for their children.~~

• Mortgage lending product. Mortgage loan is a cornerstone retail banking product. In Latvia we see huge growth potential as Latvian households are among least leveraged in Europe, at the same time mortgage rates in Latvia are one of the highest in Eurozone. ~~We will start by offering~~ Mortgage refinancing product ~~in the beginning~~ was launched ~~end~~ of May 2025, ~~it will be~~ followed with home equity new mortgage lending product in Q3 2025. Designed to deliver competitive rates, smooth service and flexible terms, this offering aims to empower customers in achieving their homeownership dreams while setting a new benchmark in the market.

- Consumer lending product. We are very proud of our consumer lending product providing customers opportunity to receive a loan in less than 5 minutes through the INDEXO Bank mobile app. Advertising limitations have restricted the Bank's communication and promotion options, so the initial lending portfolio growth has been relatively slow. At the end of 2024 the Bank started cooperation with lending platforms and that helped to boost new lending volumes ~~which reached~~ and the consumer lending portfolio reached EUR 7.4 ~~11.9 million in the beginning of April at the end of June~~. During 2025 the Bank will continue different initiatives to boost lending growth offering consumer loan refinancing products, possibility to receive additional amount and extending co-operation with different partners.

- Custody bank services. Due to the limited number of service providers IPAS INDEXO ~~is~~ was forced to pay high fee for custody of its managed pension funds. In our continued efforts to expand our suite of services, INDEXO Bank is set to introduce custody services during Q3 Q4 2025 that will enable not only to offer this service for lower costs for its parent IPAS INDEXO but also offer competitive service to other asset managers in Latvia. This new offering is designated to provide secure and efficient asset safeguarding, ensuring the highest standards of compliance and operational excellence. Moving away from using competitors' custody services will increase the independence of INDEXO, reduce certain business risks via diversification, and significantly increase revenues for Indexo Group ~~reduce costs. The cost reduction will allow INDEXO to offer its customers cheaper pension products in the medium term.~~

INDEXO Bank has several competitive advantages:

- Since INDEXO does not have the encumbrance of historical products and service channels, the Bank can launch a modern, convenient, and "cool" digital offering;
- The ability to design KYC and compliance processes from scratch is permitting INDEXO to make these processes both effective and efficient, minimizing the client reporting burden and repetitive tasks;
- The current dysfunction in the finance sector helps INDEXO to attract the best management talent in Latvia, with a proven track record;
- The lack of legacy IT and physical infrastructure, including retail branches, permits INDEXO to ensure a high level of automatization and result in lower costs than its competitors

The above listed advantages permit INDEXO to attract customers away from existing banks, while the existing client base of pension business customers will allow INDEXO to achieve business efficiency and an attractive financial return for its shareholders.

Long-term business outlook

As INDEXO Group continues to develop, we remain committed to driving further growth and achieving new milestones in our journey. By leveraging innovative financial solutions and a customer-centric approach, INDEXO Bank will experience rapid growth and product expansion while INDEXO pension business aims to considerably grow 3rd pillar AUM and customer number by developing better tools for financial planning and retirement savings.

INDEXO Group has agreed to acquire 100% of IPAS VAIRO pension assets – a local 2nd pillar asset manager a with similar target customer profile, the completion of the transaction is subject to regulatory approval and fulfillment of customary conditions precedent. The acquisition could lead to additional EUR 85m AUM and 14k additional customers.

Indexo Group's long term financial targets remain unchanged. By the end of 2028, INDEXO Group aims to reach around 2.3-2.6 billion EUR of AUM in its pension business, around 450-500 million EUR loan portfolio and around 600-660 million EUR deposit portfolio. Based on reaching the above mentioned financial goals, the forecasted net profit of the INDEXO Group could reach 15-18 million EUR by the end of 2028. Our strategic investments in technology and talent will enable us to deliver exceptional value to our clients, positioning us as a formidable player in the financial industry.

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

INDEXO and its subsidiaries AS INDEXO Banka and Indexo Atklātais Pensiju Fonds AS are holding special permits (licenses) issued by the Bank of Latvia (in Latvian: Latvijas Banka), authorising companies to provide their services. On 16 May 2017 INDEXO received a license for the provision of investment management services and management of state-funded pension scheme assets. On 20 January 2021 Indexo Atklātais Pensiju Fonds AS obtained a license for private pension funds. On 16 May 2024 the European Central Bank granted AS INDEXO Banka an authorisation to carry out the activities of credit institution. INDEXO, AS INDEXO Banka and Indexo Atklātais Pensiju Fonds AS are dependent on special permits (licenses) to render their main services with respect to the investment management segment. Consequently, authorisations (licenses) issued to INDEXO, AS INDEXO Banka and Indexo Atklātais Pensiju Fonds AS are considered as critical for the business of companies.

INDEXO as an investment management company has entered into asset management agreements, which are deemed material for its business and profitability:

Agreement on Management of State-Funded Pension Scheme Assets

On 27 June 2017 INDEXO entered into an Agreement on Management of State-Funded Pension Scheme Assets with the State Social Insurance Agency of the Republic of Latvia. The parties have agreed that INDEXO shall perform the management of the state-funded pension schemes investment plans.

Agreement on Management of Pension Plans

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 assets of two 3rd pension pillar pension plans established 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:

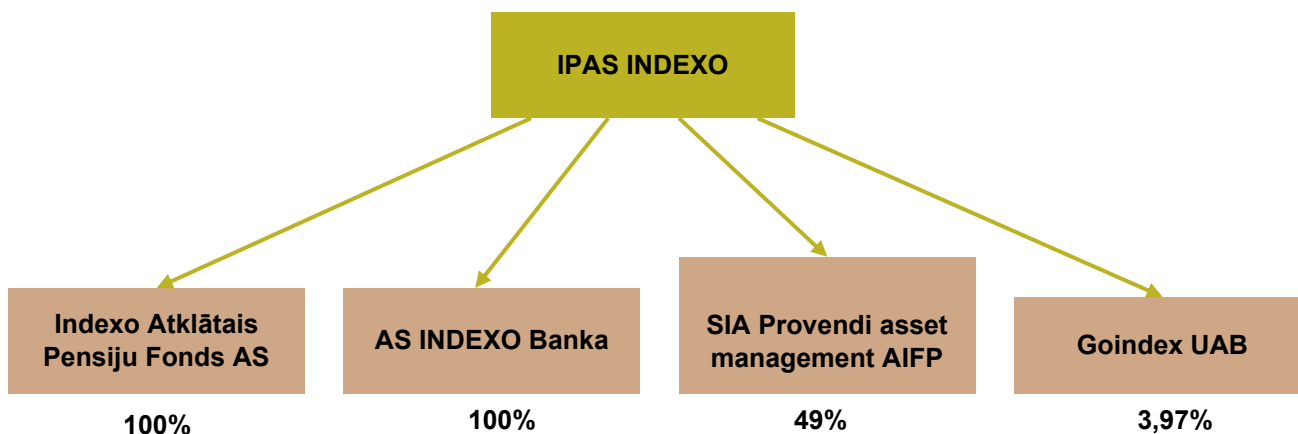
- (1) During the year ending 31 December 2020, on 5 June 2020 a decision was adopted on founding Indexo Atklātais Pensiju Fonds AS with the aim of offering a 3rd pillar pension service to clients. Indexo Atklātais Pensiju Fonds AS capital consists of 400,000 shares with nominal value of EUR 1 per share, 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 and (2) additional investment of EUR 200,000 in the share capital of Indexo Atklātais Pensiju Fonds AS.
- (3) During the year ending 31 December 2022, INDEXO invested (1) in the share capital of AS "Indexo Banka" (formerly AS IDX1R) an amount of EUR 2,000,000; and (2) in the share capital of SIA Provendi asset management AIFP an amount of EUR 49,000 .
- (4) During the year ending 31 December 2023, INDEXO invested (1) in the share capital of AS "Indexo Banka" (formerly AS IDX1R) an additional amount of EUR 3,000,000 ; (2) an additional investment of EUR 150,000 in the share capital of Indexo Atklātais Pensiju Fonds AS; (3) an additional investment of EUR 49,920 in the share capital of GOINDEX UAB.
- (5) During the year ending 31 December 2024, INDEXO invested (1) in the share capital of AS "Indexo Banka" (formerly AS IDX1R) an additional amount of EUR 12,309,445; also, INDEXO invested (2) in the share capital of Indexo Atklātais Pensiju Fonds AS additional EUR 25,000.
- (6) During the year 2025 up to the date of this Universal Registration Date, INDEXO invested [\(1\) additional 9,800 EUR in the share capital of SIA Provendi asset management AIFP; \(2\) an additional investment in the share capital of Indexo Atklātais Pensiju Fonds AS - additional EUR 25,000; \(3\) in the share capital of AS "Indexo Banka" – an additional amount of EUR 3,808,500.](#)

Please see more information on above mentioned entities in Section 9 "ORGANISATIONAL STRUCTURE" of the Universal Registration Document. GOINDEX UAB and SIA Provendi asset management AIFP are not included in INDEXO's financial consolidation scope.

9. ORGANISATIONAL STRUCTURE

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

Figure 9.1



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

Table 9.2

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	Roberta Hirša street 1, Riga, LV-1045, Latvia
Registered and paid-up share capital	EUR 4,774,117 <u>5,061,225</u>
Conditional share capital	EUR 15,959
Shares	4,774,117 <u>5,061,225</u>
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” (INDEXO) is a licensed investment management company which provides investment management services and manages 2nd pension pillar investment plans and 3rd pension pillar pension plans. Please see Section 4.2 “Types of activities of INDEXO” of this Universal Registration Document for more detailed information regarding INDEXO.

Table 9.3

AS INDEXO Banka

Legal form	Joint Stock Company (AS – akciju sabiedrība)
Country of registration	Latvia
Registration number	40203448611
Registration date	19.12.2022.
Legal address	Roberta Hirša street 1, Riga, LV-1045, Latvia
Share capital	EUR 17,309,445 <u>21,117,945</u>
Shares	17,309,445 <u>21,117,945</u>
Shareholders	IPAS INDEXO AS – 17,309,445 <u>21,117,945</u> shares (100% of share capital)
Licence	Credit institution
Issuance date	15.05.2024
Issuing authority	European Central Bank

AS INDEXO Banka (previously - AS IDX1R) is a wholly-owned subsidiary of INDEXO. On 16 May, 2024 AS INDEXO Banka has acquired a credit institution license.

Table 9.4

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	Roberta Hirša street 1, Riga, LV-1045, Latvia
Share capital	EUR 775,000 <u>790,000</u>
Shares	775,000 <u>790,000</u>
Shareholders	IPAS INDEXO AS – 775,000 <u>790,000</u> 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 is a licensed private pension fund and a wholly owned subsidiary of INDEXO. Indexo Atklātais Pensiju Fonds AS has established two pension plans within the 3rd pension pillar which are managed by INDEXO.

Table 9.5

SIA Provendi asset management AIFP

Legal form	Private limited liability company (SIA – sabiedrība ar ierobežotu atbildību)
Country of registration	Latvia
Registration number	40203438204
Registration date	02.11.2022.
Legal address	Elizabetes street 13 - 1, Riga, LV-1010, Latvia

Share capital	EUR 425,000
Shares	425,000
Shareholders	IPAS INDEXO AS – 208,250 shares (49% of share capital)
Registration	Alternative investment fund management company (AIFMC)
AIFMC registration issuance date	20.12.2022
Issuing authority	The Bank of Latvia (in Latvian: Latvijas Banka) (previously – Financial and Capital Market Commission)

SIA Provendi asset management AIFP is a registered alternative investment fund management company co-funded by INDEXO with the purpose to create a new low-cost real estate alternative investment 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.

Table 9.6

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 is a Lithuanian pension fund management company, specializing exclusively in 2nd and 3rd pension pillar pension funds with the key focus on low-cost index fund investments and transparent and easy-to-understand pension savings plan solutions. As of the date of the Universal Registration Document INDEXO owns 3,97% of Goindex UAB shares.

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.

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 2022, 2023, and 2024 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). 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

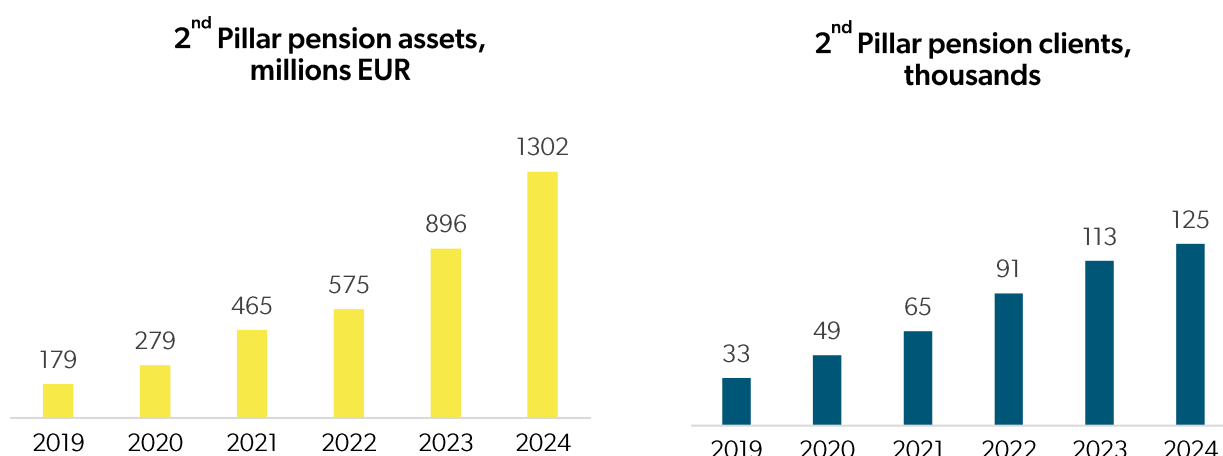
INDEXO offers three products within the 2nd pension pillar, where the client can decide on the investment strategy that most suits the client, and since 2021 INDEXO also offers 3rd pension pillar plans tailored for clients, considering their age and necessities.

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.

In 2023, INDEXO added 22 534 new customers, reaching 113,408 and AUM grew by 56% compared to 2022, to 896 million euros at the end of 2023. Furthermore, in 2024 INDEXO added 11,913 new customers, bringing the total number of customers to 125,321. AUM grew by 45% from EUR 896 million euros to 1,302 million euros at the end of 2024.

Figure 10.1.1

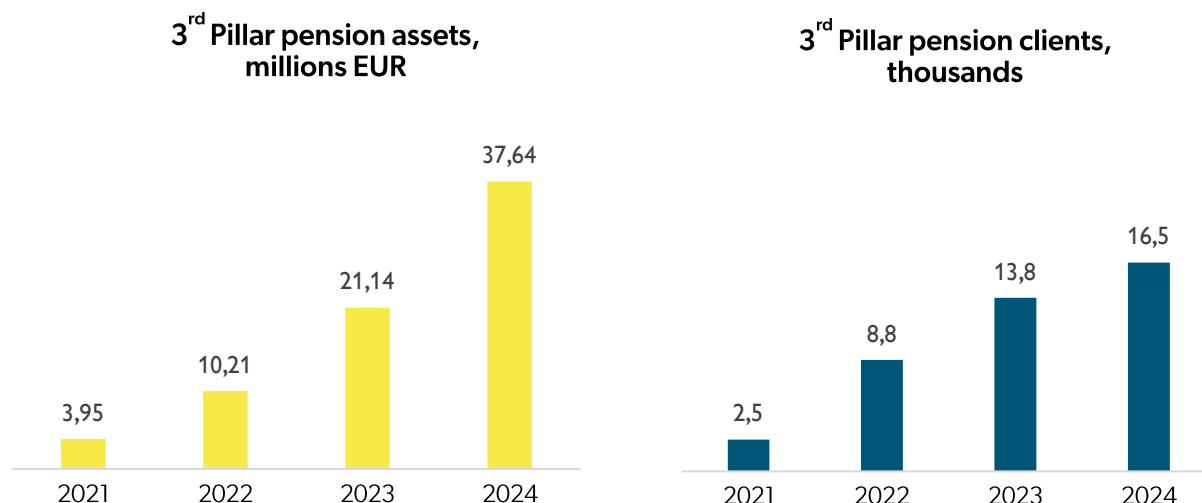
2nd pillar AUM and client growth



On December 31st, 2024, INDEXO has been able to attract 16.5 thousand customers and reach AUM of EUR 37.6 million to its 3rd pension pillar business.

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 46.5% 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 2024 of EUR 4.5 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. INEXO remains highly focused on client acquisition and growth for 2nd and 3rd pillar asset management, thus employing a considerable sales team.

Bank development

Since its launch on August 28, 2024, INEXO Bank has gained over ~~21,000~~ 37.3 thousand customers within its ~~first months~~ nearly first year of operations. ~~As of June 2025, the total deposits stood at over EUR 33~~ 48.3 million and our loan portfolio exceeded EUR ~~4.06~~ 12.4 million. At INEXO Bank, all customer onboarding applications are submitted through the bank's new mobile app. We have launched INEXO Bank with main daily banking services for private persons – payments, cards, savings (deposits and pensions) and consumer lending in a convenient modern mobile bank. We view it as only a starting point for our product rollout.

As the Bank's operations have just started and the bank has operated only for a couple months, INEXO Bank does not generate any significant revenue, while at the same time, the Bank makes significant IT investments to continue enhancing and developing a wider range of banking services. Therefore, during 2024, INEXO Bank incurred losses amounting to EUR 6.16 million.

Therefore, in the year ended 31 December 2024 administrative costs exceeded income from fees, resulting in a consolidated loss of EUR 5.38 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 10.1.3

EUR	Year ended 31 December		
	Consolidated		
	2022	2023	2024

Commission income	2,277,620	3,123,426	4,474,815
Commission expense	-	-	(129,042)
Administrative costs	(3,514,964)	(5,994,955)	(9,374,475)
Interest income calculated using the effective interest rate	2,495	51,466	470,854
Interest expense	(3,147)	(4,713)	(773,344)
Other operating income	-	-	150 000
Other operating expenses	(32,738)	(63,632)	(102,716)
Allowances for expected credit losses	-	(3,497)	(88,961)
Corporate income tax	(1,069)	(6,296)	(9,461)
Total comprehensive profit/(loss) for the year, attributable to shareholders for the year	(1,271,803)	(2,898,201)	(5,382,330)

Table 10.1.4

	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
Commission income	2,257,065	3,078,289	4,358,622
Administrative costs	(3,269,188)	(3,293,174)	(3,178,802)
Interest income calculated using the effective interest rate	2,495	29,725	69,859
Interest expenses	(3,147)	-	(303,084)
Other operating expenses	(3,557)	(43,795)	(64,743)
Allowances for expected credit losses	-	(3,497)	(1,229)
Corporate income tax	(1,069)	(5,226)	(7,388)
Total comprehensive profit / (loss) for the year, attributable to shareholders for the year	(1,017,401)	(242,391)	873,235

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;
- other fees to third parties like trading fees, audit fees etc.

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 the 2nd pension pillar plans are those active as of [March](#) [June](#) 2025. They are charged monthly but ultimately sum up to the amounts displayed below.

Table 10.1.5

Pension plan	Asset manager fee	Custodian bank fee	Total fees
"INDEXO Jauda 16-55"	0.36 0.39%	0.08 0.05%	0.44%
"INDEXO Izaugsme 55-62"	0.36 0.39%	0.08 0.05%	0.44%
"INDEXO Konservatīvais 62+"	0.34 0.37%	0.08 0.05%	0.42%

In the following table the newly proposed fees, that are in line with the new Bank of Latvia's regulations, are presented. These will apply from August 2025.

<u>Pension plan</u>	<u>Asset manager fee</u>	<u>Custodian bank fee</u>	<u>Total fees</u>
<u>"INDEXO Jauda 16-55"</u>	<u>0.3448%</u>	<u>0.05%</u>	<u>0.3948%</u>
<u>"INDEXO Izaugsme 55-62"</u>	<u>0.3528%</u>	<u>0.05%</u>	<u>0.4028%</u>
<u>"INDEXO Konservatīvais 62+"</u>	<u>0.3419%</u>	<u>0.05%</u>	<u>0.3919%</u>

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 10.1.6

Pension plan	Asset manager fee	Fund fee	Custodian bank fee	Total fees
"INDEXO Akciju plāns"	0.21%	0.30 0.36%	0.11 0.05%	0.62%
"INDEXO Obligāciju plāns"	0.21%	0.30 0.36%	0.11 0.05%	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		
	Consolidated		
	2022	2023	2024
“INDEXO Jauda 16-55”	1,595,223	2,234,735	3,259,677
“INDEXO Izaugsme 55-62”	560,851	705,778	917,567
“INDEXO Konservatīvais 62+”	86,603	106,180	120,879
3 rd pillar plan “INDEXO AKCIJU PLĀNS”	32,196	71,100	136,488
3 rd pillar plan “INDEXO OBLIGĀCIJU PLĀNS”	2,747	5,633	10,439
AS INDEXO Bank	-	-	29,765
Total	2,277,620	3,123,426	4,474,815

Table 10.2.2

Commission income, EUR	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
“INDEXO Jauda 16-55”	1,595,223	2,234,735	3,259,677
“INDEXO Izaugsme 55-62”	560,851	705,778	917,567
“INDEXO Konservatīvais 62+”	86,603	106,180	120,879
3 rd pillar plan “INDEXO AKCIJU PLĀNS”	13,257	29,277	56,201
3 rd pillar plan “INDEXO OBLIGĀCIJU PLĀNS”	1,131	2,319	4,298
Total	2,257,065	3,078,289	4,358,622

Costs

In the year ended 31 December 2024, INDEXO’s consolidated administrative costs amounted to 9,374 thousand EUR (compared to EUR 5,995 thousand for 2023). 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 2024.

IPAS INDEXO's costs for the year ended 31 December 2024 were EUR 10,478 thousand in comparison to EUR 6,073 thousand for the year ended 31 December 2023.

INDEXO closed the year ending 31 December 2022 with a loss of EUR 5,382 thousand in comparison to a loss of EUR 2,898 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

Administrative costs, EUR	Year ended 31 December		
	Consolidated		
	2022	2023	2024
Sales and marketing expenses	843,457	886,015	974,384
Remuneration to the Management Board and Supervisory Board	346,113	663,138	762,912
Remuneration to other staff	1,138,041	1,743,712	2,706,874
National social insurance mandatory contributions to the Management Board and Supervisory Board	81,648	135,199	179,971
National social insurance mandatory contributions	267,569	411,342	767,736
Share options reserves	171,524	420,819,	238,949
IT costs	155,961	1,074,204	2,254,237
Professional fees	259,551	272,353,	323,780
Office maintenance costs	36,559	57,876	172,290
Amortisation of right-to-use asset	37,338	34,903	224,237
Depreciation of property, plant and equipment	32,423	79,548	437,843
Employee motivation	48,033	-	-
Investors relations costs	-	-	-
Other staff costs	52,215	125,166	243,159
Other	44,532	90,680	88,103
Total	3,514,964	5,994,955	9,374,475

Table 10.2.4

Administrative costs, EUR	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
Sales and marketing expenses	836,886	891,186	627,791
Remuneration to the Management Board and Supervisory Board	334,808	139,948	121,817
Remuneration to other staff	1,111,585	1,052,628	1,268,507
National social insurance mandatory contributions to the Management Board and Supervisory Board	78,981	25,743	28,737
National social insurance mandatory contributions	261,210	247,532	253,019
Share options reserves	171,524	420,819	238,949
IT costs	113,287	127,756	128,173
Professional fees	156,310	166,659	154,960
Office maintenance costs	28,686	30,948	89,868
Amortisation of right-to-use asset	37,338	34,903	27,426
Depreciation of property, plant and equipment	4,083	4,164	33,221
Employee motivation	47,189	-	-
Other staff costs	52,215	73,706	81,463
Other	35,086	77,182	85,479
Total	3,269,188	3,293,174	3,178,802

Consolidated Profits or Losses

Table 10.2.5

	Year ended 31 December		
	Consolidated		
	2022	2023	2024
Profit/(loss) for the year	(1,271,803)	(2,898,201)	(5,382,330)

Table 10.2.6

	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
Profit/(loss) for the year	(1,017,401)	(242,391)	873,235

10.3. Financial position of INDEXO

In the periods covered the balance sheet of INDEXO grew quite significantly, mainly due to launching INDEXO Bank operations and due to secondary public offering.

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		
	Consolidated		
	2022	2023	2024
Total Assets	8,792,656	7,315,523	48,440,032
Total equity and Liabilities	8,792,656	7,315,523	48,440,032
Total liabilities	701,415	1,443,342	36,315,337
Total equity and reserves	8,091,241	5,872,181	12,124,695

Table 10.3.2

	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
Total Assets	9,123,689	9,463,481	22,085,575
Total equity and Liabilities	9,123,689	9,463,481	22,085,575
Total liabilities	538,019	441,061	555,076
Total equity and reserves	8,585,670	9,022,420	21,530,499

Total equity

During the year ended 31 December 2024, INDEXO's share capital was EUR 4,760,549, which consisted of 4,760,549 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		
	Consolidated		
	2022	2023	2024
Share capital	3,568,511	3,795,407	4,760,549
Share options	176,960	379,055	269,224
Share premium	7,062,908	7,094,334	17,525,087
Retained losses	(2,717,138)	(5,396,615)	(10,430,165)
Total equity and reserves	8,091,241	5,872,181	12,124,695

Table 10.3.4

	Year ended 31 December		
	Stand-alone		
	2022	2022	2024
Share capital	3,568,511	3,795,407	4,760,549
Share options	176,960	379,055	269,224
Share premium	7,062,908	7,094,334	17,525,087
Retained losses	(2,222,709)	(2,246,376)	(1,024,361)
Total equity and reserves	8,585,670	9,022,420	21,530,499

Total assets

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

Table 10.3.5

	Year ended 31 December		
	Consolidated		
	2022	2023	2024
Cash and cash equivalents at the end of the reporting period	7,231,123	2,707,396	36,647,025
Loans and advances due from customers	-	-	987,306
Receivables	220,190	321,489	460,869
Prepayments	24,279	548,006	751,524
Contract acquisition	990,417	1,389,048	1,566,969

costs			
Other assets	6,937	81,990	534,963
Intangible assets	177,177	1,965,168	4,562,356
Property, plant and equipment and right-of-use assets	81,870	59,499	2,590,711
Investments in subsidiary undertakings	-	-	-
Investments in associates	49,000	127,400	198,450
Loans to associates and subsidiaries	-	53,944	73,843
Other securities and investments	11,663	61,583	61,583
Current tax prepayment	-	-	4,433
Total Assets	8,792,656	7,315,523	48,440,032

Table 10.3.6

	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
Cash and cash equivalents at the end of the reporting period	4,970,780	982,789	1,468,245
Receivables	388,743	317,911	452,249
Prepayments	24,279	30,816	38,181
Contract acquisition costs	990,417	1,389,048	1,566,969
Other assets	6,937	5,120	35,030
Intangible assets	-	-	1,742
Property, plant and equipment and right-of-use assets	81,870	44,524	100,413
Investments in subsidiary undertakings	2,600,000	5,750,000	18,084,445
Investments in associates	49,000	127,400	198,450
Loans to associated companies	-	754,290	73,843
Other securities and investments	11,663	61,583	61,583
Current tax	-	-	4,425

prepayment			
Total Assets	9,123,689	9,463,481	22,085,575

Cash & Cash Equivalents

Table 10.3.7

	Year ended 31 December		
	Consolidated		
	2022	2023	2024
Placements with Central Banks	-	-	35,373,980
Placements with Swedbank AS	2,218,707	400,906	382,922
Placements with SEB banka AS	2,012,416	14,587	13,759
Short-term deposits with Swedbank AS	1,000,000	2,291,903	876,364
Short-term deposits with SEB banka AS	2,000,000	-	-
Total (Cash and cash equivalents)	7,231,123	2,707,396	36,647,025

Placements with Central Banks represents the EUR nominated balance of the INDEXO bank's correspondent account with the Bank of Latvia.

Table 10.3.8

	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
Placements with Swedbank AS	1,958,364	4,208	3,536
Placements with SEB banka AS	12,416	14,587	13,759
Short-term deposits with Swedbank AS	1,000,000	963,994	776,364
Short-term deposits with INDEXO Banka	-	-	674,586
Short-term deposits with SEB banka AS	2,000,000	-	-
Total (Cash and cash equivalents)	4,970,780	982,789	1,468,245

INDEXO holds cash in AS Swedbank, AS SEB banka and in group entity INDEXO Banka. Both AS Swedbank and AS SEB banka have an S&P rating of A+, Moody's rating of Aa3 and Fitch rating of AA on group level. In assessing the amount of expected credit losses, it was determined that it was insignificant and no allowance for expected credit losses for these exposures was recorded.

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		
	Consolidated		
	2022	2023	2024
"INDEXO Jauda 16-55"	155,050	232,577	341,495
"INDEXO Izaugsme 55-62"	53,014	70,105	91,814
"INDEXO Konservatīvais 62+"	8,002	10,075	11,121
3 rd pillar plan "INDEXO Akciju plāns"	3,799	8,095	15,250
3 rd pillar plan "INDEXO Obligāciju plāns"	325	637	1,190
AS "Indexo Atklātais Pensiju Fonds"	-	-	-
AS INDEXO Banka (till May 16th 2024 AS IDX1R)	-	-	-
Total	220,190	321,489	460,869

Table 10.3.10

	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
"INDEXO Jauda 16-55"	155,050	232,577	341,495
"INDEXO Izaugsme 55-62"	53,014	70,105	91,814
"INDEXO Konservatīvais 62+"	8,002	10,075	11,121
3 rd pillar plan "INDEXO Akciju plāns"	1,564	3,333	6,279
3 rd pillar plan "INDEXO Obligāciju plāns"	133	261	490
AS "Indexo Atklātais Pensiju Fonds"	5,143	-	-
AS INDEXO Banka	165,837	1,559	1,050

(till May 16th 2024 AS IDX1R)			
Total	388,743	317,910	452,249

Contract acquisition costs

Since 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 2024, client acquisition costs reached EUR 1.57 million, an increase of 12.9% compared to the costs of the year ended 31 December 2023.

Table 10.3.11

	Year ended 31 December		
	Consolidated		
	2022	2023	2024
Customer acquisition costs	990,417	1,389,048	1,566,969
Total	990,417	1,389,048	1,566,969

Table 10.3.12

	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
Customer acquisition costs	990,417	1,389,048	1,566,969
Total	990,417	1,389,048	1,566,969

10.4. Overview and results of Indexo Bank operations

We have invested significant effort to ensure that INDEXO Banka stands out in the Latvian financial market with the ease of use of its services and innovative products, offering new opportunities and more favorable conditions for clients. We involved our customers in this process by gathering their opinions on various topics, from the design of the mobile app to the appearance of payment cards.

A post-launch survey¹² conducted in collaboration with the Delfi news portal shows that our efforts have achieved the intended result - 93% of survey participants rated the account opening process in the INDEXO mobile app as simple and gave high ratings for the app's ease of use, functionality, speed, and operational stability. We are especially proud that our fully digital account opening process on average takes less than 5 minutes, what is a new benchmark in Latvian banking sector.

In the first month of banking operation, INDEXO Bank attracted more than 10 thousand clients with total deposits almost amounting to EUR 9.0 million. For comparison, it took more than a year for the pension management company IPAS INDEXO, which now has over 140 thousand clients, to attract its first 10 thousand clients. At the end of ~~February~~ June 2025 INDEXO Bank has ~~28.6~~ 37.3 thousand clients with EUR ~~42.8~~ 48.3 million in total deposits and EUR ~~4.2~~ 11.9 million in consumer loans.

¹² delfi.lv survey data, period: 30.09.-13.10.2024, n=985, all, 18+

The bank's operations were launched with a suite of daily banking services for private individuals payments, cards, savings (deposits and vaults) and consumer lending all available in user friendly and modern mobile app. INEXO Bank is the only credit institution in Latvia which pays ~~4-5~~ 1.25 % (since April 30, 2025) for customer current account balances and is among top payers also for other deposit products. We consider this as a starting point for expanding our product offering.

Since starting operations, we have already released ~~seven~~ twenty one updates for the mobile app products and features. These updates included over ~~200-300~~ small improvements and bug fixes, chat improvements, as well as added functionality to provide clients with detailed information on interest earned and income tax paid from savings products. The app allows users to create detailed account statements in PDF format, the clients can also enjoy regular payments functionality and apply for consumer loan and mortgage refinancing. The app has successfully implemented changes to meet the requirements of the Instant Payments Regulation (IPR) where the deadline was January 2025. On February 12, 2025, INEXO Bank was the first in Latvia to introduce a feature in its mobile app that allows all 2nd pillar pension savers to view their personal 2nd pillar pension savings, contributions, and earnings, regardless of whether they are clients of INEXO or any other 2nd pillar pension manager in Latvia. During 2025 we will continue to improve our mobile app and expand the range of available banking services.

As the Bank's operations have just started and the bank has operated only for a couple months, INEXO Bank does not generate any significant revenue. In 2024 Bank's total income amounted to just EUR 40.6 thousand. Meanwhile, the Bank continues to make significant IT investments to develop and expand its range of banking services. Consequently, in 2024, INEXO Bank incurred losses amounting to EUR 6.16 million.

At the end of 2024, INEXO Bank complies with all regulatory requirements regarding liquidity and capital adequacy. At the end of reporting period, INEXO Bank's capital and reserves were EUR 8.48 million, and our equity for capital adequacy calculation was EUR 7.26 million, consisting entirely of Common Equity Tier 1 (CET1) capital. Since the value of the bank's risk exposures was very low, our capital ratios significantly exceeded the capital requirements set by our regulators, and at the end of the reporting period, INEXO Bank's capital adequacy ratio was 54.17%. The liquidity coverage ratio was 1273.49%, significantly exceeding the regulatory minimum of 100%.

In Q1 2025, INEXO Bank earned EUR 62.8 thousand in total revenue. As the Bank continued to make IT investments and extensive work was done to be able to launch Apple Pay and Google Pay in April, a mortgage refinancing product in the second half of May, and custody banking services, total expenses amounted to EUR 2.19 million and the net loss for Q1 2025 was EUR 2.42 million. Full Q1 report is available at [3M-2025-Banks-Quarterly-Report.pdf](#)

10.5. Key factors affecting results of operations and financial performance of INEXO

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 INEXO'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, INEXO sees this as a benefit for society and is confident of its position in the market as INEXO 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".

INEXO'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 INEXO.

Key factors affecting results of operations and financial performance of INEXO Bank

In 2024 the Bank's share capital was increased by EUR 12.31 million. As at 31 December 2024 the Bank's total capital ratio was 54.17%, well above the minimum of 20% set by the regulator.

However, to mitigate the impact of the delay in launch of operations, continue [to grow consumer lending and mortgaging lending portfolios](#) and to successfully implement the ambitious product roadmap [as described in Section 6 “KEY STRATEGIES OF INDEXO”](#)—~~which includes the launch of mortgage lending, Google Pay, Apple Pay, Family Accounts and custody services~~, INDEXO Group acknowledges the necessity for additional capital to build scale and support these strategic initiatives.

INDEXO Bank’s parent and sole shareholder IPAS INDEXO after annual shareholder meeting in March 2025 has contributed to Bank’s capital EUR 0.80 million from its 2024 annual profit. [In April additional contributions into the Bank’s capital were made in total EUR 2.87 million of which EUR 2.74 million were from April 2025 public offer capital raise. During June 2025 IPAS INDEXO contributed additional EUR 0.14 million to the Bank’s capital.](#)

INDEXO Group management is considering and evaluating different options for strengthening Bank’s capital, including IPAS INDEXO current share issue and INDEXO Bank issuing T2, AT1 capital instruments later during the year. The additional capital inflow, coupled with a focus on cost control, will enable the Bank to strengthen its operational capacity, enhance its technological infrastructure, and maintain financial resilience as the Bank delivers innovative solutions to INDEXO Group customers.

The management of the INDEXO Group and the Bank has already demonstrated the ability to attract the necessary capital for the development of the bank, however, there is significant uncertainty regarding the Bank’s ability to successfully raise the needed financing.

11. LIQUIDITY AND CAPITAL RESOURCES

11.1. Liquidity

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.

Selected items of statements of cash flows

Table 11.1.1

	Year ended 31 December		
	Consolidated		
	2022	2023	2024
Cash and cash equivalents at the beginning of the period	1,162,841	7,231,123	2,707,396
(Decrease)/increase in cash and cash equivalents from operating activities before changes in assets and liabilities	(889,521)	(2,168,501)	(3,765,478)
Increase/(decrease) in cash and cash equivalents from operating activities	(1,291,620)	(2,672,657)	26,506,883
Decrease in cash and cash equivalents from investing activities	(146,402)	(2,067,365)	(3,693,038)
(Decrease)/increase in cash and cash equivalents from financing activities	7,506,304	216,295	11,125,784
Cash and cash equivalents at the end of the reporting year	7,231,123	2,707,396	36,647,025
(Decrease)/increase in cash and cash equivalents	6,068,282	(4,523,727)	33,939,629

Table 11.1.2

	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
Cash and cash equivalents at the beginning of the period	798,271	4,970,780	982,789
(Decrease)/increase in cash and cash equivalents from operating activities before changes in assets and liabilities	(663,458)	432,595	1,718,306
Increase/(decrease) in cash and cash equivalents from operating activities	(1,284,795)	(165,270)	883,052
Decrease in cash and cash equivalents from investing activities	(2,049,000)	(4,039,015)	(11,734,347)
(Decrease)/increase in cash and cash equivalents from financing activities	7,506,304	216,295	11,336,751
Cash and cash equivalents at the end of the reporting year	4,970,780	982,789	1,468,245
(Decrease)/increase in cash and cash equivalents	4,172,509	(3,987,991)	485,456

Cash flow from operating activities before changes in assets and liabilities

For the year ended 31 December 2024 the consolidated net cash flow from operating activities before changes in assets and liabilities amounted to positive EUR 1.72 million, which was more than a EUR 1.29 million increase from the amount of the year ended 31 December 2023.

Cash flow from operating activities

For the year ended 31 December 2024 the consolidated net cash flow from operating activities amounted to positive EUR 0.88 million, which was an increase from the negative EUR 0.17 million net cash flow from operating activities in the year ended 31 December 2023.

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 mostly attributable to establishing Indexo Banka AS in 2024 with the aim to launch banking operations after receive banking licence, Indexo Banka AS capital were increased by EUR 12.3 million. Also, AS "Indexo Atklātais Pensiju Fonds" capital was increased by EUR 0.03 million during 2024, and investment into associated company Provendi Asset management AIFP capital EUR 0.07 million.

Cash flow from financing activities

In the year 2024 INDEXO share capital increased by EUR 0.97 million and share premium amounted to EUR 10.43 million due to secondary public offering and share option exercise.

Cash and cash equivalents at the end of the period

Net cash and cash equivalents at the end of the year ended 31 December 2024 stood at EUR 36.65 million. Net cash and cash equivalents at the end of the period increased by 1252% y-o-y from EUR 2.71 million for the year ended 31 December 2023, due to public listing via secondary public offering which took place during the reporting period and due to launching banking operations and increasing customer deposits by EUR 32.4 million. No material changes have occurred to INDEXO's cash flows or material unused sources of liquidity after the year ended 31 December 2024.

11.2. Funding structure

The funding 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 2024 the Debt-to-Equity ratio for INDEXO is 0.04. 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".

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.

12. REGULATORY ENVIRONMENT

INDEXO and its subsidiaries are subject to extensive regulatory framework in the business areas in which each respective group entity operates. The application of existing laws and the implementation of future legislation require significant resources that could impact the Group's performance.

Among the laws and regulations that could have a significant influence on INDEXO's and Indexo Atklātais Pensiju Fonds AS business activities are recent and upcoming regulatory changes of Latvian 2nd and 3rd pension pillar regulation:

Client suitability assessment and display of information

In accordance with amendments in State Funded Pension Law that came into force on 1 July 2024, the State Social Insurance Agency is now required to provide 2nd pension pillar asset managers with quarterly information on their clients. 2nd pension pillar asset managers are now required to identify scheme participants whose funds they manage, based on the 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 managers are 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.

Another significant change in the administration of 2nd pension pillar is the possibility to display the statement of account of a participant of a 2nd pillar pension scheme through the secure online solution other than state's administered portal www.latvia.lv. AS INDEXO Bank has already started to provide the 2nd pillar account information display services to its customers.

The above-mentioned regulatory amendments benefit both the customers and asset managers, helping the customers make informed decisions and align their investments with their financial goals as well as ultimately fostering a more transparent and efficient 2nd pension pillar market environment.

Decrease of 2nd pension pillar contribution rate

In accordance with amendments in State Funded Pension Law that came into force on 1 January, 2025, the contribution rate to the 2nd pillar pension scheme for the period from 1 January, 2025 till 31 December, 2028 is decreased from 6% to 5% of the object of contributions specified in the Law on State Social Insurance. Such [a decrease of contributions will have negative effect on the overall 2nd pillar pension assets under management and thus will influence INDEXO's operations in the 2nd pension pillar market.](#)

Potential new limitations on 2nd pillar asset management fees

Under new ~~regulatory initiative it is planned to further decrease~~ [amendments in State Funded Pension Law the maximum 2nd pension pillar asset management fees will be further decreased](#). Such [a decrease has a the potential of producing an overall negative effect on INDEXO's operations in the 2nd pension pillar market. The new regulations are going to be in place from August 1, 2025 and will decrease INDEXO's 2nd pension pillar market commission fee income for all plans. For Jauda 16-55 the decrease will be 0.0452 percentage points, for Izaugsme 55-62 – 0.0372 percentage points and for Konservatīvais 62+ - 0.0481 percentage points.](#)

Potential introduction of the right of asset management companies to administer 3rd pillar pension plans

Under the current 3rd pension pillar regulatory regime 3rd pension pillar pension plans are administered by private pension funds as a separate legal entity and cannot be administered directly by asset management companies. The new regulatory indicative proposes that asset managers will have a right to administer pension plans directly. This would involve transferring the pension plans to asset management companies and liquidation of private pension funds as separate entities. If introduced, this new regime will decrease administrative burden and will have overall positive effect on the 3rd pension pillar market and INDEXO Group operations.

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) introduction of the possibility to continue participation in the 2nd pension pillar and delay of pay-out when the participant reaches pension age; (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 accessibility of public information provided in manapensija.lv, it should include more information about commission fees and indirect costs.

The subsidiary of IPAS INDEXO, AS INDEXO Banka as a credit institution operates within 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.

The regulatory landscape continues to develop with the focus on digital transformation and innovation in financial services, including the ones provided by AS INDEXO Bank. On ~~9 January 2025~~ 4 April 2024 new Regulation 2024~~3~~/886 of 13 March 2024 regulating instant euro payments came into force, introducing several staged implementation deadlines. Among other things, from 9 January 2025 payment service providers are no longer required to screen instant euro transfers against EU sanctions lists at the time of execution. Instead, sanctions screening is performed separately and regularly, in order to reduce false positives and avoid unnecessary rejections or delays in payment execution. ~~this regulation excludes the screening of instant transfers in euros against European sanction lists in order to limit the number of rejections, and f~~From 9 October 2025 payment service providers will be required to verify the payee's identity (name and IBAN match) before executing an instant payment, thereby reducing the risk of misdirected payments. This regulation aims to improve the efficiency, security, and accessibility of instant euro payments across the EU.

Other notable regulatory initiatives include the review of Payment Services Directive (PSD3) and the initiative for the introduction of a new financial data access legal framework aimed at improving the functioning of European payment market, the proposal for a central bank digital currency (digital euro) and initiatives aimed at regulation of the use of artificial intelligence.

Various new regulatory measures impact the activities of all INDEXO Group entities, among those is ~~coming~~ entering into force on January 17, 2025 of Regulation (2022/2554 of 14 December 2022 on digital operational resilience for the financial sector (DORA), which introduces ~~ed~~ new requirements for information and communication technology (ICT) risk management, ICT incident reporting, third party ICT risk management, resilience testing and operational continuity.

On 28 June 2025 Law on Accessibility of Goods and Services came in force requiring financial institutions and othe companies to make their services easely accessible to everyone, including persons with disabilities.

In the area of anti-money laundering, more stringent measures will be introduced by amendments to Anti-Money Laundering Directive and adoption of Anti-Money Laundering Regulation that will enter into force from July 2027, expanding the scope of anti-money laundering requirements and strengthening the defences against both money laundering and terrorist financing.

Given the ever-evolving regulatory landscape, INDEXO Group pays close attention to regulatory developments that have the potential to influence the operations of the Group, as well as is committed to the thorough and timely implementation of new regulations, ensuring compliance with applicable regulatory requirements.

13. RECENT TRENDS, DEVELOPMENTS AND MATERIAL CHANGES

Recent trends and developments

Recent developments in competition have increased churn in the 2nd pillar pension market. This has led to higher customer churn for INDEXO and other established market players.

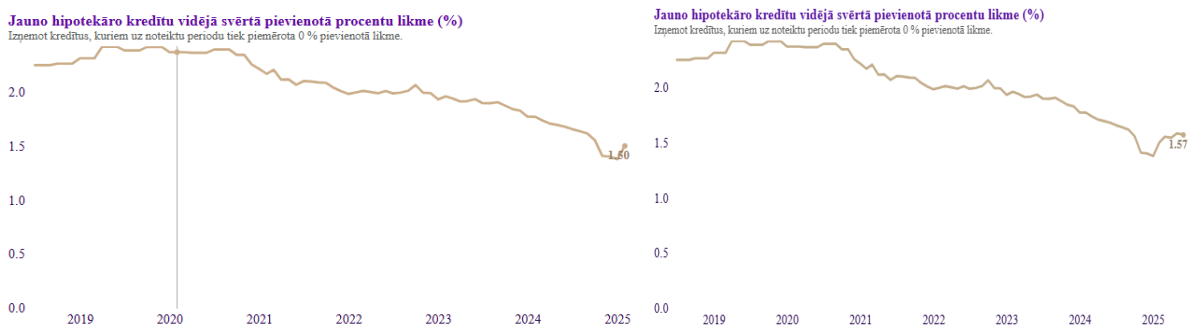
New legislation will ~~likely~~ lower the maximum fee cap in pension 2nd pillar market, ~~which~~ This will lead to a faster fee reduction as an asset manager grows its AUM. The new law ~~is expected to~~ will come into effect ~~in~~ on August 1, 2025. As a result IPAS INDEXO's commission income fee will drop by 0.0281 percentage points for Konservatīvais 62+; 0.0372 percentage points for Izaugsme 55-62 and 0.0452 percentage points for Jauda 16-55.

INDEXO pension business focus has been shifted to pension 3rd pillar as the main driver of future growth for the pension segment.

~~At~~ In the ~~beginning of April~~ middle of July, 2025 INDEXO Bank's number of clients has grown to ~~32.2~~ 38.8 thousand, deposit volumes have reached EUR ~~47.2~~ 49.6 million, while the amount of ~~issued loans~~ loan portfolio has reached EUR ~~7.4~~ 15.9 million.

~~Although markups in Latvia remain notably high compared to other euro area countries, they continue to decrease. In early 2025, the average markup stood at approximately 1.5% (please see below chart). State support to mortgage borrowers has now ended and together with several regulatory amendments (these amendments eased advertising restrictions and significantly lowered the loan refinancing costs) increased activity in mortgage loan market has been seen. Although mortgage markups in Latvia remain high compared to the euro area and have declined in recent years, they have slightly increased since the beginning of 2025. Interest rates in Latvia are relatively high largely because most mortgage loans are floating and tied to EURIBOR. However, as EURIBOR has started to decline, overall mortgage rates have also begun to fall. In early 2025, the average markup stood slightly above 1.5% (please see chart below).~~

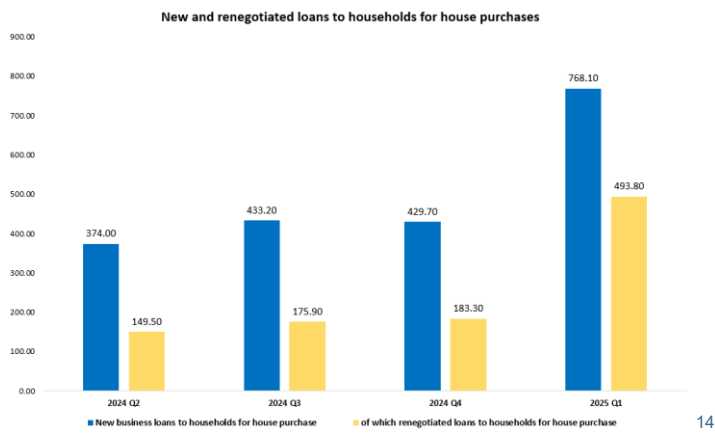
Figure 13.1.1



13

Following the end of state mortgage support and regulatory changes, including eased advertising rules and lower refinancing costs, mortgage market activity has increased (please see chart below). New and renegotiated loans rose from EUR 430 million in Q4 2024 to EUR 768 million in Q1 2025, with similar volumes expected in Q2.

Figure 13.1.2



Material Changes

There were no material changes in INEXO Group's financial position and operations in the period after the audited financial statement as of 31 December 2024 and up to the date of this Universal Registration Document. [The information on the latest published non-audited interim financial reports is available at https://indexo.lv/en/for-investors/reports/.](https://indexo.lv/en/for-investors/reports/)

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 activities of the Management Board and representing the interests of shareholders in-between of General Meetings 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.

The place of business of the Management Board and the Supervisory Board is the registered address of INDEXO – Roberta Hirša street 1, Riga, LV-1045, Latvia.

INDEXO considers that except for the Management Board and Supervisory Board members, no other senior manager is relevant to establishing that the issuer has appropriate expertise and experience for the management of INDEXO business.

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 INDEXO Management Board members, the Bank of Latvia (in Latvian: Latvijas Banka) evaluated these persons' suitability for the role. The following criteria are taken into consideration:

- sufficient competence in the field for which the person is responsible;
- higher education and corresponding professional experience;
- 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*	Authority term
Henrik Karmo	Chairman of the Management Board	3 June, 2024 (as a Chairman of the Management Board) 16 August, 2018 (as a member of the Management Board)	3 June, 2024	2 June, 2029
Artūrs Roze	Member of the Management Board	3 June, 2024	3 June, 2024	2 June, 2029
Marija Černoštana	Member of the Management Board	3 June, 2024	3 June, 2024	2 June, 2029

* The date of the registration in the Commercial Register

Henrik Karmo



Mr. Henrik Karmo is a professional with more than 25 years of experience in the financial sector. He is one of the founders of INDEXO and since 16.08.2018. also a member of the Management Board. Mr. Henrik Karmo indirectly owns ~~8.54~~ 8.06 % of the total number of INDEXO Shares.

Within the Management Board Mr. Henrik Karmo is responsible for strategy and development, IT, business process and data analysis, marketing.

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

Since 13.06.2020. Mr. Henrik Karmo is Chairman of the Supervisory Board at Indexo Atklātais Pensiju Fonds AS. Henrik Karmo is also a Chairman of the Supervisory Board at Goindex UAB (Lithuania) and a director at SIA "PERFECT MATCH" (Latvia) and Beacon Properties OÜ (Estonia). In the previous 5 years Henrik Karmo has been a Supervisory

Board member at Tulundusühistu Tuleva (Estonia), director at OÜ Capital Coordination (Estonia), Dagny OÜ (Estonia), Gdynia Invest OÜ (Estonia), HKTP Properties OÜ (Estonia), SIA "DVH" (Latvia) and Milo Invest sp. z o.o. (Poland).

As of the date of this Universal Registration Document, the positions and activities of Mr. Henrik Karmo outside of INDEXO Group are not significant with respect to INDEXO.

Artūrs Roze



Mr. Artūrs Roze is a professional with nearly 10 years of experience in financial sector. Mr. Artūrs Roze directly owns ~~0.44~~ 0.13 % of the total number of INDEXO Shares. As of the date of this Universal Registration Document, Mr. Artūrs Roze has been granted 8,000 stock options under Phase Two of the 2022 Share Option Plan.

Within the Management Board Mr. Artūrs Roze is responsible for asset management, IT, sales, quality control and customer support. Artūrs Roze is a member of the Investment Committee.

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

From 2021 to 2024 Mr. Artūrs Roze held the position of Financial Manager at INDEXO. 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, and as a business analyst in Callidus Capital (2018-2021).

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

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

Marija Černoštana



Ms. Marija Černoštana is a legal professional with more than 25 years of experience in the sphere of financial markets. Ms. Marija Černoštana directly owns ~~0.012~~ 0.011 % of the total number of INDEXO Shares. As of the date of this Universal Registration Document, Ms. Marija Černoštana has been granted 5,000 stock options under Phase Two of the 2022 Share Option Plan.

Within the Management Board Ms. Marija Černoštana is responsible for risk management, compliance, legal, data protection and sustainability. Marija Černoštana is a member of the Investment Committee.

Ms. Marija Černoštana has obtained a bachelor's degree and professional diploma in Law from the University of Latvia and master's degree in European and International Law from the Riga Graduate School of Law.

Since 2023 Ms. Marija Černoštana has held the position of the Head of Legal Department at AS INEXO Bank.

She gained previous experience as a legal counsel in Swedbank, from 2005 till 2023 being the Head of Financial Market Legal Department.

Ms. Marija Černoštana is a guest lecturer to Biznesa augstskola Turība.

As of the date of this Universal Registration Document, the positions and activities of Ms. Marija Černoštana outside of INEXO Group are not significant with respect to INEXO

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 INEXO 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 INEXO 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 INEXO.
•	Review: the report on the operation of INEXO internal control system regarding the efficiency of the operation of INEXO's internal control system.
•	Consider: INEXO'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 INEXO 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 INEXO and to get acquainted with all the activities of the Management Board;
- inspect the registers and documents of INEXO, as well as the treasury and all the property of INEXO, entrusting the inspection to one of its members or instructing an invited expert to perform the inspection or clarify certain issues.

INDEXO members of the Supervisory Board are approved by the Bank of Latvia (in Latvian: Latvijas Banka). Upon assessing the INEXO Supervisory Board members, the Bank of Latvia (in Latvian: Latvijas Banka) evaluated these persons' suitability for the role. The following criteria are taken into consideration:

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

Details on the members of the Supervisory Board of INEXO, 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, 2017 (as a Supervisory Board member), 16 August, 2018 (as a Chairman of the Supervisory Board)	28 March, 2025	27 March, 2028
Svens Dinsdorfs	Deputy Chairman of the Supervisory Board	21 September, 2017	28 March, 2025	27 March, 2028
Renāts Lokomets	Member of the Supervisory Board	21 September, 2017	28 March, 2025	27 March, 2028
Ramona Miglāne	Member of the Supervisory Board	19 April, 2023	28 March, 2025	27 March, 2028
Mārtiņš Jaunarājs	Member of the Supervisory Board	28 March, 2025	28 March, 2025	27 March, 2028

** - Shareholders' meeting decision date.

Valdis Vancovičs



Mr. Valdis Vancovičs is a business management professional with extensive experience in the telecommunications industry. Mr. Valdis Vancovičs directly owns ~~1.34~~ 1.26 % of the total number of INDE XO shares.

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

In addition to his role with INDE XO, 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 INDE XO Banka.

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).

Svens Dinsdorfs

Mr. Svens Dinsdorfs is a professional with extensive experience in financial management. Mr. Svens Dinsdorfs indirectly owns ~~1.33~~ 1.25 % of INDE XO 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 INDEXO Banka since 2023, and a member of the Management Board of SIA "Lendorf". He is also a member of association "RTM Tour".

Renāts Lokomets



Mr. Renāts Lokomets is a professional with many years of experience in the banking industry. Mr. Renāts Lokomets indirectly owns ~~1.05~~ 0.99 % of INDEXO shares.

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 INDEXO Bank. Mr. Renāts Lokomets indirectly owns SIA VENTURE CAPITAL, which develops and scales businesses, and is a partner at RAW Ventures Limited. He is also a member of the association "Rīgas Ebreju kopiena".

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 partner of Sorainen ZAB, SIA, a member of a Supervisory Board of Digital Mind 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.

Ms. Ramona Miglāne has gained extensive experience serving on various boards. She was a partner and shareholder at ZAB "drill." PS (2020–2024) and chaired the Supervisory Boards of AS Mintos

Holdings (2015–2020), AS Mintos Marketplace (2016–2020), and AS DelfinGroup (2019–2021). Additionally, she served as a Supervisory Board member at AS MLJH Capital (2017–2020), AS Skanstes Biroju Centrs (2017–2020), and AS Dzimtene (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.

Mārtiņš Jaunarājs



Mr. Mārtiņš Jaunarājs has nearly thirty years of experience in leading positions within Latvian financial and technology sectors, commercial banks and investment funds. Mr. Mārtiņš Jaunarājs indirectly owns ~~4.24~~ 1.14 % of INDEXO shares.

Mr. Mārtiņš Jaunarājs holds Master degree in Business Administration from University of Latvia and holds the Chartered Financial Analyst (CFA) designation.

In addition to his role at INDEXO, Mr. Mārtiņš Jaunarājs is a shareholder and Board Member of SIA Agenda Capital and a chairman of the Supervisory Board at SIA Pure Chocolate since 2017.

Previously, Mr. Mārtiņš Jaunarājs was chairman of the Supervisory Board at SIA Blue Bridge Technologies (2013–2022), SIA Vendon (2012–2022), and SIA AGroup (2013–2022). From 2010 to 2023, Mr. Mārtiņš Jaunarājs served as an Investment Director at BaltCap, overseeing investments in multiple Latvian businesses, managing companies at the board level, and subsequently executing the divestment of these investments.

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

14.4. Declarations

To the knowledge of the members of the Management Board, no member of the Management Board or Supervisory Board 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 and reorganizations have been finalized which resulted of companies being excluded from the Latvian Enterprise Register where:

- Mr. Henrik Karmo served as a Management Board member of SIA “DVH”, which was reorganized through a split in 2022 and subsequently removed from the Latvian Enterprise Register on August 16, 2022. He was also a director at HKTP Properties OÜ, which was liquidated in 2022.
- Mr. Renāts Lokomets was a Supervisory Board member of SIA "Eterna International", which underwent reorganization and was excluded from the Latvian Enterprise Register in 2024.
- Ms. Ramona Miglāne served as a Supervisory Board member in multiple companies:
 - AS MLJH Capital was liquidated, while SIA KB Investments was reorganized and excluded from the Latvian Enterprise Register in 2020.
 - AS Skanstes Biroju Centrs was liquidated, and both SIA LK Investments and AS Grumpy Investments were reorganized and removed from the register in 2021.
 - AS ZS Invest Holdings was liquidated in 2025.

In that respect, to the knowledge of the members of the Management Board, no other member of the Management Board or Supervisory Board 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 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.

14.5. Conflicts of interest

INDEXO Group has set in place and follows internal policy for prevention and management of the conflicts of interest pursuant to the regulatory requirements applicable to the investment management companies, private pension funds and credit institutions. The policy considers various types of potential conflicts between the interests of Indexo Group entities, the persons related thereto, employees, INDEXO Group customers and other third parties (suppliers, etc.).

INDEXO Group exercises all necessary measures to manage the conflicts of interest, including:

- set-up of appropriate organisational structure;
- conflict of interest reporting and record keeping;
- application of conflict of interest management procedures, systems and controls;
- disclosure of the conflict of interest to the customers;
- avoidance of a transaction or action that gives rise to the conflict of interest where the conflict of interest cannot be prevented or effectively managed by other means.

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.

Absence of the conflicts of interest. To the best of members' of the Management Board knowledge and as of the date of this Universal Registration Document:

- no actual or potential conflicts of interest exist between the duties performed by any member of the Management Board or Supervisory Board towards INDEXO and their private interests and/or other duties;
- no arrangements or agreements have been entered into with a shareholder, customer, supplier or others, pursuant to which one of the aforementioned persons has been selected;
- no family affiliation exists between the aforementioned persons;
- no restrictions other than statutory restrictions have been agreed by any of the aforementioned persons with regard to the disposal of their holdings in INDEXO share capital.

14.6. Remuneration and benefits

General principles of Management Board and Supervisory Board members' remuneration

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

On 28 March 2025, the Shareholders' meeting of INDEXO approved the Remuneration policy of the Supervisory Board and Management Board.

Remuneration of the Management Board consists of:

- **The fixed part of remuneration** that is determined by reference to the level of position, duties, responsibilities, required education and professional experience.
- **Other additional benefits** in monetary and non-monetary form, which are included in the standard remuneration package for INEXO employees and that 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, and other similar benefits.
- **Variable part of remuneration** that for the Management Board members can be only in the form of (i) compensation for compliance with the non-compete obligation at work, not exceeding 100% percent of the previous year total remuneration; and (ii) severance pay in case of termination of employment or other legal relations for the amount that exceeds the amount specified by Labor Law, but not exceeding fixed remuneration for the 6 monthsh period. Variable part of remuneration is not guaranteed to any employee, Management of Supervisory Board member.

Remuneration of the Management Board members is determined by the Supervisory Board.

Remuneration of the Supervisory Board consists only of **the fixed part of the remuneration**, which is paid regardless of the results of the person's activities. Remuneration of the Members of the Supervisory Board is determined by INEXO meeting of shareholders and consists of the fixed remuneration for participation in the meetings of the Council and of the committees. No variable remuneration shall be paid to the members of the Council. Members of the Supervisory Board may not participate in the INEXO options program.

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.

Remuneration paid to and other benefits for Management and Supervisory Baord members in 2024 financial year

The tables below outline the total amount of remuneration paid by INEXO to Management Board, Supervisory Board, excluding employer's social insurance contributions, EUR.

Table 14.6.1

Name, surname, position	Fixed remuneration			Variable remuneration	Total remuneration
	Base salary	Other benefits	Total		
Henrik Karmo, Chairman of the Management Board	52 152	2 950	55 102	0	55 102
Artūrs Roze, Member of the Management Board (from 03.06.2024.)	34 671	2 011	36 682	0	36 682
Marija Černoštana, Member of the Management Board (from 03.06.2024.)	0	0	0	0	0
Valdis Vancovičs, Chairman of the Supervisory Council	9 500	0	9 500	0	9 500
Svens Dinsdorfs, Member of the Supervisory Council	10 500	0	10 500	0	10 500
Renāts Lokomets, Member of the Supervisory Council	10 500	0	10 500	0	10 500
Mārtiņš Jaunarājs, Member of the Supervisory Council	0	0	0	0	0

Ramona Miglāne, Member of the Supervisory Council	9 500	0	9 500	0	9 500
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Remuneration received from INDEXO Group company INDEXO Banka, excluding employer's social insurance contributions, EUR.

Table 14.6.2

Name, surname, position	Fixed remuneration			Variable remuneration	Total remuneration
	Base salary	Other benefits	Total		
Henrik Karmo, Chairman of the Management Board	19 986	0	19 986	0	19 986
Marija Černoštana, Member of the Management Board (from 03.06.2024.)	38 442	2 174	40 616	0	40 616

The remuneration received from INDEXO Group company INDEXO Banka is indicated for the period of time during which the person held the position of a member of the Board of IPAS INDEXO. In 2024, all members of the Council received remuneration from IPAS INDEXO and did not receive any remuneration from other Group companies within the meaning of the Law on Annual Reports and Consolidated Annual Reports of the Republic of Latvia.

In addition to remuneration, the INDEXO Group companies may offer their employees and officials the opportunity to participate in the option program. Options are granted in accordance with the Group's Option Issuance Rules. This is a long-term incentive plan for the management board and employees in the form of shares, aimed at motivating employees and management board members to focus on the long-term development of operations and to foster interest in the effective management of IPAS INDEXO. Section 15 provides more detailed information regarding option program.

No service contract between INDEXO or any of its subsidiaries and the members of the Management Board and Supervisory Board provides for the benefits upon termination of employment,

No amounts are set aside or accrued by INDEXO or its subsidiaries to provide for pension, retirement or similar benefits of the Management Board and Supervisory Board members.

14.7. Audit and other committees

Audit committee

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

The internal Audit committee consists of Mr. Svens Dinsdorfs, and Renāts Lokomets, and independent member of the committee, Mrs. Ieva Jāgere the third seat on the committee is temporarily vacant and will be filled in due course. 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 Audit committee shall be entitled to remuneration determined by INDEXO's Shareholders' meeting.

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.

Remuneration committee

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

14.8. Corporate governance

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

The Management Board has set 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 aims to foster trust and ethical behaviour thereby ensuring that INDEXO's long-term objectives are met.

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, INDEXO strives to provide effective, transparent, and compliant management which therefore creates a responsible, safe, and comfortable environment for INDEXO employees, investors, and clients.

Following acquisition of credit institution licence by AS INDEXO Banka, under new INDEXO Group governance structure introduced in year 2024, AS INEXO Banka acts 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 a responsible entity within the Group, INDEXO Banka is responsible for the development of Group strategy, Group business planning, financial and treasury management, as well as risk management framework.

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):

- | | |
|---|---|
| ● | INDEXO Group corporate governance policy |
| ● | INDEXO Group code of ethics |
| ● | INDEXO Group conflict of interest management prevention policy |

•	INDEXO Group Remuneration policy
•	IPAS INDEXO Management Board and Supervisory Board Remuneration policy policies regarding Management and Supervisory Board members' and employees' remuneration
•	INDEXO Group material risk management policy
•	INDEXO Group internal audit policy
•	INDEXO Group Procurement organization and oversight policy procurement policy
•	INDEXO Group Outsourcing engagement and oversight policy outsourcing policy
•	INDEXO Group Client feedback and complaints handling complaint management policy
•	IPAS INDEXO Accounting policy accounting policies
•	INDEXO Group Information security policies policies regarding use and protection of information systems
•	IPAS INDEXO AML/CFT/CPF and sanctions risk assessment and management rules AML/CFT/CPF and sanctions risk management policies
•	IPAS INDEXO Dividend policy
•	INDEXO Group Data processing policy
•	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 as a listed company prepares yearly Corporate governance report on the basis of the requirements of the section 56.² of the Financial Instruments Market Act and «Code of Corporate Governance» issued by the Corporate Governance Advisory Board of the Ministry of Justice of the Republic of Latvia in 2020. Principles and criteria incorporated in the Code have been developed taking into consideration suggestions by the European Union and the Organization for Economic Cooperation and Development (OECD) on corporate governance of limited companies. Evaluating compliance with the principles of the Code in the year 2024, the INDEXO's Management Board concluded that INDEXO fully complies with 13 and partially complies with 4 of the principles incorporated in the «Code of Corporate Governance». INDEXO Corporate governance report is available at INDEXO website www.indexo.lv.

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 and future development of INDEXO is largely dependent on attracting and retaining a qualified employees for a long term. In order to attract and retain qualified personnel, INDEXO offers remuneration, which is fair and competitive, as well as other benefits which could attract qualified personnel also in future. 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.

The subsidiary of INDEXO, INDEXO Bank, received a credit institution license in 2024, leading to growth in number of employees in INDEXO Group; additionally, it is also due to the Group's future development plans.

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

	2022	2023	2024
Average number of employees employed by INDEXO Group	83	76	108

The place of permanent employment of the majority of employees of INDEXO is within the metropolitan area of Riga, Latvia.

15.2. Personnel Share Option Plans

In addition to remuneration, the Company may offer its employees and officials the opportunity to participate in the option program. Options are granted in accordance with the Group's Option Issuance Rules. This is a long-term incentive plan for the management board and employees in the form of shares, aimed at motivating employees and management board members to focus on the long-term development of operations and to foster interest in the effective management of INDEXO.

The Company's shareholders' meeting has approved two share purchase right (option) schemes that are in force and within which one option gives the right to purchase one share of the company. The first staff option scheme is hereinafter referred to as the employee stock option scheme, while the second option scheme is hereinafter referred to as the management stock option scheme.

The employee options are not considered as variable or fixed remuneration, as the terms of issue stipulate that the option holder may purchase employee options at a price not lower than the nominal value of the shares, and the option holder must cover the purchase from his own funds. Options may be granted to Members of the Management Board by the Supervisory Council, in accordance with the Group's Option Issuance Rules.

Employee stock option scheme

The terms of the Employee stock option scheme were approved at the Company's shareholders' meeting on March 29, 2021. The updated terms were approved at the Company's shareholders' meeting on March 24, 2022, the current version of the terms was approved on March 25, 2024. One option gives the right to purchase one share of the Company for EUR 2.86 with a holding period of 1 year. The management Board determines the effective date for the exercise of the option right each year, provided that at least two dates are determined in a calendar year. The option holder is entitled to exercise the employee stock option granted to him/her no later than the nearest exercise date of the options after the end of the holding period; unused options are annulled.

Management stock option scheme

The terms of the Management stock option scheme were approved by the Company's shareholders' meeting on March 24, 2022, the current version of the terms was approved on March 25, 2024. According to the terms of stage I of the Management option stock scheme, one option gives the right to purchase one share of the Company for EUR 1.00 with a holding period of 1 year. According to the terms of stage II of the management stock option scheme, one option gives the right to purchase one share of the Company for EUR 27.48 with a minimum holding period of 1 year. The Management board determines exercise dates of the options each year, provided that at least two dates are determined in a calendar year. The holder of options issued under Stage I is entitled to exercise the options granted to him/her no later than the nearest option exercise date after the end of the holding period, unused Stage I options are annulled. The holder of options issued under Stage II may start exercising the options granted to him/her in the relevant proportional amount on the nearest option exercise date after the end of the holding period and may continue to exercise them on any subsequent option exercise date.

The Company has certain clawback rights in relation to Stage I options if on the exercise date (the date being Company's Management Board meeting which is no later than 4 months after the publication of the Company's 2026 annual financial statements) the value of the Company's share does not exceed the amounts specified in the Management stock option scheme regulations. Holders of options issued under Stage I may derive material benefit from the Sage I management stock option only if the market price of the share on the exercise date exceeds EUR 16.51 per share. The number of shares to be returned depends on the market value of the Company's shares and is determined in accordance with the terms of the option scheme.

16. SHAREHOLDERS

The largest shareholders of INDEXO (on ~~25 March~~ 3 July 2025) are:

- Henrik Karmo (direct and indirect with PERFECT MATCH SIA (Latvia) and BEACON PROPERTIES OU (Estonia)) – ~~8.54~~ 8.06%
- Valdis Siksnis (direct and indirect with VSCAP SIA (Latvia)) – ~~5.76~~ 5.44%
- BAROLO FINANTS OU (Estonia) – ~~5.39~~ 5.09%

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 31 of INDEXO's audited consolidated and separate annual report for the financial year ended on 31 December 2024, Note 24 of INDEXO's audited stand alone and consolidated financial statements for the financial year ended on 31 December 2023, Note 19 of INDEXO's audited stand alone and consolidated annual report for the financial year ended on 31 December 2022.

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

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 on 1 January 2024:

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024).

Classification of liabilities as current or non-current – Amendments to IAS 1 (effective for annual periods beginning on or after 1 January 2024).

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (effective for annual periods beginning on or after 1 January 2024).

New standards and amendments did not have any material impact on the INDEXO financial statements.

Standards or interpretations effective for the first time for the annual periods beginning after 1 January 2024 or not yet endorsed by the EU

Amendments to IAS 21 Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025).

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026, not yet endorsed by the EU).

Annual Improvements to IFRS Accounting Standards (Issued in July 2024 and effective from 1 January 2026, not yet endorsed by the EU).

Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026, not yet endorsed by the EU).

IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027, not yet endorsed by the EU).

IFRS 19 Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027).

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 INDEXO Group and INDEXO (EUR)

The tables below set out information from INEXO's Group and INEXO's statements of income for the years ended 31 December 2022, 2023 as well as 2024.

Table 18.1

	Year ended 31 December		
	Consolidated		
	2022	2023	2024
Commission income	2,277,620	3,123,426	4,474,815
Commission expense	-	-	(129,042)
Administrative costs	(3,514,964)	(5,994,955)	(9,374,475)
Interest income calculated using the effective interest rate	2,495	51,466	470,854
Interest costs	(3,147)	(4,713)	(773,344)
Other operating income	-	-	150,000
Other operating expenses	(32,738)	(63,632)	(102,716)
Allowances for expected credit losses	-	(3,497)	(88,961)
Profit/(loss) before corporate income tax	(1,270,734)	(2,891,905)	(5,372,869)
Corporate income tax	(1,069)	(6,296)	(9,461)
Profit or loss of the reporting year	(1,271,803)	(2,898,201)	(5,382,330)
Total comprehensive profit/(loss) for the year, attributable to shareholders for the year	(1,271,803)	(2,898,201)	(5,382,330)
Basic earnings per share	(0.39)	(0.79)	(1.18)
Diluted earnings per share	(0.38)	(0.79)	(1.18)

Table 18.2

	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
Commission income	2,257,065	3,078,289	4,358,622
Administrative costs	(3,269,188)	(3,293,174)	(3,178,802)
Interest income calculated using the effective interest rate	2,495	29,725	69,859
Interest costs	(3,147)	-	(303,084)
Other operating expenses	(3,557)	(43,795)	(64,743)
Allowances for expected credit losses	-	(3,497)	(1,229)
Profit/(loss) before corporate	(1,016,332)	(237,165)	880,623

income tax			
Corporate income tax	(1,069)	(5,226)	(7,388)
Profit or loss of the reporting year	(1,017,401)	(242,391)	873,235
Total comprehensive profit/(loss) for the year, attributable to shareholders for the year	(1,017,401)	(242,391)	873,235
Basic earnings per share	(0.31)	(0.07)	0.19
Diluted earnings per share	(0.30)	(0.07)	0.19

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 2022, 2023, as well as 2024.

Table 18.3

Assets	Year ended 31 December		
	Consolidated		
	2022	2023	2024
Cash and cash equivalents	7,231,123	2,707,396	36,647,025
Investments in equity securities	11,663	61,583	61,583
Loans and advances due from customers	-	-	987,306
Loans to associated companies	-	53,944	73,843
Receivables	220,190	321,489	460,869
Investments in subsidiaries	-	-	-
Investments in associates	49,000	127,400	198,450
Prepayments	24,279	548,006	751,524
Current tax prepayment	-	-	4,433
Other assets	6,937	81,990	534,963
Intangible assets*	177,177	1,965,168	4,562,356
Property, plant and equipment and right-of-use of assets	81,870	59,499	2,590,711
Contract purchase costs	990,417	1,389,048	1,566,969
Total Assets	8,792,656	7,315,523	48,440,032

Equity and Liabilities	Year ended 31 December		
	Consolidated		
	2022	2023	2024
Deposits from customers	-	-	32,423,162
Lease liabilities	90,468	46,665	2,041,690
Debts to suppliers and contractors	89,072	608,361	514,932

Taxes and national social insurance mandatory contributions	95,245	207,962	197,003
Accrued liabilities	193,584	246,200	581,148
Other liabilities	233,046	334,154	557,402
Total Liabilities	701,415	1,443,342	36,315,337
Share capital	3,568,511	3,795,407	4,760,549
Share options	176,960	379,055	269,224
Share premium	7,062,908	7,094,334	17,525,087
Retained losses	(2,717,138)	(5,396,615)	(10,430,165)
Total equity and reserves	8,091,241	5,872,181	12,124,695
Equity and Liabilities Total	8,792,656	7,315,523	48,440,032

Table 18.4

Assets	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
Cash and cash equivalents	4,970,780	982,789	1,468,245
Investments in equity securities	11,663	61,583	61,583
Loans and advances due from customers	-	-	-
Loans to associated companies	-	754,290	73,843
Receivables	388,743	317,911	452,249
Investments in subsidiaries	2,600,000	5,750,000	18,084,445
Investments in associates	49,000	127,400	198,450
Prepayments	24,279	30,816	38,181
Current tax prepayment	-	-	4,425
Other assets	6,937	5,120	35,030
Intangible assets*	-	-	1,742
Property, plant and equipment and right-of-use of assets	81,870	44,524	100,413
Contract purchase costs	990,417	1,389,048	1,566,969
Total Assets	9,123,689	9,463,481	22,085,575

Equity and Liabilities	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
Deposits from customers		-	-

Lease liabilities	90,468	46,665	77,323
Debts to suppliers and contractors	70,669	114,127	21,080
Taxes and national social insurance mandatory contributions	92,814	52,651	32,387
Accrued liabilities	177,555	160,434	393,432
Other liabilities	106,513	67,184	30,854
Total Liabilities	538,019	441,061	555,076
Share capital	3,568,511	3,795,407	4,760,549
Share options	176,960	379,055	269,224
Share premium	7,062,908	7,094,334	17,525,087
Retained losses	(2,222,709)	(2,246,376)	(1,024,361)
Total equity and reserves	8,585,670	9,022,420	21,530,499
Equity and Liabilities Total	9,123,689	9,463,481	22,085,575

Cash flow statements of INEXO Group and INEXO (EUR)

The tables below set out selected information from INEXO's Group and INEXO's statements of cash flows for the years ended 31 December 2022, 2023, as well as 2024.

Table 18.5

	Year ended 31 December		
	Consolidated		
	2022	2023	2024
Cash flow from operating activities			
Profit / (Loss) before corporate income tax	(1,270,734)	(2,891,905)	(5,372,869)
Depreciation of PPE and amortisation of right-of-use and intangible assets	69,760	112,017	662,786
Amortisation of contract acquisition costs	139,277	233,824	314,205
Expense Recognition of Share option reserves	171,524	420,819	238,949
Allowances for expected credit losses	-	3,497	88,961
Interest income calculated using the effective interest rate	(2,495)	(51,466)	(470,854)
Interest expense	3,147	4,713	773,344
(Decrease)/increase in cash and cash equivalents from operating activities before changes in operating assets and liabilities	(889,521)	(2,168,501)	(3,765,478)
Increase in receivables, prepayments, and other assets	(670,111)	(1,327,447)	799,662
Financial assets measured at amortized cost (including loans)	-	-	(1,069,854)
Increase / (decrease) in accrued liabilities	76,330	52,616	488,055
Increase/ (decrease) in trade payables and other liabilities	192,001	729,047	(2,115,499)

Financial liabilities measured at amortized cost including deposits	-	-	32,423,162
Corporate income tax	(1,069)	(6,296)	(9,461)
Interest received	750	51,446	465,455
Interest paid	-	(3,522)	(709,159)
Decrease in cash and cash equivalents from operating activities	(1,291,620)	(2,672,657)	26,506,883
Cash flow from investing activities			
Intangible asset and PPE purchases	(97,402)	(1,885,145)	(3,601,011)
Investments in subsidiaries	-	-	-
Investments in associated company share capital	(49,000)	(128,320)	(71,050)
Issued loans	-	(53,900)	(24,364)
Repaid loans	-	-	3,387
Decrease in cash and cash equivalents from investing activities	(146,402)	(2,067,365)	(3,693,038)
Cash flow from financing activities			
Share capital increase	7,537,257	258,323	11,395,895
Payment of principal of lease liabilities	(27,806)	(37,315)	(205,926)
Interest paid on lease liabilities	(3,147)	(4,713)	(64,185)
Increase in cash and cash equivalents from financing activities	7,506,304	216,295	11,125,784
(Decrease)/increase in cash and cash equivalents	6,068,282	(4,523,727)	33,939,629
Cash and cash equivalents at the beginning of the reporting period	1,162,841	7,231,123	2,707,396
Cash and cash equivalents at the end of the reporting period	7,231,123	2,707,396	36,647,025

Table 18.6

	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
Cash flow from operating activities			
Profit / (Loss) before corporate income tax	(1,016,332)	(237,165)	880,623
Depreciation of PPE and amortisation of right-of-use and intangible assets	41,421	36,632	50,075
Amortisation of contract acquisition costs	139,277	233,824	314,205
Expense Recognition of Share option reserves	171,524	420,819	238,949
Allowances for expected credit losses	-	3,497	1,229
Interest income calculated using the effective interest rate	(2,495)	(29,725)	(69,859)
Interest expense	3,147	4,713	303,084
(Decrease)/increase in cash and cash equivalents from operating activities before changes in operating assets and liabilities	(663,458)	432,595	1,718,306
Increase in receivables, prepayments, and other assets	(807,765)	(566,396)	(682,847)
Financial assets measured at amortized cost (including loans)	-	-	-
Increase / (decrease) in accrued liabilities	65,201	(17,121)	214,505
Increase/ (decrease) in trade payables and other liabilities	121,546	(34,960)	(129,377)
Financial liabilities measured at amortized cost including deposits	-	-	-
Corporate income tax	(1,069)	(5,226)	(7,388)
Interest received	750	29,725	69,704
Interest paid	-	(3,887)	(299,851)

Decrease in cash and cash equivalents from operating activities	(1,284,795)	(165,270)	883,052
Cash flow from investing activities			
Intangible asset and PPE purchases	-	(6,796)	(11,720)
Investments in subsidiaries	(2,000,000)	(3,150,000)	(12,334,445)
Investments in associated company share capital	(49,000)	(128,320)	(71,050)
Issued loans	-	(753,900)	(24,364)
Repaid loans	-	-	707,232
Decrease in cash and cash equivalents from investing activities	(2,049,000)	(4,039,015)	(11,734,347)
Cash flow from financing activities			
Share capital increase	7,537,257	258,323	11,395,895
Payment of principal of lease liabilities	(27,806)	(37,315)	(55,911)
Interest paid on lease liabilities	(3,147)	(4,713)	(3,233)
Increase in cash and cash equivalents from financing activities	7,506,304	216,295	11,336,751
(Decrease)/increase in cash and cash equivalents	4,172,509	(3,987,991)	485,456
Cash and cash equivalents at the beginning of the reporting period	798,271	4,970,780	982,789
Cash and cash equivalents at the end of the reporting period	4,970,780	982,789	1,468,245

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

The tables below set out information consolidated equity and result of changes in equity for the years ended 31 December 2022, 2023 and as well as 2024.

Table 18.7

Consolidated	Share capital	Share options	Share premium	Accumulated deficit	Total
31.12.2022	3,568,511	176,960	7,062,908	(2,717,138)	8,091,241
Share option exercise	226 896	(218,724)	31,426	218,724	258,322
Increase in Share option reserves		420,819			420,819
Total comprehensive loss for the period	-	-	-	(2,898,201)	(2,898,201)
31.12.2023	3,795,407	379,055	7,094,334	(5,396,615)	5,872,181
Share option exercise	43 149	(348,780)	32,225	348,780	75 374
Increase in Share option reserves	-	238,949	-	-	238,949
Increase in Share capital	921,993	-	10,398,582	-	11,320,521
Total comprehensive loss for the period	-	-	-	(5,382,330)	(5,382,330)
31.12.2024	4,760,549	269,224	17,525,087	(10,430,165)	12,124,695

Table 18.8

Stand-alone	Sharecapital	Share options	Share premium	Accumulated deficit	Total
31.12.2022	3,568,511	176,960	7,062,908	(2,222,709)	8,585,670
Share option exercise	226,896	(218,724)	31,426	218,724	258,322

Increase in Share option reserves		420,819		-	420,819
Total comprehensive loss for the period	-	-	-	(242,391)	(242,391)
31.12.2023	3,795,407	379,055	7,094,334	(2,246,376)	9,022,420
Share option exercise	43 149	(348,780)	32 225	348,780	75,374
Increase in Share option reserves	-	238,949	-	-	238,949
Increase in Share capital	921,993	-	10,398,528	-	11,320,521
Total comprehensive profit for the period	-	-	-	873,235	873,235
31.12.2024	4,760,549	269,224	17,525,087	(1,024,361)	21,530,499

19. RIGHTS TO DIVIDENDS AND DIVIDEND POLICY

19.1. Main principles of Dividend Policy

On 24 March 2022 the Shareholders' meeting approved INEXO Dividend policy.

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

- maintaining a balance between the short-term (profit) and long-term (development of INEXO) 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 INEXO as shown in the Annual Report. Dividends are paid to a Shareholder in proportion to the total number of shares in INEXO 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 INEXO's Articles of Association.

19.2. Decision on distributing dividends

The governing body of INEXO 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 INEXO profits include, but are not limited to, the following:

- the financial situation of INEXO and the state of the economy;
- INEXO's legal liabilities and obligations;
- the amount of equity capital required;
- the strategic objectives of INEXO;
- 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 INEXO 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 INEXO 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 INEXO.

When a portion of profits is distributed but used in INEXO's business, INEXO will seek to strike the right balance between the amount of dividends paid and the amount of profits retained in the business. INEXO 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 except for taxation requirements. For a description of withholding tax on dividends applicable to Shareholders, 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. The available capital for the business operations of INDEXO will be invested into the growth of INDEXO Group, therefore INDEXO plans to start declaring dividends when the profits of INDEXO exceed the INDEXO Bank 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 which may have significant effects on the issuer and/or INDEXO group's financial position or profitability.

21. SHARE CAPITAL AND SHARES

21.1. The current share capital of INEXO

All INEXO 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 INEXO 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..

As of the date of this Universal Registration Document, INEXO's issued share capital amounts to EUR ~~4,774,117~~ 5,061,225, divided into ~~4,774,117~~ 5,061,225 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	4,774,117 <u>5,061,225</u>	1	4,774,117 <u>5,061,225</u>

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~~ starting from year 2020 and till the end of the first quarter of year 2025, 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 shares, thereby dividing the share capital of INEXO into 3,016,987 shares with a nominal value of EUR 1 (one Euro) per share.	-	3,016,987
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
2024	The share capital was increased by EUR 965,142 resulting in issuance of 965,142 new shares with nominal value of EUR 1.	965,142	4,760,549
2025 up to the date of Universal Registration Document	The share capital was increased by EUR 13,568 resulting in issuance of 13,568 new shares with nominal value of EUR 1.	13,568	4,774,117
	<u>The share capital was increased by EUR 272,108 resulting in issuance of 272,108 new shares with nominal value of EUR 1.</u>	<u>272,108</u>	<u>5,046,225</u>
	<u>The share capital was increased by EUR 15,000 resulting in issuance of 15,000 new shares with nominal value of EUR 1.</u>	<u>15,000</u>	<u>5,061,225</u>

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 text of the Articles of Association currently in force can be found on INDEXO corporate website www.indexo.lv.

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. The nominal value of one share is 1 EUR (one euro).
- **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 the Company for a period of up to 5 (five) years is authorized to increase the share capital of the Company for the amount up to and not exceeding 572 000 (five hundred and seventy-two thousand) shares, in accordance with the provisions of Article 249 part 4 of the Commercial Law.
- **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 outside the ordinary course of business and 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 2024.
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 2024, 31 December 2023, 31 December 2022.
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., LV1076, 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.
Barolo Finants OÜ	A private limited liability company registered in Estonia, registration number:11459279, legal address: Harju maakond, Tallinn, Kesklinna linnaosa, Roosikrantsi tn 11, 10119, Estonia.
Belarus	Republic of Belarus.
Beacon Properties OÜ	A private limited liability company registered in Estonia, registration number:12058105, legal address: Harju maakond, Tallinn, Kesklinna linnaosa, Tina tn 8-4, 10126, Estonia.
CFT	Combating the financing of terrorism.
CPF	Counter Proliferation Financing.
Commercial Register	The Register of Enterprises of the Republic of Latvia.
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.

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.
General Meeting or Shareholders' meeting	A meeting of INDEXO's shareholders.
Goindex UAB	A private limited liability company registered in Lithuania, registration number: 305706496; legal address: Eglynlaukio g. 7, Vilnius, Lithuania.
IAS	International Accounting Standards.
IFRS	International Financial Reporting Standards.
SIA Provendi asset management AIFP	A private limited liability company registered in Latvia, registration number: 40203438204, legal address: Rīga, Elizabetes iela 13 - 1, LV-1010, Latvia.
INDEXO or IPAS "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 Roberta Hirša street 1, Riga, LV-1045, Latvia.
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 Roberta Hirša street 1, Riga, LV-1045, Latvia. Indexo Atklātais Pensiju Fonds AS is a subsidiary of INDEXO.
INDEXO Bank or AS INDEXO Bank or Bank	A joint stock company (akciju sabiedrība) incorporated in Latvia and registered in the Commercial Register on 19.12.2022 under registration number 40203448611, having its registered address at Roberta Hirša street 1, Riga, LV-1045, Latvia. The legal name until 16.05.2024 - AS IDX1R.
INDEXO Group	INDEXO and its subsidiaries INDEXO Bank and Indexo Atklātais Pensiju Fonds AS.
INDEXO Jauda 16-55	2 nd pension pillar plan with a 100% allocation to equities.
INDEXO Izaugsme 55-62	2 nd pension pillar plan with a 50% allocation to equities. The first 2 nd pension pillar plan in Latvia, which offered clients investment in index-based funds.
INDEXO Konservatīvais 62+	2 nd pension pillar plan with a 100% allocation to investment grade fixed income funds
INDEXO Akciju plāns	3 rd pension pillar plan with a 100% allocation to equities.
INDEXO Obligāciju plāns	3 rd pension pillar plan with a 100% allocation to investment grade fixed income funds.
Investment management company	The investment management company authorised in accordance with Investment Management Companies' Law.

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 Roberta Hirša street 1, Riga, LV-1045, Latvia.
ISIN	International Securities Identification Number.
IT	Information Technologies.
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.
Nasdaq CSD	Nasdaq CSD SE (<i>Societas Europaea</i>), the regional Baltic central securities depository (CSD), registration No. 40003242879, registered address Valņū street 1, Riga LV-1050, Latvia.
Nasdaq Riga	Nasdaq Riga AS, registration No. 40003167049, registered address at Valņū 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.
PERFECT MATCH SIA	A private limited liability company registered in Latvia, registration number: 40003663126, legal address: Rīga, Stabu iela 64 - 8, LV-1009, Latvia.
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.
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.
VSCAP SIA	A private limited liability company registered in Latvia, registration number: 50103872951, legal address: Rīga, Elizabetes iela 13 - 1, LV-1010, Latvia.

INDEXO⁷

Annex 2

**Consolidated version of the Universal
Registration Document dated April 11, as
supplemented by the First Supplement dated
August 7 2025**

UNIVERSAL REGISTRATION DOCUMENT

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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
Henrik Karmo

signed with a safe electronic signature

Member of the Management Board
Artūrs Roze

signed with a safe electronic signature

Member of the Management Board
Marija Černoštana

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.

Information about INDEXO Group

The information presented in this Universal Registration Document has been prepared with the understanding that INDEXO is the parent company of INDEXO Group. Consequently, where relevant, group-wide information has been provided to ensure a comprehensive understanding of the Group’s operations, financial conditions and prospects. Group-wide information includes the information on subsidiaries included in INDEXO’s financial consolidation scope, namely INDEXO Bank and Indexo Atklātais Pensiju Fonds AS.

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 2024, 31 December 2023, 31 December 2022 (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 2024 and 31 December 2023 and 31 December 2022.

The Audited Financial Statements, available at: [Reports | For Investors | Indexo](#) consist of the following:

- 4) INDEXO audited consolidated and separate annual report for the financial year ended 31 December 2024 and the independent auditor’s report, available at:
<https://indexo.lv/wp-content/uploads/2025/02/IPAS-INDEXO-consolidated-and-separate-annual-report-2024-with-auditor-report.pdf>
- 5) INDEXO audited consolidated and separate annual report for the financial year ended 31 December 2023 and the independent auditor’s report, available at:
<https://indexo.lv/wp-content/uploads/2024/02/ipas-indexo-consolidated-and-separate-annual-report-2023-with-auditor-report.pdf>
- 6) INDEXO audited consolidated and separate annual report for the financial year ended 31 December 2022 and the independent auditor’s report, available at:
<https://indexo.lv/wp-content/uploads/2023/02/ipas-indexo-consolidated-audited-annual-report-2022-with-auditor-report.pdf>

INDEXO unaudited consolidated interim financial report for the first quarter of year 2025 as of March 31, 2025, available at <https://indexo.lv/wp-content/uploads/2025/05/3M-2025-Consolidated-Interim-Report.pdf>

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.

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 6 “KEY STRATEGIES OF INDEXO” 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 2024 and the independent auditor's report, available at: <https://indexo.lv/wp-content/uploads/2025/02/IPAS-INDEXO-consolidated-and-separate-annual-report-2024-with-auditor-report.pdf>;
- 2) INDEXO audited consolidated and separate annual report for the financial year ended 31 December 2023 and the independent auditor's report, available at: <https://indexo.lv/wp-content/uploads/2024/02/ipas-indexo-consolidated-and-separate-annual-report-2023-with-auditor-report.pdf>;
- 3) INDEXO audited consolidated and separate annual report for the financial year ended 31 December 2022 and the independent auditor's report, available at: [ipas-indexo-consolidated-audited-annual-report-2022-with-auditor-report.pdf](https://indexo.lv/wp-content/uploads/2023/02/ipas-indexo-consolidated-audited-annual-report-2022-with-auditor-report.pdf);
- 4) INDEXO Articles of Association, available on INDEXO corporate website: [Documents | INDEXO](#) .
- 5) INDEXO unaudited consolidated interim financial report for the first quarter of year 2025 as of March 31, 2025, available at <https://indexo.lv/wp-content/uploads/2025/05/3M-2025-Consolidated-Interim-Report.pdf>

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/en/>).

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: Marijas iela 2A, Riga, LV-1015, Latvia was appointed as INDEXO's external auditor for the accounting period of 2020-2024. PricewaterhouseCoopers SIA is a certified auditor (licence No. 5) and a member of the Latvian Association of Certified Auditors.

ERNST & YOUNG BALTIC SIA, registration number: 40003593454, legal address: Riga, Muižas street 1A, LV-1010, was elected by the Shareholders' meeting of 28 March 2025 as the auditor of INDEXO's annual accounts

for the year 2025. ERNST & YOUNG BALTIC SIA is a certified auditor (licence No. 17) and the member member of the Latvian Association of Certified Auditors.

2. RISK FACTORS

Following acquisition of credit institution licence by AS INEXO Banka, under new INEXO Group governance structure introduced in year 2024, AS INEXO Banka acts as responsible entity within INEXO Group to ensure INEXO 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 a responsible entity within the Group, INEXO Banka is responsible for the development of Group strategy, Group business planning, financial and treasury management, as well as risk management framework. Please refer to Section 14.8 Corporate governance for further details.

Given the above responsibility of INEXO Banka, risk factor section outlines the primary risk factors that the INEXO Group believes could significantly impact its solvency, business operations or profitability.

The INEXO Group 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 INEXO 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 INEXO Group and industries 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.

Taking into account the nature of the business and operations of INEXO Group, it must be noted that INEXO Group regularly assesses and identifies the risks that are associated with all its Group entities. The risk factors presented are disclosed and relevant to INEXO Group as of the date of this Universal Registration Document.

Risk factor section starts with the external risk factors related to macroeconomic, geopolitical and competitive environments followed by description of significant risk factors as identified according to Indexo Group Risk management policy.

The risk factors are presented in order of their materiality 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 INEXO or that INEXO currently considers immaterial may also individually or cumulatively have a material adverse effect on INEXO's or INEXO's Group business, brand, financial results of operations or prospects.

2.1. Risk factors related to macroeconomic and geopolitical environments

Macroeconomic factors. INEXO manages pension funds of residents of Latvia who participate in INEXO 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. 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, INEXO'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 INEXO holds. Moreover, the commission fee received by INEXO depends on the amount of AUM.

The wellbeing of its clients, their income levels, and the funds available for investment are directly affected by the overall performance of the Latvian economy. The wide sanctions adopted within the EU and beyond against the Russian Federation and the Republic of Belarus have adversely affected the Latvian economy through factors such as rising energy prices and inflation.

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.

These factors could have a material adverse effect on INDE XO Group business, financial and operational results, conditions or prospects.

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

In recent years, several factors have affected the global economy, with some being more relevant to Europe and Latvia specifically. These factors are potential risk drivers in the economies affected by them, as they may cause events or situations beyond INDE XO Group's reasonable control, thereby affecting its business and operations unpredictably.

Geopolitical tension. Increased geopolitical tension was noticeable in the Baltics in early 2022 as Russia invaded Ukraine, which can be perceived as an attack against Europe, its democratic values, and a violation of international law.

As a result, at the end of 2022, annual inflation in Latvia reached the highest level in the last decade—20.8% per year—significantly outpacing the increase in average wages and reducing the real purchasing power of the population.

The increase in energy prices and inflation may indirectly affect financial markets and the free funds of INDE XO Group's customers. However, INDE XO does not expect the quality of its debtors to deteriorate.

2.2. Risk factors related to the operating environment of the INDE XO Group

Competition risk in the pension management segment

Since the moment INDE XO 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 INDE XO have tried to improve their service and keep up with the trends set by INDE XO.

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

INDE XO Group is conducting its business in a competitive environment. Therefore, the operational and financial results of INDE XO Group could be materially adversely affected if INDE XO 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

INDE XO 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, INDE XO 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 INDE XO entered the market. Even though the popularity of the INDE XO brand has grown tremendously, there is a risk that INDE XO 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. Competitors are also striving to retain their existing clients and recapture clients INDE XO has historically attracted to its services therefore driving up churn of INDE XO client base. INDE XO competitors' group companies could have more readily available financial resources to acquire clients at any cost than INDE XO; therefore, INDE XO might face a risk that potential new clients will decide not to change their asset manager to become INDE XO clients. INDE XO is investing in developing its

brand value, and striving to deliver industry-leading results for its pension clients in order to sway customers into choosing INDEXO as their pension manager. INDEXO has allocated financial resources believed to be sufficient to achieve the expected result of client acquisition and fight competition.

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.

Competition risk in the 3rd pension pillar segment

There are several asset managers licensed by the Bank of Latvia to manage 3rd pillar pension, including INDEXO, who manages 3rd pillar pension plans established by INDEXO's subsidiary Indexo Atklātais Pensiju Fonds AS. Indexo Atklātais Pensiju Fonds AS is a relatively new entrant to the market. It is currently in a rapid expansion stage. Moreover, the 3rd pension pillar in Latvia is still in a growth stage, and significant efforts are required to attract more participants to this voluntary private asset management scheme. The challenges faced by Indexo Atklātais Pensiju Fonds AS and INDEXO as an asset manager include competition from established players and the need to improve the open-mindedness and financial literacy of Latvian resident.

Considering that INDEXO Group's competitors in 3rd pension pillar market are mainly asset managers and pension funds, who are the members of large financial groups, competitors have a broader client base already receiving various services from these established brands. INDEXO and Indexo Atklātais Pensiju Fonds, on the other hand, need to build trust in its brand and raise financial literacy to introduce existing 2nd pillar pension clients and potential new clients to the benefits and necessity of investing in the 3rd pension pillar.

Increased competition could lead to an increased number of clients who decide to move away from Indexo Atklātais Pensiju Fonds AS or not begin cooperation altogether thus lowering the growth of this business unit. INDEXO Group actively monitors competitors' activities and churn levels and is ready to allocate more resources to acquire clients or keep existing clients from leaving if the business case supports such investments.

Nonetheless, the popularity of the 3rd pension pillar is only beginning to increase. Since entering the market, Indexo Atklātais Pensiju Fonds AS has been a trendsetter regarding service levels and costs.

Competition risk in the banking market

The banking sector in Latvia is fragmented but top-heavy. With 9 credit institutions and 4 foreign bank branches operating at the end of June 2025, it is dominated by Scandinavian banking groups (Swedbank, SEB) and American owned banks (Luminor, Citadele) which all have near-identical offerings. At the end of March 2025, Swedbank, SEB, Citadele and Luminor controlled around 83% of the total lending volume, 86% of the total deposits volume and 84% of the total assets¹⁵, leaving less than 20 percent of the market to other participants.

Such oligopolistic market situation has been existing for many years and has been comfortable for the 4 largest banks. They have had no motivation or need to step out of the comfort zone and exit derisking strategy. On June 20th 2024 a conference dedicated to the competition, development opportunities, and challenges of commercial banks was held at the University of Latvia (LU). During the event, a study on the transformation of the banking sector in the EU and Northern Europe, as well as on banking competition in the Baltic States and the situation in the Latvian commercial banking sector, developed by LU and the Association of Economists, was presented¹⁶.

The study results indicate that the concentration level in the banking sector of the Baltic States is high. This points to a lower level of competition, especially compared to Scandinavian countries and the EU average. The so-called 'capital overhaul' in the financial sector has introduced adjustments to banks' 'risk appetite' and

¹⁵ Kredītiestāžu darbības rādītāji | Latvijas Banka

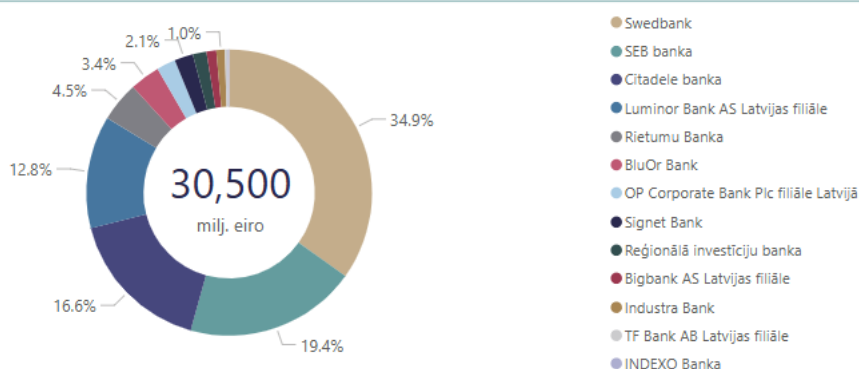
¹⁶ Banku_pētījums.pdf

has impacted lending. In Latvia the lack of competition has created a situation where banks maintained higher interest rates without fearing losing customers to more competitive lenders.

Surveyed financial sector experts have indicated that niche banks could supplement the Latvian banking sector in the future. Although the entry of new participants into the market or significant changes in the strategies of existing banks could change the competitive situation, these scenarios are considered unlikely among experts.

Latvian banking sector total assets split by banks as of December 2024¹⁷

Aktivi, milj.eiro



While banking and pension management are separate industries, INDEXO is facing the same competitors in both. And up until this point INDEXO has been able to outcompete each of them. While the foreign-owned bank established customer relationships and ability to protect their market share should not be ignored, INDEXO Bank - energetic new bank with a great story and proven sales capabilities is able to attract their clients the same way as in the pension market.

We do not foresee strong competition from existing smaller banks. Even with reviewed business models and in most cases having changed their focus away from non-resident to resident customers - they have not made any effective or visible steps to attract customers from the Top 4 banks.

With regard to foreign Fintechs like Revolut and N26, INDEXO does not currently consider them direct competitors, although their actions will be closely followed. Foreign Fintechs lack local market knowledge and "last mile" sales ability. While the INDEXO team believes that a certain segment of local customers will continue to keep some money with Revolut to benefit from their low priced payment and FX services, it is unlikely that Revolut or another foreign fintech will become a home bank for large numbers of retail customers in the Latvian market.

In addition to the competition factor in the banking sector, INDEXO Group considers also other factors, such as the decrease in demand for loans from businesses and individuals, caused by significant reasons like economic uncertainty, consumer preferences, or alternative financing options in the non-bank sector, as well as the increasingly active operation of neobanks, which are gradually expanding their range of services to include lending.

2.3. Risk factors related to INDEXO Group business

The INDEXO Group's strategic goal is to ensure an appropriate balance between the risks the Group takes on and the profit, in order to minimize the potential negative impact of risks on the Group's financial condition and expected operating results as much as possible.

¹⁷ Kredītiestāžu darbības rādītāji | Latvijas Banka

Significant risks are those inherent to the operations of the Bank and/or the Group that can materially negatively impact the Bank's and/or the Group's reputation, ability to provide services, achieve set strategic goals, and/or cause significant financial losses.

According to INEXO Group risk management framework following risks as shown in the table below are considered as significant and are described further in this section. Liquidity risk, credit risk, risk of excessive leverage, interest rate risk and concentration risk are summarised and described in Financial risk section.

Risk Category	Group	Bank	IPAS INEXO	Indexo Atklātais Pensiju Fonds
Liquidity risk	x	x	x	x
Credit risk	x	x		
Risk of excessive leverage	x	x		
Interest rate risk	x	x		
Concentration risk	x	x		
Operational risk	x	x	x	x
Compliance risk	x	x	x	x
AML/CFT/CPF and Sanctions risks	x	x		x
Reputation risk	x	x		
Business model (strategy) risk	x	x		
Model risk	x	x	x	x

2.3.1. Business model (strategy) risk

Since INEXO Group's business strategy and objectives are divided in two main directions – (i) future development of its asset management business, (ii) future development of INEXO Bank's business – 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 INEXO Group's asset management business, and planned growth, so that INEXO Group might not reach planned operational and financial results. INEXO Group's reputation may also be harmed in case of unsuccessful realisation of planned development strategy.

Future development of INEXO Bank's business may be affected by unavailability of necessary financial resources required to further develop INEXO Bank services or difficulties in implementing product or service rollouts as well as failure to accurately fulfil all of the regulatory requirements.

In addition, the INEXO Group may not be able to meet INEXO 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, which could negatively impact INEXO Bank's financial position by increasing costs and potentially delaying revenue generation. To mitigate this risk, INEXO Bank implements strong project management practices, including setting clear timelines, milestones, and responsibilities.

INDEXO Bank ensures that adequate resources (financial, human, and technological) are allocated to each project, continuously monitors project progress, and reports any deviations from the plan.

Considering the growing competition and in order to maintain acknowledgement in the market of the INDEXO Group brand as being the trend setter, INDEXO Group's strategy is to remain at the forefront of development of the industry. Therefore, INDEXO 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. INDEXO 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 INDEXO Group's competitive position and results of its operations.

In addition, INDEXO 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 INDEXO Group.

The INDEXO Group mitigate business strategies risk by continuously monitoring operational performance indicators against established plans and taking appropriate actions when necessary.

Nevertheless, acknowledging the aforesaid risks, INDEXO Group has in place a further development strategy (please see Section 6 "KEY STRATEGIES OF INDEXO" of this Universal Registration Document).

2.3.2. Operational risks

INDEXO 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 risks associated with outsourcing/third party service providers and legal risks.

The operational risk events 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.

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.

To mitigate this risk, INDEXO Group continuously reviews and enhances operational and financial controls to ensure they are robust enough to support expansion, including updating policies, procedures, and systems to align with the growing complexity of operations. INDEXO Group implements advanced technological solutions to streamline processes and improve efficiency, managing larger volumes of data and operations more effectively. INDEXO Group hires and trains personnel to ensure they have the skills and knowledge required to manage expanded operations, ensuring that all personnel, systems, and procedures are aligned with the company's development strategy. Additionally, INDEXO Group conducts regular audits and assessments to identify gaps and areas for improvement in controls and procedures, mitigating risks before they become significant issues.

To quickly identify operational risk events and implement appropriate risk mitigation measures in a timely manner, INDEXO Group has established and implemented a database for the systematic recording of operational risk events. All INDEXO Group employees are responsible for identifying operational risk events

and recording them in the database, providing detailed information about the event, its causes, and impact. All operational risk events registered in the database are reviewed, carefully analyzed and if necessary, risk mitigation measures are developed and implemented to improve the internal control system.

Operational risk includes personnel risk, information technology risk, outsourcing risk, legal risk and model risk.

2.3.2.1. *Personnel risk*

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.

To mitigate personnel risk, INDEXO Group uses effective hiring strategies, implements a comprehensive onboarding process to help new hires integrate smoothly into the company, invests in continuous training and development programs to enhance employees' skills and career growth, and fosters a positive and inclusive work culture that values employee contributions.

INDEXO Group builds and maintains a skilled and motivated team of employees who conduct their daily work according to high ethical and professional standards.

2.3.2.2. *Information technology risk*

Successful operation of INDEXO Group's business largely depends upon maintaining the integrity of its communication and IT systems.

The main risk factors include: disruptions to and delays of systems, security breaches, improper or negligent operation of systems by employees or service providers, 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.

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.

INDEXO Group's information systems are vital for maintaining sustainable business practices, and there is low tolerance for damage to information systems caused by malicious attacks and internal threats. To mitigate this risk, INDEXO Group focuses on the timely resolution of identified control deficiencies, consistent third-party risk management, technological control development, and continuous improvement. INDEXO Group has low tolerance for risks associated with system availability.

2.3.2.3. *Outsourcing risk*

INDEXO Group partly relies on the services, products and knowledge of third-party service providers in connection with its IT systems, including an outsourcing service for the operations of the INDEXO's Group IT systems. INDEXO 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.

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.

Accordingly, INDEXO 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 INDEXO's Group operations or result in vulnerability of its IT systems, exposing INDEXO Group to operational failures, additional costs or cyber-attacks. Moreover, failure by these third parties to operate ethically could adversely impact INDEXO's Group reputation both internally and externally or even result in non-compliance with applicable laws and regulations.

INDEXO 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 INDEXO'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 INDEXO 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 INDEXO's Group business, prospects, financial position and/or results of operations.

Taking into account the above, INDEXO Group establishes and implements the procedures, scope, and quality for the use of necessary outsourcing services to manage and minimize the risks associated with outsourcing and the potential impact on INDEXO Group's operational continuity, as well as to reduce expenses related to specific outsourcing services as much as possible. Before delegating any function, The Group and the Company evaluates all risks associated with outsourcing to ensure that it can continue to provide stable and sustainable operations.

2.3.2.4. *Legal risk*

Legal risk represents the risk of legal, administrative or regulatory sanctions, material financial loss, or loss to reputation INDEXO Group may suffer as a result of its failure to comply with national or European legislation, regulations, rules, standards and codes of conduct applicable to their activities or in the situation where entity's legal documentation is inadequate, incomplete or erroneous and does not adequately protect its legal interests.

The objective of legal risk management is to ensure compliance with the legislative acts of the Republic of Latvia, the European Union, and other laws, regulations, and standards applicable to INEXO Group's operations.

INDEXO Group operates in complex and shifting legal and regulatory environment, which exposes INEXO Group to a risk of non-compliance with applicable laws regulations. INEXO Group has legislative and regulatory watch systems in place to guard against risks arising from failure to apply any new laws or regulations. INEXO Group pursues compliance of activities and legal documentation of all INEXO Group companies with applicable laws and regulations.

2.3.2.5. Model risk

Internal models used within the INEXO Group may prove to be flawed and inadequately calibrated, and therefore could produce erroneous results that affect decision-making and may lead to negative financial consequence.

The objective of model risk management is to ensure that developed models meet their intended purpose, align with the operational specifics and complexity of the INEXO Group, are sufficiently accurate and reliable, and are properly documented and managed.

INDEXO Group takes all necessary measures to ensure that, when using internal models, their methodology, input data, assumptions, limitations, and results are understandable, validated, reviewed, monitored, and, if necessary, appropriately adjusted.

2.3.3. Risk factors associated with the reputation of INEXO Group and brand awareness

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

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

Reputation is carefully analysed when making decisions. Any media coverage of the INEXO Group is closely monitored to maintain a positive corporate image. Media representation is continuously reviewed, and necessary actions are promptly taken to prevent negative media escalation and adverse public reactions.

Justified customer complaints are addressed at the management level and resolved appropriately and in a timely manner. Special attention is given to managing information security risks, with a focus on reducing the likelihood of significant information security incidents, such as large-scale customer data breaches or breaches of sensitive information confidentiality.

2.3.4. Compliance risk

Compliance risk refers to the potential consequences an organization faces if it fails to adhere to industry laws, regulations, and standards.

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.

The INDEXO Group operates in a manner that ensures compliance with applicable laws and regulations. Compliance in the INDEXO Group is ensured by establishing clear roles and responsibilities, and by implementing current external regulatory requirements in internal policies and procedures that are understandable and transparent to employees.

The INDEXO Group takes necessary measures to comply with applicable laws and regulations, including those related to conflict-of-interest management, market abuse, personal data protection, information security, and other areas.

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.

Risks related to changes in Latvian government policy

Changes in Latvian government regulatory policy, especially changes that have not been anticipated by the market, could impact the Group's operating environment for short or extended periods and have a material impact on its financial position on the market and the cost of risk.

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 Ministry 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.

INDEXO Bank also operates in the market segment where regulatory environment is subject to the risk of rapid regulatory policy changes, the recent examples being the introduction of mortgage borrower protection duty imposed on credit institutions and aimed at compensating the negative effect on Latvian households of the EURIBOR rate increase and inflation. Although mentioned changes did not affect INDEXO Bank since changes were applicable to the mortgage loans issued before INDEXO Bank started its operations, new changes in the banking market regulatory policy can not be excluded.

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.

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.

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, under current Latvian tax regime a private individual investing in the 3rd pension pillar is entitled to a personal income tax repayment in the amount of 20% (for the taxation period before 1 January, 2025) and 25,5% (for the taxation period starting from 1 January, 2025) 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 inability to reach planned financial results and prospects by INDEXO Group.

To mitigate this risk, INDEXO Groups continuously monitors tax changes to proactively respond to them.

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.

2.3.5. Risks related to compliance with Financial crime, Fraud and Sanctions regulations

INDEXO Group entities as a licensed financial market participants 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. INDEXO 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.

INDEXO Group is exposed to the risks of financial crime, fraud and sanctions evasion, that, if materialised, could result in potential financial losses and damage to Group's reputation.

INDEXO Group now and in the future could be the target of financial crime and fraud arising from the actions of third parties, customers, and employees. While proactive measures are in place to prevent and detect financial crime and fraud, INDEXO Group continuously improves their effectiveness. Additionally, human error and strict regulatory provisions present challenges in timely combating AML/CFT/CPF. However, thanks to continuous efforts and commitment, INDEXO Group believes that these risks are mitigated and that INDEXO Group is capable of adequately protecting its business, operational results, and financial condition.

2.3.6. Financial Risks

Based on the provisions of Article 33³, Paragraph 3 and Paragraph 5 of the Credit Institutions Law, INDEXO Bank has been recognized as the responsible entity within the INDEXO Group, authorized to ensure the consolidated compliance of the INDEXO Group with the prudential requirements stipulated in the Credit Institutions Law and the Capital Requirements Regulation.

Capital adequacy risk

The INDEXO Group's entities are strictly regulated with respect to their financial stability. Therefore, IPAS INDEXO, Indexo Atklātais Pensiju Fonds AS and AS INDEXO Bank need to adhere to requirements associated with capital adequacy prescribed by the applicable laws for each entity.

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

In addition, private pension funds must adhere to capital adequacy requirements in accordance with the Private Pension Fund Law.

The INDEXO Bank evaluates the adequacy of capital necessary to cover the risks inherent to the Bank and the Group's operations, in accordance with Regulation (EU) No. 575/2013 of the European Parliament and Council (June 26, 2013) on prudential requirements for credit institutions, and amending Regulation (EU) No. 648/2012, as well as the simplified methods described in the Bank of Latvia regulation No. 321 "Rules for the Capital Adequacy Assessment Process of Credit Institutions".

Inability to meet applicable capital adequacy requirements could cause an adverse effect on the operations of respective INDEXO Group entity and annulment of its license.

To mitigate this risk, INDEXO Group implements robust risk management practices, including comprehensive risk assessment and monitoring, conducts capital planning, streamlines operations to reduce costs and improve efficiency, and performs regular audits and reviews of financial statements and risk management practices to ensure compliance and identify areas for improvement.

The INDEXO Group and Bank capital adequacy is assessed within the ICAAP framework by analyzing whether the existing and planned capital is sufficient to cover all significant risks in both base and stress scenarios. This assessment allows evaluating the viability of the business model and the ability to maintain an adequate capital base under various operating conditions.

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 loans, receivables, cash and cash equivalents and other investments.

The foundation of the INDEXO Group's credit risk management is an adequate assessment of the creditworthiness of borrowers and counterparties, as well as compliance with established restrictions and

limits. The INEXO Group invests funds only in financial assets whose risks can be identified, assessed, and managed.

The assets of INEXO Group are kept in the Bank of Latvia, Latvian credit institutions, highly liquid securities and through issuing loans.

Risks associated with related party transactions

INEXO has entered into transactions with related parties. Transactions such as these typically carry a risk of adverse tax consequences. Any future transactions by INEXO 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).

To mitigate this risk, INEXO Group conducts regular audits and reviews of related party transactions to ensure compliance with regulatory requirements and to identify any potential conflicts of interest. INEXO Group also implements and enforces strict conflict of interest policies, ensuring that any potential conflicts are disclosed and managed appropriately.

Liquidity risk

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

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

The goal of the INEXO Group liquidity risk management strategy is to ensure the necessary level of liquidity by achieving an appropriate, optimal balance between profitability and risk in accordance with established risk management principles.

The INEXO Group implements a liquidity management strategy, taking into account the terms and volatility of the resources attracted, the level of asset liquidity, as well as the balance of asset and liability maturities, changes in the Group's and the Company's operations, and external conditions affecting them.

To manage liquidity risk, the INEXO Group use a combination of the following asset and liability management methods:

- Asset management, which involves accumulating liquidity reserves and investing free financial resources, taking into account management decisions and cash flow forecasts.
- Liability management, which is based on the ability to attract funding if necessary.

Concentration risk

Concentration risk refers to the potential for financial loss due to an overexposure to a single counterparty, sector, or geographic region.

Concentration risk is closely related to other risks.

Concentration risk can lead to significant losses if the INEXO Group has a large exposure to a single debtor or sector that defaults. This interconnectedness means that high concentration can exacerbate credit risk.

Concentration risk can also impact liquidity. If the INEXO Group is heavily reliant on a few funding sources, any disruption in these sources can lead to liquidity shortages. This is because concentrated exposures can make it harder to quickly liquidate assets or secure alternative funding.

The INEXO Group integrates the concentration risk management system into the internal control system and identify risk drivers that may cause concentration risk in various areas of operation.

Concentration risk is mitigated by setting various concentration limits, including limits on large exposure transactions.

Excessive leverage risk

Leverage risk is the risk arising from the INDE XO Group's vulnerability, caused by actual or potential leverage of its funding structure, which may be resulted as sale of assets caused by the financial hardship, which could result in losses or value adjustments of residual assets and increase of leverage the risk may arise as a result of shrinking INDE XO Group's Tier 1 capital due to losses, as well as excessive accumulation of the exposures in comparison with the amount of Tier 1 capital. Leverage risk is characterized by the leverage ratio and the mismatch between assets and liabilities.

Excessive leverage risk is mitigated by continuously monitoring the alignment of current operational indicators with established plans and taking appropriate actions when necessary.

Interest rate risk

Interest rate risk refers to the potential for financial losses due to changes in interest rates. It primarily affects fixed-rate investments, such as bonds, where as interest rates rise, bond prices fall, and vice versa. This risk can impact the AUM within INDE XO's managed pension plans, the INDE XO Group's profitability and the value of its assets and liabilities.

The extent to which the INDE XO Group is exposed to interest rate risk is characterized by the term structure of interest rate-sensitive assets, liabilities, and off-balance sheet claims and liabilities, prepared by considering the remaining repayment or interest rate repricing terms of interest rate-sensitive financial instruments.

The objective of interest rate risk management is to ensure an appropriate balance between the interest rate risk assumed by the Group companies and profitability, in order to minimize the potential negative impact of interest rate risk on the financial condition and operations of the INDE XO Group.

To assess and mitigate interest rate risk, the INDE XO Group regularly evaluates and plans the repricing term structure, calculates the reduction in net interest income and economic value due to adverse changes in interest rates, and determines the amount of capital required to cover interest rate risk.

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 management company's 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:** Roberta Hirša street 1, Riga, LV-1045, Latvia;
- **e-mail address:** info@indexo.lv;
- **telephone number:** +371 20006088;
- **corporate website:** <https://indexo.lv>.

4. BUSINESS 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 145 thousand clients with more than 1,346 million-euro assets under management (AUM) as of end of June 2025.

INDEXO offers modern low-cost pension plans in 2nd (mandatory) and 3rd (voluntary) pension pillars to its clients by investing the contributions in market index based low-cost instruments.¹⁸ INDEXO does not have an aim to offer the cheapest management fees but instead focuses on decreasing all indirect cost such as trading fees and indirect management fees of the instruments in its portfolios to keep the total expense ratios (TER) low. Both mandatory and voluntary markets are fast growing due to Latvian GDP growth and average wage growth.

To facilitate precise expense tracking and obtain the bank licence, the subsidiary of IPAS INDEXO, AS INDEXO Banka (till May 2024 AS "IDX1R"), was established on December 19, 2022, which it received on May 16, 2024. 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.

(3) 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. After growing to be one of the largest pension managers in Latvia, INDEXO added local investment to its strategy in 2023 and has since invested in local real estate through a local alternative investment fund.

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.

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

Simple investment management model makes INDEXO's business highly scalable.

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.

¹⁸ 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.

Direct sales model allows INDE XO 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.

INDE XO expects the need for investment-based saving products to grow together with the growth of GDP per capita and disposable income growth. INDE XO aims to be one of the leaders of the investment management services market in Latvia. As of June 2025, INDE XO has approximately 14.6% of 2nd pillar market share in terms of AUM and 9.7% in terms of clients and, as of March 2025, 3.9% of 3rd pillar market share in terms of AUM and 3.8% in terms of clients.

In July 2025 INDE XO has agreed to acquire IPAS VAIRO, a local 2nd pillar asset management company offering lifecycle approach to fund management in Latvia. At the time of signing IPAS VAIRO had approximately 1% market share in Latvian 2nd pillar pension management. Completion of the transaction remains subject to obtaining the required regulatory approvals and the fulfillment of customary conditions precedent.

(4) Bank development

INDE XO’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.

Since its launch on August 28, 2024, INDE XO Bank has gained over 37.3 thousand customers within its nearly first year of operations. As of June 2025, the total deposits stood at over EUR 48.3 million and our loan portfolio exceeded EUR 12.4 million. At INDE XO Bank, all customer onboarding applications are submitted through the bank’s new mobile app. We have launched INDE XO Bank with main daily banking services for private persons – payments, cards, savings (deposits and pensions) consumer lending, mortgages refinancing in a convenient modern mobile bank. We view it as only a starting point for our product rollout.

During 2024 the average number of INDE XO Bank’s full-time equivalent employees was 50, in order to ensure the bank has sufficient resources to deliver high-quality service to our customers and be compliant with regulatory requirements. At the end of September, we relocated to the modern Verde office building. This not only facilitated teamwork but has also enhanced INDE XO’s appeal as an employer. Although our main customer engagement channels are digital, on February 17th we opened our only physical customer service centre in the Verde office building. This initiative aims to increase INDE XO’s brand visibility and make us more accessible to both existing and future customers.

To facilitate precise expense tracking and obtain the bank license, the subsidiary of IPAS INDE XO, AS INDE XO Banka (till May 2024 AS “IDX1R”), was established on December 19, 2022. However, some bank development-related costs still need to be booked in the parent company, IPAS INDE XO. The largest cost items include capital-raise-related costs, fees for signed commitment letters to support future bank capital needs, and option costs for INDE XO Bank employees. However, all other bank development-related costs are separated from INDE XO and are reflected in INDE XO Bank’s financial results as presented in the Bank’s annual report.

The operational results from the first month confirm that INDE XO Bank - with over 145 thousand pension clients, a well-recognized and positively viewed brand, and a modern IT infrastructure - is well-positioned to challenge the oligopolistic local banking market. We aim to reshape entrenched norms of high commission fees, complex and opaque pricing, unfriendly customer service, and a restrictive risk culture

The main operating principles of INDE XO are:




Table 4.1.1

Low cost	INDE XO is convinced that low cost, well diversified passive management and an honest attitude towards clients will lead to superior result for INDE XO clients. INDE XO is constantly working to voluntarily lower its ongoing cost figure of our pension plans.
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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

	Transparency	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 3 rd party fees.
	Simple and understandable products	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.
	Passive asset management strategy	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 INDE XO's 2 nd pension plans ("INDE XO Jauda 16-55" and "INDE XO Izaugsme 55-62") 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.
	Being a trend setter	Being a trend setter in the market is also one of INDE XO's great strengths since, as a result of INDE XO entering the market, financial literacy and access to good products has significantly increased. At the time of INDE XO'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 INDE XO entered the market as the first low-cost index-fund pension plan provider it launched real competition in the pension savings market. INDE XO'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 INDE XO is what gives inspiration and drives INDE XO to move forward with its ambitious plans for the future. Based on a brand survey carried out in November 2024, INDE XO brand is recognized by 70% of our target audience and 27% of the population would be willing to do business with INDE XO companies. This gives confidence that the mission and direction where INDE XO 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 6450+ and each one of them is a valuable component of creating INDE XO's success story and an ambassador for INDE XO in public.

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

	CLIENTS	AUM, millions	REVENUE
31.12.2018	19,121	69.9	305,552
31.12.2024	141,914	1339.2	4,474,815
Growth	7.4x	19.2x	14.6x

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); (3) and retail banking through its subsidiary INDEXO Banka.

(3) 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	2023	2024
AUM	27,867,904	69,905,995	178,862,051	279,354,497	464,410,702	574,737,132	896,048,339	1,301,587,933
Clients	3,914	19,121	32,827	48,537	65,005	90,874	113,408	125,321
AUM/Client	7,120	3,656	5,449	5,755	7,144	6,325	7,901	10,386
3rd Pillar								
AUM	-	-	-	-	3,947,555	10,212,208	21,144,360	37,635,751
Clients	-	-	-	-	2,532	8,826	13,751	16,539
AUM/Client	-	-	-	-	1,559	1,157	1,538	2,276

According to the publicly available data¹⁹, INDEXO is the fastest growing pension asset manager in Latvia in absolute terms as of end of December 2024. When it comes to client growth dynamics, the number of clients within a year has grown by 12% (from 127.2 thousand to 141.9 thousand). Assets under management (AUM) have grown by 46.0% (from 917.2 million euro to 1,339.2 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

EUR	2020	2021	2022	2023	2024
Total income from provision of asset management services	972,467	1,602,021	2,277,620	3,123,426	4,474,815
Commission from management of INDEXO Jauda 16-55	605,781	1,079,807	1,595,223	2,234,735	3,259,677
Commission from management of INDEXO Izaugsme 55-62	324,495	448,589	560,851	705,778	917,567
Commission from management of INDEXO Konservatīvais 62+	42,191	67,546	86,603	106,180	120,879
Commission from management of INDEXO Akciju plāns	-	5,637	32,196	71,100	136,488
Commission from management of INDEXO Obligāciju plāns	-	442	2,747	5,633	10,439

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

¹⁹ Based on data from Manapensija.lv.

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.

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 index fund instruments 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.

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.

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:

- (4) INDEXO's office on 1 Roberta Hirsā Street, LV 1045, Riga, Latvia on business days from 9:00 to 17:00;
- (5) INDEXO's website: www.indexo.lv;
- (6) 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.

(3) 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.

(4) 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 4.2.5

Social media campaign	INDEXO raises public awareness and creates public discussion with respect to the Latvian pension and banking system, and the services offered by INDEXO.
Always-on digital marketing (Google Search & PMax)	INDEXO continuously runs digital campaigns via Google Search and Performance Max to ensure that people interested in pension-related topics reach INDEXO content efficiently. These campaigns help capture intent-driven audiences and reinforce brand visibility.
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.
Search Engine Optimization (SEO)	INDEXO works on improving its website's SEO to appear in top positions in organic search results, particularly for queries related to pensions, retirement savings, and related financial topics.
Supporting causes that fit INDEXO mission	INDEXO sponsorship guidelines are developed in line with the company's mission, vision, values and long-term business goals. INDEXO supports initiatives that promote: (1) the economic well-being of Latvian society (economic empowerment), (2) financial literacy (education, books), (3) innovation and advanced modern solutions, (4) preservation and appreciation of local cultural values, and (5) active local community engagement and development, e.g. Rimi Riga Marathon'24&25 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 16-55"; (2) "INDEXO Izaugsme 55-62"; and (3) "INDEXO Konservatīvais 62+".

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".

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.

(3) 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.

(4) *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.

(4) **Bank development**

Table 4.2.6

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 was the legal entity that applied for the bank license. All individuals who were working on the banking project were employed by AS IDX1R, and all bank related investments and agreements with third-party service providers have been executed through this entity.
February 2023	Mambu has been chosen the key banking technology platform for the operation of INDEXO Bank which will ensure a cloud-native banking platform. Mambu ensures INDEXO Bank with key digital financial service technology – current accounts, payments, consumer deposit and lending functionality, as well as helps to develop the future service portfolio as the new INDEXO Bank expands into new product segment. Saas based IT infrastructure has been 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 - customer relations and business management are conducted on this environment with the help of Microsoft Dynamics software .
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.
September 2023	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 .
January 2024	AS IDX1R share capital was increased by EUR 10,000,000 from EUR 5,000,000 to EUR 15,000,000
May 2024	AS IDX1R has received banking licence (16 May 2024).
May 2024	Company AS IDX1R name were changed to AS INDEXO Banka (20 May 2024)

August 2024	INDEXO Banka has started banking operations (28 August 2024), offering to private customers payments, cards, term deposits, vaults and consumer loans.
September 2024	New office space in Verde office complex . Changes in legal address from Elizabetes iela 13A-1, Riga, Latvia to Roberta Hirša iela 1, Riga, Latvia
September 2024	INDEXO Banka share capital was increased by EUR 2,309,445 from EUR 15,000,000 to EUR 17,309,445
March 2025	INDEXO Banka share capital was increased in total by EUR 800,000 to 18,109,445.00 EUR
April 2025	INDEXO Banka share capital was increased in total by EUR 2,868,500 to 20,977,945.00 EUR
June 2025	INDEXO Banka share capital was increased in total by EUR 140,000 to 21,117,945.00 EUR

The bank establishment project began in early 2023 with the goal of opening the bank at the start of 2024. However, the licensing process extended beyond the anticipated timeline, resulting in a sixmonth delay compared to the original business plan submitted to the regulator during the licensing process. Despite the delay the Bank launch was successful and in the first month of operation, the Bank attracted more than 10 thousand clients and at the end of 2024 INDEXO Bank had 21.1 thousand clients with EUR 33.10 million in total deposits and its loan portfolio exceeded EUR 1.06 million (gross)

The bank's operations were launched with a suite of daily banking services for private individuals payments, cards, savings (deposits and vaults) and consumer lending all available in user friendly and modern mobile app. INDEXO Bank is the only credit institution in Latvia which pays interest rate for customer current account balances and is among top payers also for other deposit products. We consider this as a starting point for expanding our product offering.








The table above indicates the investment timeline for two main systems within INDEXO composable, cloud native banking IT infrastructure. Since starting the bank development project in 2023 INDEXO Bank makes significant IT investments to continue enhancing and developing a wider range of banking services.




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

<p>2017</p>	 <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>
<p>2018</p>		
<p>2019</p>		
<p>2020</p>	<p>Has developed and operate extremely effective and sustainable client acquisition strategy.</p>	<p>Continues to offer competitive fees, effective investments, and efficiency.</p>
<p>2021</p>	 <p>In April we launched the first 3rd pillar robo-advisory product with automated investment decisions in index funds.</p>	
<p>2022</p>	 <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>

<p>2022</p>	 <p>INDEXO co-founded a real estate fund management company to create a new low-cost real estate fund in the Latvian market.</p>	 <p>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.</p>
<p>2023</p>	 <p>On 28 July 2023 INDEXO became the third largest 2nd pension pillar manager in Latvia, ahead of large banks like Citadele and Luminor</p>	
<p>2024</p>	<p>In May 2024 INDEXO Banka receives a European credit institution licence. In August 2024 INDEXO Banka launches banking services for private customers in Latvia</p>	
<p>2025</p>	<p>In July 2025 IPAS INDEXO signs an agreement to acquire local 2nd pension pillar asset management company IPAS VAIRO. Completion of the transaction remains subject to obtaining the required regulatory approvals and the fulfillment of customary conditions precedent.</p>	
<p>2025</p>	<p>In September 2025, IPAS INDEXO intends to launch a voluntary public takeover offer to acquire shares in AS “DelfinGroup”, a Latvian publicly listed company engaged in the consumer lending sector. The purpose of the offer is to acquire a majority of the voting share capital of DelfinGroup. As consideration, the offeror intends to offer shareholders of DelfinGroup shares in IPAS INDEXO and, as alternative, a cash payment, subject to the terms and conditions that will be set out in the offer document. The takeover offer is subject to obtaining the necessary regulatory approvals, including permissions from the Bank of Latvia and the Competition Council of the Republic of Latvia, as well as the approval of IPAS INDEXO shareholders for the issue of new shares, that will be used as a consideration for the offer.</p>	

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

- (3) 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). INDEXO subsidiary Indexo Atklātais Pensiju Fonds AS operates in the market of private pension fund services (private pension fund administration),

As of 31 December 2024, the addressable market for INDEXO products in the 2nd pillar is 8.778 billion euros and 979 million for 3rd pillar. 2nd pillar market has been growing 18.9% cumulatively over past 5 years and 3rd pillar 11.0% over the same period.

- (4) Banking: INDEXO subsidiary INDEXO Bank operates in the banking market. 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, which was received on 16 May, 2024. INDEXO Bank started operations on August 28, 2024. The Bank's operations were launched with a suite of daily banking services for private individuals payments, cards, savings (deposits and vaults) and consumer lending all available in user friendly and modern mobile app. Since then, INDEXO Bank has been actively engaged in development and provision of new banking products.

This Section provides an overview of both the asset management segment and the banking 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: today's tax-payers contribute to today's pensioners through 1st pension pillar contributions and will receive the same treatment when they are retired. The 2nd pension pillar creates mandatory individual investment savings for the future with the aim to hedge against demographic risks present in 1st pillar. The 3rd pillar aims to supplement the state mandatory scheme which is expected to replace below 50% of a person's pre-retirement earnings. 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

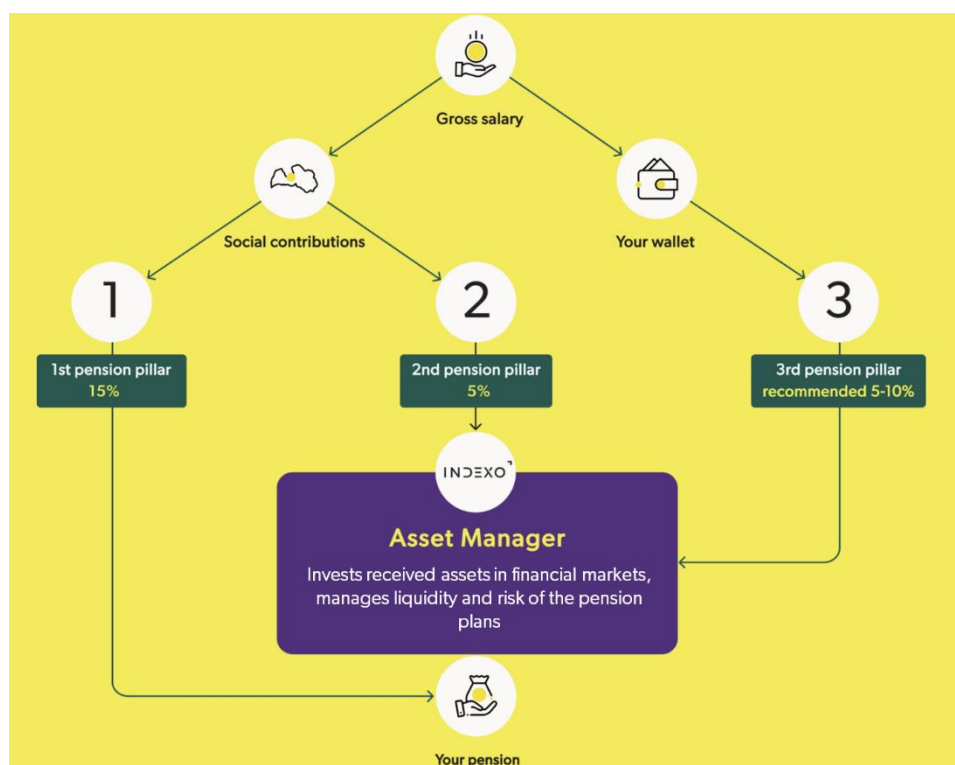
Overview and the structure of the state-funded pension scheme regulation

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 pension scheme (including 2nd pension pillar)



Customers

Contributions to the 2nd pension pillar are made automatically from social security contributions. The contribution rate is 5% (five per cent) - decreased from 6% in 2025 - 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.²⁰

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

According to current legislation the state funded pension scheme funds can be managed by an investment management company registered in Latvia or the branch in Latvia of an investment management company registered in a Member State of the European Union (EU) or a State of the European Economic Area (EEA). Similarly, a depository also referred to as a custodian of the funded pension scheme funds may be a bank registered in Latvia, which in accordance with the procedures laid down in laws and regulations has commenced the provision of investment services and non-core services, including the keeping of financial instruments, or the branch in Latvia of a bank registered in EU or EEA, if the respective bank is entitled to provide investment services and non-core services, including the keeping of financial instruments.

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 with the aim of adding additional controls.

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.

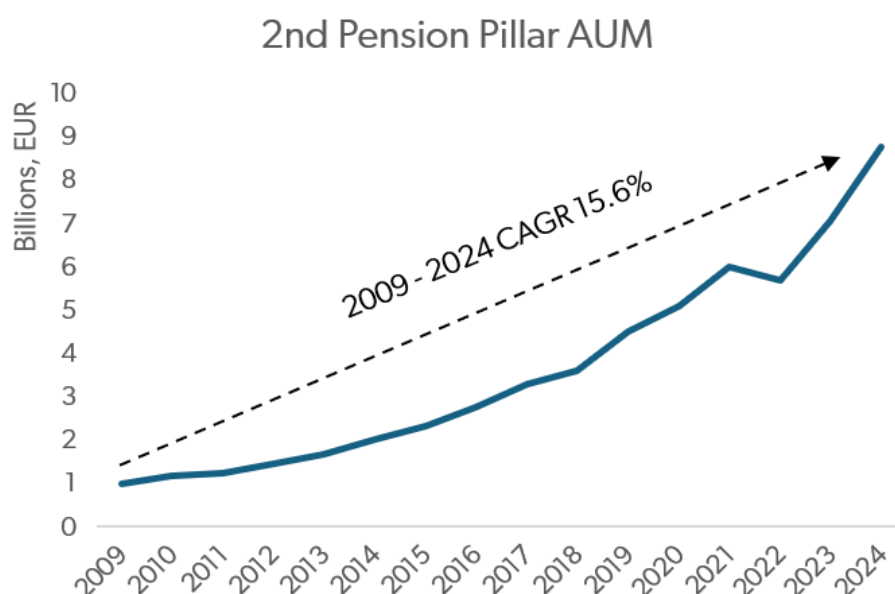
Investment plans are a set of provisions in accordance with which the management of funds of the funded pension scheme shall be carried out. The relevant investment plan provisions are presented in a specifically developed prospectus and the basic information document intended for the pension plan participants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

²⁰ 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 786 euros in 2014 to 1,744 euros in 2024.²¹

There are eight investment management companies that manage retirement savings within the 2nd pension pillar, including INDEXO. Currently, these investment management companies offer 34 investment plans in Latvian market that can further be segmented depending on asset investment risk level – 25 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 historically have outperformed active management over long period, account for 21% of the total 2nd pillar market, as of end of December 2024.

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 896 048 339 in 2023, and at the end of 2024 – 1 301 587 933. A steady year-on-year growth trend can be detected leading to 49.6% annualized increase comparing total AUM of INDEXO in 2019 and 2024.

Table 5.3.3

	2017	2018	2019	2020	2021	2022	2023	2024
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	7,690,950,513	9,756,866,965
Indexo AUM	27,867,904	69,905,995	178,862,051	279,354,497	464,410,702	574,737,132	896,048,339	1,301,587,933

²¹ National Statistical System of Latvia. Average monthly and median wages and salaries 1994Q1 - 2024Q4. Available: https://data.stat.gov.lv/pxweb/en/OSP_PUB/START_EMP_DS_DSV/DSV010c.

Market share	0.9%	1.9%	4.0%	5.5%	7.7%	10.1%	12.7%	14.8%
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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 14.83% in December 2024. 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 2019 to end of 2024 with a cumulative annual growth rate of 48.7%.

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

As of December of 2024, the client number of INDEXO stands at 125.3 thousand.

Table 5.3.4

	2017	2018	2019	2020	2021	2022	2023	2024
Total clients	1,278,144	1,293,613	1,300,135	1,295,750	1,296,141	1,294,456	1,305,487	1,309,279
Indexo clients	3,914	19,121	32,827	48,537	65,005	90,874	113,408	125,321
Market share	0.3%	1.5%	2.5%	3.7%	5.0%	7.0%	8.7%	9.6%

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 2.5% in 2019 to 9.6% in December of 2024. According to publicly available information, INDEXO has the fastest growth with respect to the clients (participants) in the period from end of 2019 to end of 2024 compared to the other 2nd pillar pension asset management market participants in Latvia. The cumulative annual growth rate for this period has been 30.7%.

5.4. Private voluntary pension scheme asset management

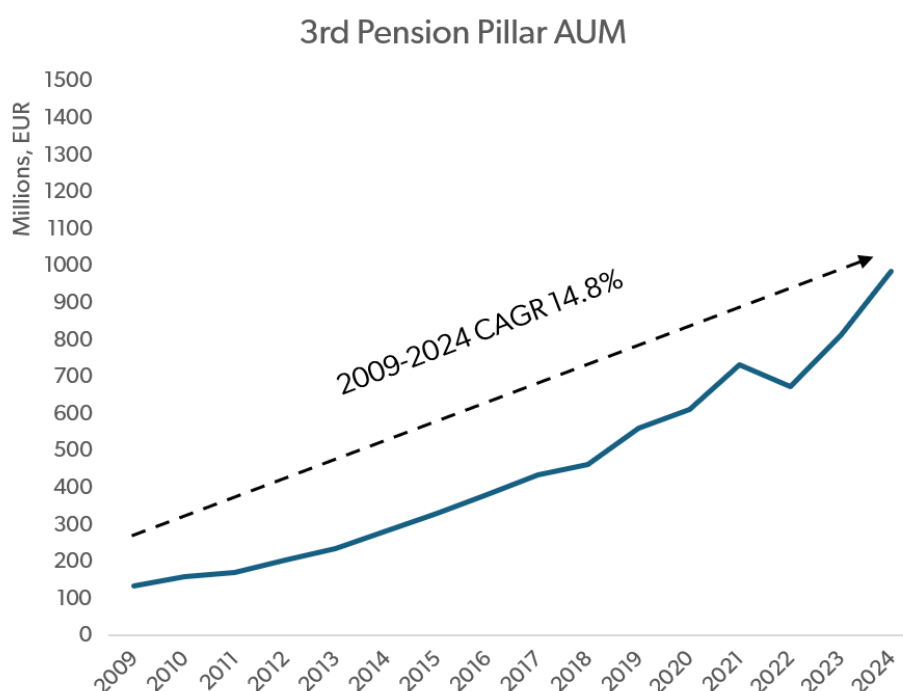
Overview of 3rd pillar asset management

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 December 2024, the market for 3rd pillar products was 985.5 million euros with 228 thousand active participants and 445 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 (6,704 euros in 2nd pillar vs 2,206 euros in 3rd pillar at the end of December 2024).

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, INDEXO launched its passive index-based fund service with low fees and individualized accounts with automatic rebalancing in April 2021.

Figure 5.4.1



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, risky professions 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 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 average net asset value. Please see Section 7 for details on the Agreement on Management of Pension Fund between INDEXO and Indexo Atklātais Pensiju Fonds AS.

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 5.5.1

Commission income, EUR	Year ended 31 December		
	Consolidated		
	2022	2023	2024

“INDEXO Jauda 16-55”	1,595,223	2,234,735	3,259,677
“INDEXO Izaugsme 55-62”	560,851	705,778	917,567
“INDEXO Konservatīvais 62+”	86,603	106,180	120,879
3 rd pillar plan “INDEXO AKCIJU PLĀNS”	32,196	71,100	136,488
3 rd pillar plan “INDEXO OBLIGĀCIJU PLĀNS”	2,747	5,633	10,439
Commission income from AS INDEXO Bank Clients	-	-	29,675
Total	2,277,620	3,123,426	4,474,815

Table 5.5.2

Commission income, EUR	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
“INDEXO Jauda 16-55”	1,595,223	2,234,735	3,259,677
“INDEXO Izaugsme 55-62”	560,851	705,778	917,567
“INDEXO Konservatīvais 62+”	86,603	106,180	120,879
3 rd pillar plan “INDEXO AKCIJU PLĀNS”	13,257	29,277	56,201
3 rd pillar plan “INDEXO OBLIGĀCIJU PLĀNS”	1,131	2,319	4,298
Total	2,257,065	3,078,289	4,358,622

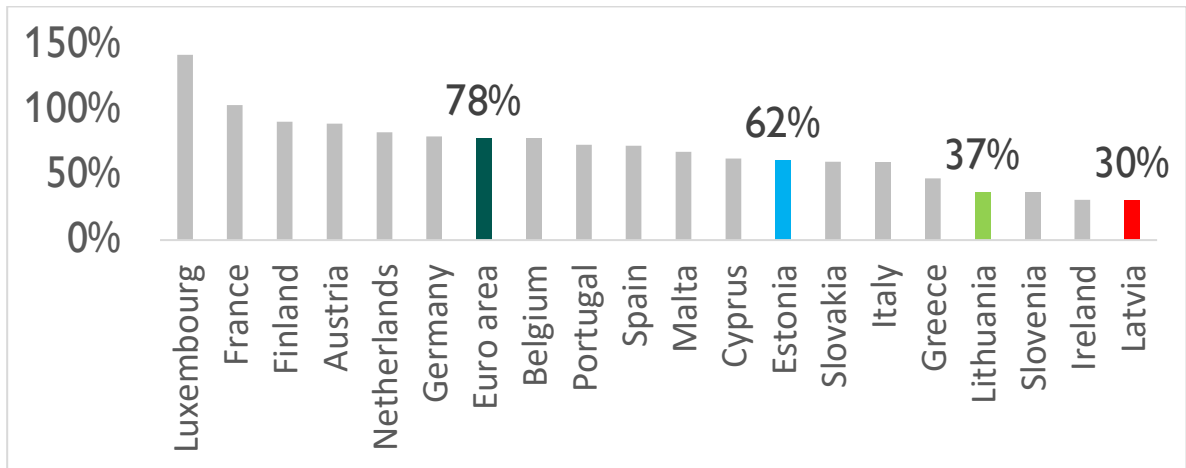
5.6. Overview of banking market

Please read the below section in conjunction with Competition risk in the banking market under Section 2.2.

Since lending growth has lagged GDP growth for a while, the ratio of loans to GDP has continued to decrease, and overall, Latvia has one of the lowest private sector indebtedness percentages in the EU. By our estimates, in order for Latvia to remove the lending gap between rest of Euro Area or even the neighbouring country Estonia in terms of local debt (households and businesses) per GDP, there is room for the local economy to borrow in excess of 4 billion euros. This provides ample room for loan portfolio development even without taking clients away from the competition.

Figure 5.6.1

Loans to GDP ratio in the Euro area, Q4 2024



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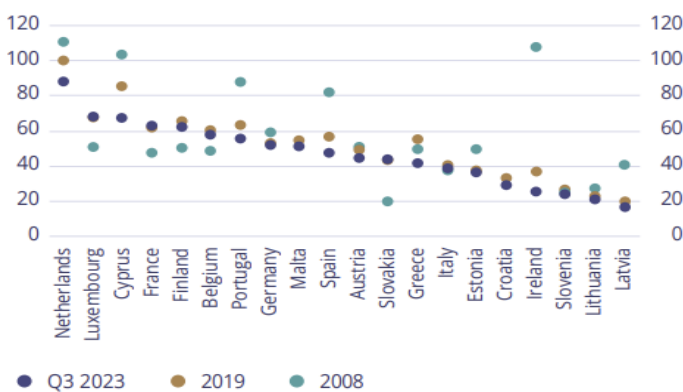
In terms of disposable income, Latvia, together with other Baltic states, ranks at the lower end of the EU-28 countries, despite its debt-to-income ratio being relatively small.

The financial situation of households has been improving over recent years. The average wage has been rising faster than consumer prices since mid-2023, and households' purchasing power has reached its pre-inflation-shock level. According to Latvijas Banka's March 2024 forecasts, on average, income will outpace inflation in 2024 and the following two years.

Latvia's aggregate household debt is the lowest in the euro area and amounted to 17.6% in the third quarter of 2023 and to 22% in the second quarter of 2024 (see charts below on Aggregate household debt in euro area countries).

Figure 5.6.2

Aggregate household debt in euro area countries
(% of GDP)



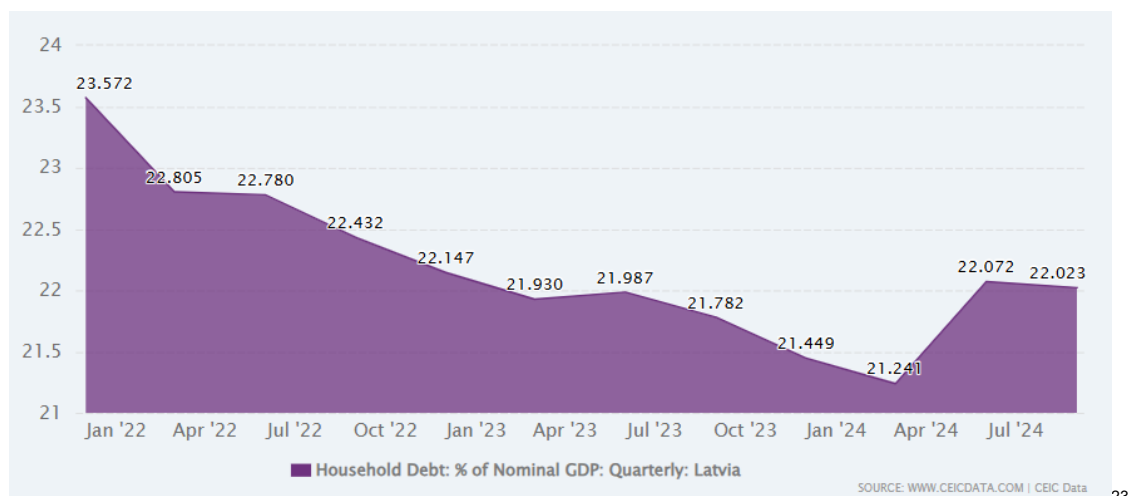
Sources: ECB and Latvijas Banka's calculations.

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²² [Loans | ECB Data Portal](#); [Homepage | ECB Data Portal](#)

²³ [FSP_2024_EN.pdf](#)

Figure 5.6.3

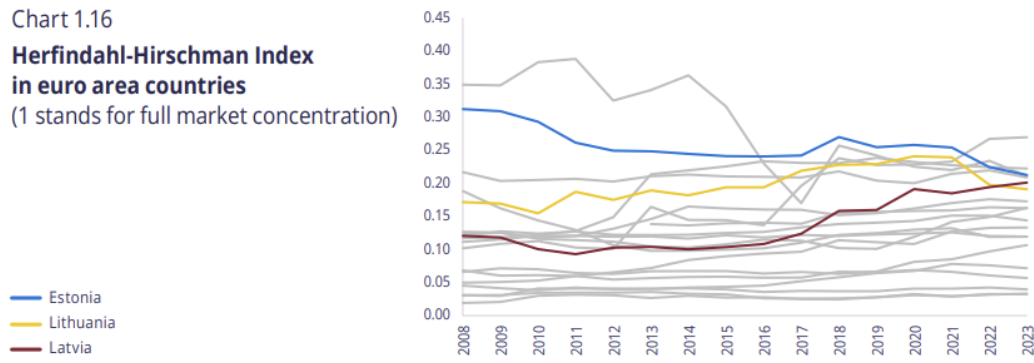


In all three Baltic States, the indicators characterising competition in the lending market are among the weakest in the euro area (see Chart 1.16). This negatively affects both the conditions of financial services and access to financing. The results of the analysis conducted by the OECD and Latvijas Banka suggest that lending rates have risen faster in countries with weaker competition in the lending market compared to countries with stronger competition. The deposit rates, on the other hand, have increased at a much slower pace. Thus, bank profitability has also grown most rapidly in countries where competition is weaker (see Chart 1.17)²⁴.

Figure 5.6.4

²⁴ FPP_2024_EN.pdf

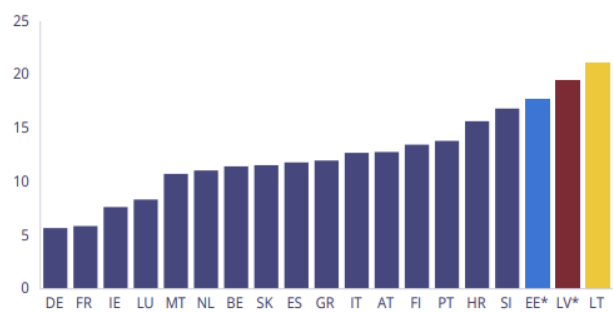
Chart 1.16
Herfindahl-Hirschman Index
in euro area countries
 (1 stands for full market concentration)



Source: ECB Banking structural statistical indicators (SSI).

Note. The higher the score, the higher the market concentration.

Chart 1.17
Return on equity of credit institutions
in euro area countries in 2023
 (%)



Sources: ECB Consolidated Banking data (CBD2), Latvijas Banka, Eesti Pank.

* Indicators include only credit institutions and branches of foreign credit institutions licensed in the respective country.

6. KEY STRATEGIES OF INDEXO

INDEXO Group story

IPAS “INDEXO” was launched in 2017 with the aim to improve the local financial market conditions and increase financial literacy of residents. Since its inception, INDEXO has become the fastest growing pension fund manager in the market and an agent of positive change in the local financial market. The idea to create a new, local, digitally focused bank emerged as a natural next step for INDEXO development as the company strives to bring competition back to Latvian financial industry and develop Latvian capital markets. INDEXO team believes that the foreign-owned banks that dominate the local market are inadequately serving the Latvian economy.

INDEXO Group mission is to fight for a better financial environment in Latvia and we are a financial services group that strengthens the well-being of Latvian citizens by providing modern, personalized services in the markets we operate. This section further elaborates how INDEXO and INDEXO Bank strategies build upon the Group’s vision and mission.

Strategy and future development of the asset management business

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.

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 3rd pension pillar will overtake 2nd pillar to be one the main focuses of INDEXO as it provides the largest future potential with more limited political risk.

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.

Growth through M&A activity

INDEXO has agreed to acquire IPAS VAIRO, a local 2nd pillar asset management company offering lifecycle approach to fund management in Latvia. At the time of signing IPAS VAIRO had EUR 87m of AUM and 14 thousand clients. Completion of the transaction remains subject to obtaining the required regulatory approvals and the fulfillment of customary conditions precedent.

In September 2025, IPAS INDEXO intends to launch a voluntary public takeover offer to acquire shares in AS "DelfinGroup", a Latvian publicly listed company engaged in the consumer lending sector. The takeover offer is subject to obtaining the necessary regulatory approvals, including permissions from the Bank of Latvia and the Competition Council of the Republic of Latvia, as well as the approval of IPAS INDEXO shareholders for the new share issue.

Strategy and further development of the banking business

During 2024 INDEXO Bank completed its first 4 months of operation. In the first month of banking operation, INDEXO Bank attracted more than 10 thousand clients with total deposits almost amounting to EUR 9.0 million. At the end of June 2025 INDEXO Bank has 37,3 thousand clients with EUR 48.3 million in total deposits and EUR 11,9 million in consumer loans.

At the core of the Bank's development for the next couple of years is a straightforward concept:

2. Develop a world-class mobile (retail) banking solution which will
3. attract local retail deposits, permitting the Bank to
4. lend actively to retail customers
5. enabling the Bank to earn interest and fee income from its customer relationships.

In terms of product offering, the keyword is "simple" – INDEXO Bank is having a *simple* product and service line, a *simple* agreement structure, and *simple*, transparent pricing.

At the present, our timeline for the planned introduction of key new services for 2025 is as follows:

- Daily banking improvements. In our commitment to providing seamless and innovative banking solutions, INDEXO Bank launched Google Pay on April 1, 2025 and on April 29, 2025 we launched Apple Pay. This milestone reflects our dedication to embracing cutting-edge technology to enhance the payment experience for our customers. With these digital wallet integrations, clients are able to make secure, fast, and convenient transactions using their mobile devices, whether in-store, online or within apps.

- Mortgage lending product. Mortgage loan is a cornerstone retail banking product. In Latvia we see huge growth potential as Latvian households are among least leveraged in Europe, at the same time mortgage rates in Latvia are one of the highest in Eurozone. Mortgage refinancing product was launched end of May 2025, it will be followed with home equity product in Q3 2025. Designed to deliver competitive rates, smooth service and flexible terms, this offering aims to empower customers in achieving their homeownership dreams while setting a new benchmark in the market.

- Consumer lending product. We are very proud of our consumer lending product providing customers opportunity to receive a loan in less than 5 minutes through the INDEXO Bank mobile app. Advertising

limitations have restricted the Bank's communication and promotion options, so the initial lending portfolio growth has been relatively slow. At the end of 2024 the Bank started cooperation with lending platforms and that helped to boost new lending volumes and the consumer lending portfolio reached EUR 11.9 million at the end of June. During 2025 the Bank will continue different initiatives to boost lending growth offering consumer loan refinancing products, possibility to receive additional amount and extending co-operation with different partners.

- Custody bank services. Due to the limited number of service providers IPAS INDEXO was forced to pay high fee for custody of its managed pension funds. In our continued efforts to expand our suite of services, INDEXO Bank is set to introduce custody services during Q4 2025 that will enable not only to offer this service for its parent IPAS INDEXO but also offer competitive service to other asset managers in Latvia. This new offering is designated to provide secure and efficient asset safeguarding, ensuring the highest standards of compliance and operational excellence. Moving away from using competitors' custody services will increase the independence of INDEXO, reduce certain business risks via diversification, and significantly increase revenues for Indexo Group.

INDEXO Bank has several competitive advantages:

- Since INDEXO does not have the encumbrance of historical products and service channels, the Bank can launch a modern, convenient, and "cool" digital offering;
- The ability to design KYC and compliance processes from scratch is permitting INDEXO to make these processes both effective and efficient, minimizing the client reporting burden and repetitive tasks;
- The current dysfunction in the finance sector helps INDEXO to attract the best management talent in Latvia, with a proven track record;
- The lack of legacy IT and physical infrastructure, including retail branches, permits INDEXO to ensure a high level of automatization and result in lower costs than its competitors

The above listed advantages permit INDEXO to attract customers away from existing banks, while the existing client base of pension business customers will allow INDEXO to achieve business efficiency and an attractive financial return for its shareholders.

Long-term business outlook

As INDEXO Group continues to develop, we remain committed to driving further growth and achieving new milestones in our journey. By leveraging innovative financial solutions and a customer-centric approach, INDEXO Bank will experience rapid growth and product expansion while INDEXO pension business aims to considerably grow 3rd pillar AUM and customer number by developing better tools for financial planning and retirement savings.

INDEXO Group has agreed to acquire 100% of IPAS VAIRO pension assets – a local 2nd pillar asset manager with similar target customer profile, the completion of the transaction is subject to regulatory approval and fulfillment of customary conditions precedent. The acquisition could lead to additional EUR 85m AUM and 14k additional customers.

Indexo Group's long term financial targets remain unchanged. By the end of 2028, INDEXO Group aims to reach around 2.3-2.6 billion EUR of AUM in its pension business, around 450-500 million EUR loan portfolio and around 600-660 million EUR deposit portfolio. Based on reaching the above mentioned financial goals, the forecasted net profit of the INDEXO Group could reach 15-18 million EUR by the end of 2028. Our strategic investments in technology and talent will enable us to deliver exceptional value to our clients, positioning us as a formidable player in the financial industry.

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

INDEXO and its subsidiaries AS INDEXO Banka and Indexo Atklātais Pensiju Fonds AS are holding special permits (licenses) issued by the Bank of Latvia (in Latvian: Latvijas Banka), authorising companies to provide their services. On 16 May 2017 INDEXO received a license for the provision of investment management services and management of state-funded pension scheme assets. On 20 January 2021 Indexo Atklātais Pensiju Fonds AS obtained a license for private pension funds. On 16 May 2024 the European Central Bank granted AS INDEXO Banka an authorisation to carry out the activities of credit institution. INDEXO, AS INDEXO Banka and Indexo Atklātais Pensiju Fonds AS are dependent on special permits (licenses) to render their main services with respect to the investment management segment. Consequently, authorisations (licenses) issued to INDEXO, AS INDEXO Banka and Indexo Atklātais Pensiju Fonds AS are considered as critical for the business of companies.

INDEXO as an investment management company has entered into asset management agreements, which are deemed material for its business and profitability:

Agreement on Management of State-Funded Pension Scheme Assets

On 27 June 2017 INDEXO entered into an Agreement on Management of State-Funded Pension Scheme Assets with the State Social Insurance Agency of the Republic of Latvia. The parties have agreed that INDEXO shall perform the management of the state-funded pension schemes investment plans.

Agreement on Management of Pension Plans

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 assets of two 3rd pension pillar pension plans established 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:

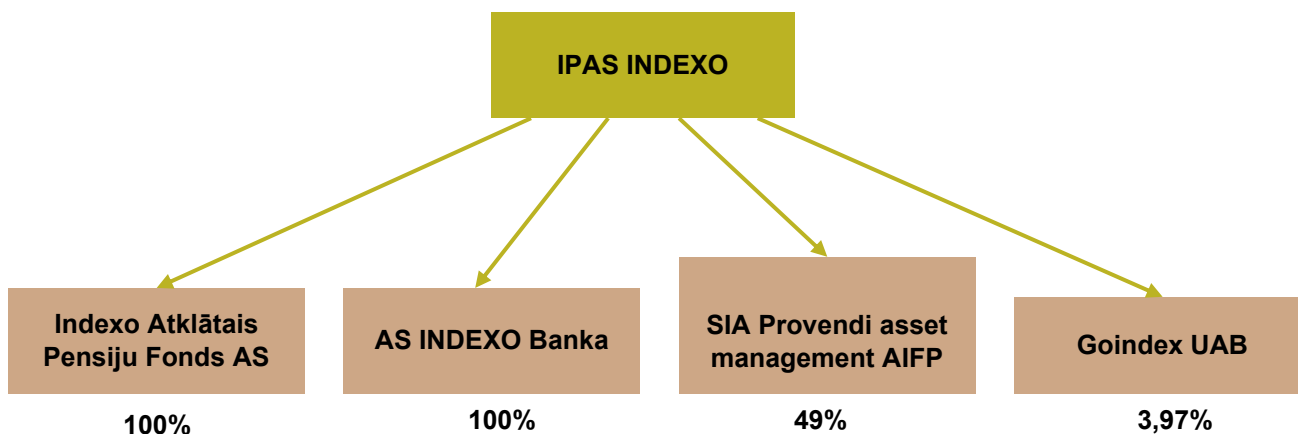
- (7) During the year ending 31 December 2020, on 5 June 2020 a decision was adopted on founding Indexo Atklātais Pensiju Fonds AS with the aim of offering a 3rd pillar pension service to clients. Indexo Atklātais Pensiju Fonds AS capital consists of 400,000 shares with nominal value of EUR 1 per share, thus constituting an investment of EUR 400,000 by INDEXO.
- (8) 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 and (2) additional investment of EUR 200,000 in the share capital of Indexo Atklātais Pensiju Fonds AS.
- (9) During the year ending 31 December 2022, INDEXO invested (1) in the share capital of AS "Indexo Banka" (formerly AS IDX1R) an amount of EUR 2,000,000; and (2) in the share capital of SIA Provendi asset management AIFP an amount of EUR 49,000 .
- (10) During the year ending 31 December 2023, INDEXO invested (1) in the share capital of AS "Indexo Banka" (formerly AS IDX1R) an additional amount of EUR 3,000,000 ; (2) an additional investment of EUR 150,000 in the share capital of Indexo Atklātais Pensiju Fonds AS; (3) an additional investment of EUR 49,920 in the share capital of GOINDEX UAB.
- (11) During the year ending 31 December 2024, INDEXO invested (1) in the share capital of AS "Indexo Banka" (formerly AS IDX1R) an additional amount of EUR 12,309,445; also, INDEXO invested (2) in the share capital of Indexo Atklātais Pensiju Fonds AS additional EUR 25,000.
- (12) During the year 2025 up to the date of this Universal Registration Date, INDEXO invested (1) additional 9,800 EUR in the share capital of SIA Provendi asset management AIFP; (2) an additional investment in the share capital of Indexo Atklātais Pensiju Fonds AS - additional EUR 25,000; (3) in the share capital of AS "Indexo Banka" – an additional amount of EUR 3,808,500.

Please see more information on above mentioned entities in Section 9 "ORGANISATIONAL STRUCTURE" of the Universal Registration Document. GOINDEX UAB and SIA Provendi asset management AIFP are not included in INDEXO's financial consolidation scope.

9. ORGANISATIONAL STRUCTURE

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

Figure 9.1



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

Table 9.2

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	Roberta Hirša street 1, Riga, LV-1045, Latvia
Registered and paid-up share capital	EUR 5,061,225
Conditional share capital	EUR 15,959
Shares	5,061,225
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” (INDEXO) is a licensed investment management company which provides investment management services and manages 2nd pension pillar investment plans and 3rd pension pillar pension plans. Please see Section 4.2 “Types of activities of INDEXO” of this Universal Registration Document for more detailed information regarding INDEXO.

Table 9.3

AS INDEXO Banka

Legal form	Joint Stock Company (AS – akciju sabiedrība)
Country of registration	Latvia
Registration number	40203448611
Registration date	19.12.2022.
Legal address	Roberta Hirša street 1, Riga, LV-1045, Latvia
Share capital	EUR 21,117,945
Shares	21,117,945
Shareholders	IPAS INDEXO AS – 21,117,945 shares (100% of share capital)
Licence	Credit institution
Issuance date	15.05.2024
Issuing authority	European Central Bank

AS INDEXO Banka (previously - AS IDX1R) is a wholly-owned subsidiary of INDEXO. On 16 May, 2024 AS INDEXO Banka has acquired a credit institution license.

Table 9.4

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	Roberta Hirša street 1, Riga, LV-1045, Latvia
Share capital	EUR 790,000
Shares	790,000
Shareholders	IPAS INDEXO AS – 790,000 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 is a licensed private pension fund and a wholly owned subsidiary of INDEXO. Indexo Atklātais Pensiju Fonds AS has established two pension plans within the 3rd pension pillar which are managed by INDEXO.

Table 9.5

SIA Provendi asset management AIFP

Legal form	Private limited liability company (SIA – sabiedrība ar ierobežotu atbildību)
Country of registration	Latvia
Registration number	40203438204
Registration date	02.11.2022.
Legal address	Elizabetes street 13 - 1, Riga, LV-1010, Latvia

Share capital	EUR 425,000
Shares	425,000
Shareholders	IPAS INDEXO AS – 208,250 shares (49% of share capital)
Registration	Alternative investment fund management company (AIFMC)
AIFMC registration issuance date	20.12.2022
Issuing authority	The Bank of Latvia (in Latvian: Latvijas Banka) (previously – Financial and Capital Market Commission)

SIA Provendi asset management AIFP is a registered alternative investment fund management company co-funded by INDEXO with the purpose to create a new low-cost real estate alternative investment 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.

Table 9.6

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 is a Lithuanian pension fund management company, specializing exclusively in 2nd and 3rd pension pillar pension funds with the key focus on low-cost index fund investments and transparent and easy-to-understand pension savings plan solutions. As of the date of the Universal Registration Document INDEXO owns 3,97% of Goindex UAB shares.

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.

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 2022, 2023, and 2024 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). 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

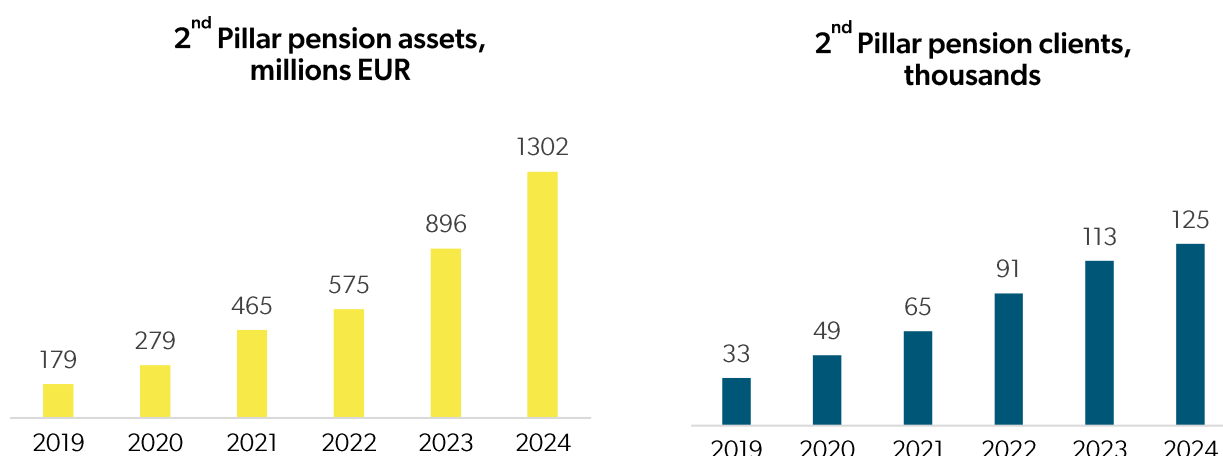
INDEXO offers three products within the 2nd pension pillar, where the client can decide on the investment strategy that most suits the client, and since 2021 INDEXO also offers 3rd pension pillar plans tailored for clients, considering their age and necessities.

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.

In 2023, INDEXO added 22 534 new customers, reaching 113,408 and AUM grew by 56% compared to 2022, to 896 million euros at the end of 2023. Furthermore, in 2024 INDEXO added 11,913 new customers, bringing the total number of customers to 125,321. AUM grew by 45% from EUR 896 million euros to 1,302 million euros at the end of 2024.

Figure 10.1.1

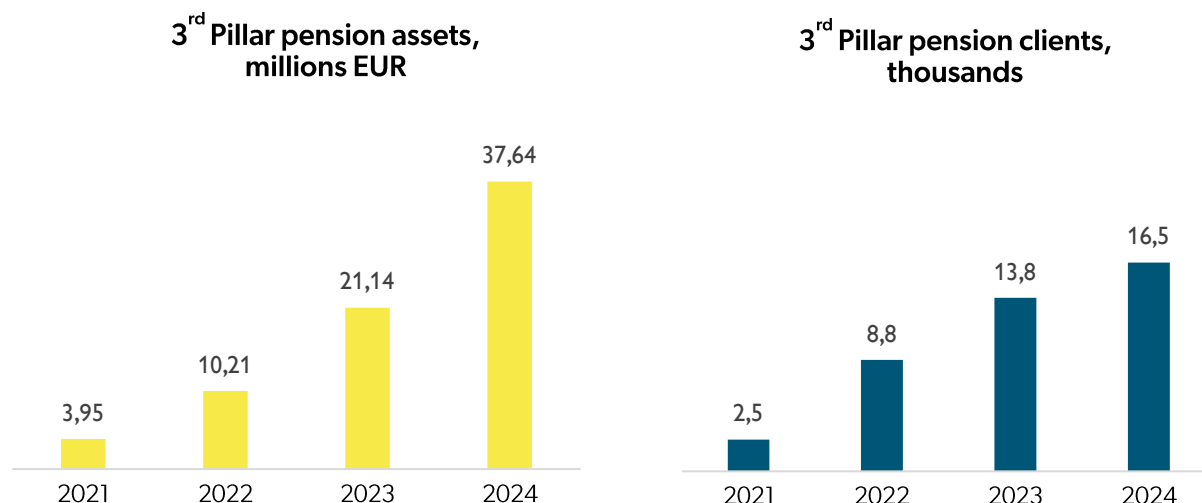
2nd pillar AUM and client growth



On December 31st, 2024, INDEXO has been able to attract 16.5 thousand customers and reach AUM of EUR 37.6 million to its 3rd pension pillar business.

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 46.5% 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 2024 of EUR 4.5 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. INEXO remains highly focused on client acquisition and growth for 2nd and 3rd pillar asset management, thus employing a considerable sales team.

Bank development

Since its launch on August 28, 2024, INEXO Bank has gained over 37.3 thousand customers within its nearly first year of operations. As of June 2025, the total deposits stood at over EUR 48.3 million and our loan portfolio exceeded EUR 12.4 million. At INEXO Bank, all customer onboarding applications are submitted through the bank's new mobile app. We have launched INEXO Bank with main daily banking services for private persons – payments, cards, savings (deposits and pensions) and consumer lending in a convenient modern mobile bank. We view it as only a starting point for our product rollout.

As the Bank's operations have just started and the bank has operated only for a couple months, INEXO Bank does not generate any significant revenue, while at the same time, the Bank makes significant IT investments to continue enhancing and developing a wider range of banking services. Therefore, during 2024, INEXO Bank incurred losses amounting to EUR 6.16 million.

Therefore, in the year ended 31 December 2024 administrative costs exceeded income from fees, resulting in a consolidated loss of EUR 5.38 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 10.1.3

EUR	Year ended 31 December Consolidated		
	2022	2023	2024

Commission income	2,277,620	3,123,426	4,474,815
Commission expense	-	-	(129,042)
Administrative costs	(3,514,964)	(5,994,955)	(9,374,475)
Interest income calculated using the effective interest rate	2,495	51,466	470,854
Interest expense	(3,147)	(4,713)	(773,344)
Other operating income	-	-	150 000
Other operating expenses	(32,738)	(63,632)	(102,716)
Allowances for expected credit losses	-	(3,497)	(88,961)
Corporate income tax	(1,069)	(6,296)	(9,461)
Total comprehensive profit/(loss) for the year, attributable to shareholders for the year	(1,271,803)	(2,898,201)	(5,382,330)

Table 10.1.4

	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
Commission income	2,257,065	3,078,289	4,358,622
Administrative costs	(3,269,188)	(3,293,174)	(3,178,802)
Interest income calculated using the effective interest rate	2,495	29,725	69,859
Interest expenses	(3,147)	-	(303,084)
Other operating expenses	(3,557)	(43,795)	(64,743)
Allowances for expected credit losses	-	(3,497)	(1,229)
Corporate income tax	(1,069)	(5,226)	(7,388)
Total comprehensive profit / (loss) for the year, attributable to shareholders for the year	(1,017,401)	(242,391)	873,235

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;
- other fees to third parties like trading fees, audit fees etc.

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 the 2nd pension pillar plans are those active as of June 2025. They are charged monthly but ultimately sum up to the amounts displayed below.

Table 10.1.5

Pension plan	Asset manager fee	Custodian bank fee	Total fees
"INDEXO Jauda 16-55"	0.39%	0.05%	0.44%
"INDEXO Izaugsme 55-62"	0.39%	0.05%	0.44%
"INDEXO Konservatīvais 62+"	0.37%	0.05%	0.42%

In the following table the newly proposed fees, that are in line with the new Bank of Latvia's regulations, are presented. These will apply from August 2025.

Pension plan	Asset manager fee	Custodian bank fee	Total fees
"INDEXO Jauda 16-55"	0.3448%	0.05%	0.3948%
"INDEXO Izaugsme 55-62"	0.3528%	0.05%	0.4028%
"INDEXO Konservatīvais 62+"	0.3419%	0.05%	0.3919%

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 10.1.6

Pension plan	Asset manager fee	Fund fee	Custodian bank fee	Total fees
"INDEXO Akciju plāns"	0.21%	0.36%	0.05%	0.62%
"INDEXO Obligāciju plāns"	0.21%	0.36%	0.05%	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		
	Consolidated		
	2022	2023	2024
“INDEXO Jauda 16-55”	1,595,223	2,234,735	3,259,677
“INDEXO Izaugsme 55-62”	560,851	705,778	917,567
“INDEXO Konservatīvais 62+”	86,603	106,180	120,879
3 rd pillar plan “INDEXO AKCIJU PLĀNS”	32,196	71,100	136,488
3 rd pillar plan “INDEXO OBLIGĀCIJU PLĀNS”	2,747	5,633	10,439
AS INDEXO Bank	-	-	29,765
Total	2,277,620	3,123,426	4,474,815

Table 10.2.2

Commission income, EUR	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
“INDEXO Jauda 16-55”	1,595,223	2,234,735	3,259,677
“INDEXO Izaugsme 55-62”	560,851	705,778	917,567
“INDEXO Konservatīvais 62+”	86,603	106,180	120,879
3 rd pillar plan “INDEXO AKCIJU PLĀNS”	13,257	29,277	56,201
3 rd pillar plan “INDEXO OBLIGĀCIJU PLĀNS”	1,131	2,319	4,298
Total	2,257,065	3,078,289	4,358,622

Costs

In the year ended 31 December 2024, INDEXO’s consolidated administrative costs amounted to 9,374 thousand EUR (compared to EUR 5,995 thousand for 2023). 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 2024.

IPAS INDEXO's costs for the year ended 31 December 2024 were EUR 10,478 thousand in comparison to EUR 6,073 thousand for the year ended 31 December 2023.

INDEXO closed the year ending 31 December 2022 with a loss of EUR 5,382 thousand in comparison to a loss of EUR 2,898 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

Administrative costs, EUR	Year ended 31 December		
	Consolidated		
	2022	2023	2024
Sales and marketing expenses	843,457	886,015	974,384
Remuneration to the Management Board and Supervisory Board	346,113	663,138	762,912
Remuneration to other staff	1,138,041	1,743,712	2,706,874
National social insurance mandatory contributions to the Management Board and Supervisory Board	81,648	135,199	179,971
National social insurance mandatory contributions	267,569	411,342	767,736
Share options reserves	171,524	420,819,	238,949
IT costs	155,961	1,074,204	2,254,237
Professional fees	259,551	272,353,	323,780
Office maintenance costs	36,559	57,876	172,290
Amortisation of right-to-use asset	37,338	34,903	224,237
Depreciation of property, plant and equipment	32,423	79,548	437,843
Employee motivation	48,033	-	-
Investors relations costs	-	-	-
Other staff costs	52,215	125,166	243,159
Other	44,532	90,680	88,103
Total	3,514,964	5,994,955	9,374,475

Table 10.2.4

Administrative costs, EUR	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
Sales and marketing expenses	836,886	891,186	627,791
Remuneration to the Management Board and Supervisory Board	334,808	139,948	121,817
Remuneration to other staff	1,111,585	1,052,628	1,268,507
National social insurance mandatory contributions to the Management Board and Supervisory Board	78,981	25,743	28,737
National social insurance mandatory contributions	261,210	247,532	253,019
Share options reserves	171,524	420,819	238,949
IT costs	113,287	127,756	128,173
Professional fees	156,310	166,659	154,960
Office maintenance costs	28,686	30,948	89,868
Amortisation of right-to-use asset	37,338	34,903	27,426
Depreciation of property, plant and equipment	4,083	4,164	33,221
Employee motivation	47,189	-	-
Other staff costs	52,215	73,706	81,463
Other	35,086	77,182	85,479
Total	3,269,188	3,293,174	3,178,802

Consolidated Profits or Losses

Table 10.2.5

	Year ended 31 December		
	Consolidated		
	2022	2023	2024
Profit/(loss) for the year	(1,271,803)	(2,898,201)	(5,382,330)

Table 10.2.6

	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
Profit/(loss) for the year	(1,017,401)	(242,391)	873,235

10.3. Financial position of INEXO

In the periods covered the balance sheet of INEXO grew quite significantly, mainly due to launching INEXO Bank operations and due to secondary public offering.

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

Table 10.3.1

	Year ended 31 December		
	Consolidated		
	2022	2023	2024
Total Assets	8,792,656	7,315,523	48,440,032
Total equity and Liabilities	8,792,656	7,315,523	48,440,032
Total liabilities	701,415	1,443,342	36,315,337
Total equity and reserves	8,091,241	5,872,181	12,124,695

Table 10.3.2

	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
Total Assets	9,123,689	9,463,481	22,085,575
Total equity and Liabilities	9,123,689	9,463,481	22,085,575
Total liabilities	538,019	441,061	555,076
Total equity and reserves	8,585,670	9,022,420	21,530,499

Total equity

During the year ended 31 December 2024, INEXO's share capital was EUR 4,760,549, which consisted of 4,760,549 Shares, each with a nominal value of EUR 1. All shares are fully paid.

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

Table 10.3.3

	Year ended 31 December		
	Consolidated		
	2022	2023	2024
Share capital	3,568,511	3,795,407	4,760,549
Share options	176,960	379,055	269,224
Share premium	7,062,908	7,094,334	17,525,087
Retained losses	(2,717,138)	(5,396,615)	(10,430,165)
Total equity and reserves	8,091,241	5,872,181	12,124,695

Table 10.3.4

	Year ended 31 December		
	Stand-alone		
	2022	2022	2024
Share capital	3,568,511	3,795,407	4,760,549
Share options	176,960	379,055	269,224
Share premium	7,062,908	7,094,334	17,525,087
Retained losses	(2,222,709)	(2,246,376)	(1,024,361)
Total equity and reserves	8,585,670	9,022,420	21,530,499

Total assets

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

Table 10.3.5

	Year ended 31 December		
	Consolidated		
	2022	2023	2024
Cash and cash equivalents at the end of the reporting period	7,231,123	2,707,396	36,647,025
Loans and advances due from customers	-	-	987,306
Receivables	220,190	321,489	460,869
Prepayments	24,279	548,006	751,524
Contract acquisition	990,417	1,389,048	1,566,969

costs			
Other assets	6,937	81,990	534,963
Intangible assets	177,177	1,965,168	4,562,356
Property, plant and equipment and right-of-use assets	81,870	59,499	2,590,711
Investments in subsidiary undertakings	-	-	-
Investments in associates	49,000	127,400	198,450
Loans to associates and subsidiaries	-	53,944	73,843
Other securities and investments	11,663	61,583	61,583
Current tax prepayment	-	-	4,433
Total Assets	8,792,656	7,315,523	48,440,032

Table 10.3.6

	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
Cash and cash equivalents at the end of the reporting period	4,970,780	982,789	1,468,245
Receivables	388,743	317,911	452,249
Prepayments	24,279	30,816	38,181
Contract acquisition costs	990,417	1,389,048	1,566,969
Other assets	6,937	5,120	35,030
Intangible assets	-	-	1,742
Property, plant and equipment and right-of-use assets	81,870	44,524	100,413
Investments in subsidiary undertakings	2,600,000	5,750,000	18,084,445
Investments in associates	49,000	127,400	198,450
Loans to associated companies	-	754,290	73,843
Other securities and investments	11,663	61,583	61,583
Current tax	-	-	4,425

prepayment			
Total Assets	9,123,689	9,463,481	22,085,575

Cash & Cash Equivalents

Table 10.3.7

	Year ended 31 December		
	Consolidated		
	2022	2023	2024
Placements with Central Banks	-	-	35,373,980
Placements with Swedbank AS	2,218,707	400,906	382,922
Placements with SEB banka AS	2,012,416	14,587	13,759
Short-term deposits with Swedbank AS	1,000,000	2,291,903	876,364
Short-term deposits with SEB banka AS	2,000,000	-	-
Total (Cash and cash equivalents)	7,231,123	2,707,396	36,647,025

Placements with Central Banks represents the EUR nominated balance of the INDEXO bank's correspondent account with the Bank of Latvia.

Table 10.3.8

	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
Placements with Swedbank AS	1,958,364	4,208	3,536
Placements with SEB banka AS	12,416	14,587	13,759
Short-term deposits with Swedbank AS	1,000,000	963,994	776,364
Short-term deposits with INDEXO Banka	-	-	674,586
Short-term deposits with SEB banka AS	2,000,000	-	-
Total (Cash and cash equivalents)	4,970,780	982,789	1,468,245

INDEXO holds cash in AS Swedbank, AS SEB banka and in group entity INDEXO Banka. Both AS Swedbank and AS SEB banka have an S&P rating of A+, Moody's rating of Aa3 and Fitch rating of AA on group level. In assessing the amount of expected credit losses, it was determined that it was insignificant and no allowance for expected credit losses for these exposures was recorded.

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		
	Consolidated		
	2022	2023	2024
"INDEXO Jauda 16-55"	155,050	232,577	341,495
"INDEXO Izaugsme 55-62"	53,014	70,105	91,814
"INDEXO Konservatīvais 62+"	8,002	10,075	11,121
3 rd pillar plan "INDEXO Akciju plāns"	3,799	8,095	15,250
3 rd pillar plan "INDEXO Obligāciju plāns"	325	637	1,190
AS "Indexo Atklātais Pensiju Fonds"	-	-	-
AS INDEXO Banka (till May 16th 2024 AS IDX1R)	-	-	-
Total	220,190	321,489	460,869

Table 10.3.10

	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
"INDEXO Jauda 16-55"	155,050	232,577	341,495
"INDEXO Izaugsme 55-62"	53,014	70,105	91,814
"INDEXO Konservatīvais 62+"	8,002	10,075	11,121
3 rd pillar plan "INDEXO Akciju plāns"	1,564	3,333	6,279
3 rd pillar plan "INDEXO Obligāciju plāns"	133	261	490
AS "Indexo Atklātais Pensiju Fonds"	5,143	-	-
AS INDEXO Banka	165,837	1,559	1,050

(till May 16th 2024 AS IDX1R)			
Total	388,743	317,910	452,249

Contract acquisition costs

Since 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 2024, client acquisition costs reached EUR 1.57 million, an increase of 12.9% compared to the costs of the year ended 31 December 2023.

Table 10.3.11

	Year ended 31 December		
	Consolidated		
	2022	2023	2024
Customer acquisition costs	990,417	1,389,048	1,566,969
Total	990,417	1,389,048	1,566,969

Table 10.3.12

	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
Customer acquisition costs	990,417	1,389,048	1,566,969
Total	990,417	1,389,048	1,566,969

10.4. Overview and results of Indexo Bank operations

We have invested significant effort to ensure that INDEXO Banka stands out in the Latvian financial market with the ease of use of its services and innovative products, offering new opportunities and more favorable conditions for clients. We involved our customers in this process by gathering their opinions on various topics, from the design of the mobile app to the appearance of payment cards.

A post-launch survey²⁵ conducted in collaboration with the Delfi news portal shows that our efforts have achieved the intended result - 93% of survey participants rated the account opening process in the INDEXO mobile app as simple and gave high ratings for the app's ease of use, functionality, speed, and operational stability. We are especially proud that our fully digital account opening process on average takes less than 5 minutes, what is a new benchmark in Latvian banking sector.

In the first month of banking operation, INDEXO Bank attracted more than 10 thousand clients with total deposits almost amounting to EUR 9.0 million. For comparison, it took more than a year for the pension management company IPAS INDEXO, which now has over 140 thousand clients, to attract its first 10 thousand clients. At the end of June 2025 INDEXO Bank has 37.3 thousand clients with EUR 48.3 million in total deposits and EUR 11.9 million in consumer loans.

²⁵ delfi.lv survey data, period: 30.09.-13.10.2024, n=985, all, 18+

The bank's operations were launched with a suite of daily banking services for private individuals payments, cards, savings (deposits and vaults) and consumer lending all available in user friendly and modern mobile app. INDEKO Bank is the only credit institution in Latvia which pays 1.25 % (since April 30, 2025) for customer current account balances and is among top payers also for other deposit products. We consider this as a starting point for expanding our product offering.

Since starting operations, we have already released twenty one update for the mobile app products and features. These updates included over 300 small improvements and bug fixes, chat improvements, as well as added functionality to provide clients with detailed information on interest earned and income tax paid from savings products. The app allows users to create detailed account statements in PDF format, the clients can also enjoy regular payments functionality and apply for consumer loan and mortgage refinancing. The app has successfully implemented changes to meet the requirements of the Instant Payments Regulation (IPR) where the deadline was January 2025. On February 12, 2025, INDEKO Bank was the first in Latvia to introduce a feature in its mobile app that allows all 2nd pillar pension savers to view their personal 2nd pillar pension savings, contributions, and earnings, regardless of whether they are clients of INDEKO or any other 2nd pillar pension manager in Latvia. During 2025 we will continue to improve our mobile app and expand the range of available banking services.

As the Bank's operations have just started and the bank has operated only for a couple months, INDEKO Bank does not generate any significant revenue. In 2024 Bank's total income amounted to just EUR 40.6 thousand. Meanwhile, the Bank continues to make significant IT investments to develop and expand its range of banking services. Consequently, in 2024, INDEKO Bank incurred losses amounting to EUR 6.16 million.

At the end of 2024, INDEKO Banka complies with all regulatory requirements regarding liquidity and capital adequacy. At the end of reporting period, INDEKO Bank's capital and reserves were EUR 8.48 million, and our equity for capital adequacy calculation was EUR 7.26 million, consisting entirely of Common Equity Tier 1 (CET1) capital. Since the value of the bank's risk exposures was very low, our capital ratios significantly exceeded the capital requirements set by our regulators, and at the end of the reporting period, INDEKO Bank's capital adequacy ratio was 54.17%. The liquidity coverage ratio was 1273.49%, significantly exceeding the regulatory minimum of 100%.

In Q1 2025, INDEKO Bank earned EUR 62.8 thousand in total revenue. As the Bank continued to make IT investments and extensive work was done to be able to launch Apple Pay and Google Pay in April, a mortgage refinancing product in the second half of May, and custody banking services, total expenses amounted to EUR 2.19 million and the net loss for Q1 2025 was EUR 2.42 million. Full Q1 report is available at [3M-2025-Banks-Quarterly-Report.pdf](#)

10.5. Key factors affecting results of operations and financial performance of INDEKO

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 INDEKO'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, INDEKO sees this as a benefit for society and is confident of its position in the market as INDEKO 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".

INDEKO'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 INDEKO.

Key factors affecting results of operations and financial performance of INDEKO Bank

In 2024 the Bank's share capital was increased by EUR 12.31 million. As at 31 December 2024 the Bank's total capital ratio was 54.17%, well above the minimum of 20% set by the regulator.

However, to mitigate the impact of the delay in launch of operations, continue to grow consumer lending and mortgaging lending portfolios and to successfully implement the ambitious product roadmap as described in Section 6 “KEY STRATEGIES OF INDEXO”, INDEXO Group acknowledges the necessity for additional capital to build scale and support these strategic initiatives.

INDEXO Bank’s parent and sole shareholder IPAS INDEXO after annual shareholder meeting in March 2025 has contributed to Bank’s capital EUR 0.80 million from its 2024 annual profit. In April additional contributions into the Bank’s capital were made in total EUR 2.87 million of which EUR 2.74 million were from April 2025 public offer capital raise. During June 2025 IPAS INDEXO contributed additional EUR 0.14 million to the Bank’s capital.

INDEXO Group management is considering and evaluating different options for strengthening Bank’s capital, including IPAS INDEXO current share issue and INDEXO Bank issuing T2, AT1 capital instruments later during the year. The additional capital inflow, coupled with a focus on cost control, will enable the Bank to strengthen its operational capacity, enhance its technological infrastructure, and maintain financial resilience as the Bank delivers innovative solutions to INDEXO Group customers.

The management of the INDEXO Group and the Bank has already demonstrated the ability to attract the necessary capital for the development of the bank, however, there is significant uncertainty regarding the Bank’s ability to successfully raise the needed financing.

11. LIQUIDITY AND CAPITAL RESOURCES

11.1. Liquidity

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.

Selected items of statements of cash flows

Table 11.1.1

	Year ended 31 December		
	Consolidated		
	2022	2023	2024
Cash and cash equivalents at the beginning of the period	1,162,841	7,231,123	2,707,396
(Decrease)/increase in cash and cash equivalents from operating activities before changes in assets and liabilities	(889,521)	(2,168,501)	(3,765,478)
Increase/(decrease) in cash and cash equivalents from operating activities	(1,291,620)	(2,672,657)	26,506,883
Decrease in cash and cash equivalents from investing activities	(146,402)	(2,067,365)	(3,693,038)
(Decrease)/increase in cash and cash equivalents from financing activities	7,506,304	216,295	11,125,784
Cash and cash equivalents at the end of the reporting year	7,231,123	2,707,396	36,647,025
(Decrease)/increase in cash and cash equivalents	6,068,282	(4,523,727)	33,939,629

Table 11.1.2

	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
Cash and cash equivalents at the beginning of the period	798,271	4,970,780	982,789
(Decrease)/increase in cash and cash equivalents from operating activities before changes in assets and liabilities	(663,458)	432,595	1,718,306
Increase/(decrease) in cash and cash equivalents from operating activities	(1,284,795)	(165,270)	883,052
Decrease in cash and cash equivalents from investing activities	(2,049,000)	(4,039,015)	(11,734,347)
(Decrease)/increase in cash and cash equivalents from financing activities	7,506,304	216,295	11,336,751
Cash and cash equivalents at the end of the reporting year	4,970,780	982,789	1,468,245
(Decrease)/increase in cash and cash equivalents	4,172,509	(3,987,991)	485,456

Cash flow from operating activities before changes in assets and liabilities

For the year ended 31 December 2024 the consolidated net cash flow from operating activities before changes in assets and liabilities amounted to positive EUR 1.72 million, which was more than a EUR 1.29 million increase from the amount of the year ended 31 December 2023.

Cash flow from operating activities

For the year ended 31 December 2024 the consolidated net cash flow from operating activities amounted to positive EUR 0.88 million, which was an increase from the negative EUR 0.17 million net cash flow from operating activities in the year ended 31 December 2023.

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 mostly attributable to establishing Indexo Banka AS in 2024 with the aim to launch banking operations after receive banking licence, Indexo Banka AS capital were increased by EUR 12.3 million. Also, AS "Indexo Atklātais Pensiju Fonds" capital was increased by EUR 0.03 million during 2024, and investment into associated company Provendi Asset management AIFP capital EUR 0.07 million.

Cash flow from financing activities

In the year 2024 INDEXO share capital increased by EUR 0.97 million and share premium amounted to EUR 10.43 million due to secondary public offering and share option exercise.

Cash and cash equivalents at the end of the period

Net cash and cash equivalents at the end of the year ended 31 December 2024 stood at EUR 36.65 million. Net cash and cash equivalents at the end of the period increased by 1252% y-o-y from EUR 2.71 million for the year ended 31 December 2023, due to public listing via secondary public offering which took place during the reporting period and due to launching banking operations and increasing customer deposits by EUR 32.4 million. No material changes have occurred to INDEXO's cash flows or material unused sources of liquidity after the year ended 31 December 2024.

11.2. Funding structure

The funding 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 2024 the Debt-to-Equity ratio for INDEXO is 0.04. 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".

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.

12. REGULATORY ENVIRONMENT

INDEXO and its subsidiaries are subject to extensive regulatory framework in the business areas in which each respective group entity operates. The application of existing laws and the implementation of future legislation require significant resources that could impact the Group's performance.

Among the laws and regulations that could have a significant influence on INDEXO's and Indexo Atklātais Pensiju Fonds AS business activities are recent and upcoming regulatory changes of Latvian 2nd and 3rd pension pillar regulation:

Client suitability assessment and display of information

In accordance with amendments in State Funded Pension Law that came into force on 1 July 2024, the State Social Insurance Agency is now required to provide 2nd pension pillar asset managers with quarterly information on their clients. 2nd pension pillar asset managers are now required to identify scheme participants whose funds they manage, based on the 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 managers are 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.

Another significant change in the administration of 2nd pension pillar is the possibility to display the statement of account of a participant of a 2nd pillar pension scheme through the secure online solution other than state's administered portal www.latvia.lv. AS INDEXO Bank has already started to provide the 2nd pillar account information display services to its customers.

The above-mentioned regulatory amendments benefit both the customers and asset managers, helping the customers make informed decisions and align their investments with their financial goals as well as ultimately fostering a more transparent and efficient 2nd pension pillar market environment.

Decrease of 2nd pension pillar contribution rate

In accordance with amendments in State Funded Pension Law that came into force on 1 January, 2025, the contribution rate to the 2nd pillar pension scheme for the period from 1 January, 2025 till 31 December, 2028 is decreased from 6% to 5% of the object of contributions specified in the Law on State Social Insurance. Such a decrease of contributions will have negative effect on the overall 2nd pillar pension assets under management and thus will influence INDEXO's operations in the 2nd pension pillar market.

Potential new limitations on 2nd pillar asset management fees

Under new amendments in State Funded Pension Law the maximum 2nd pension pillar asset management fees will be further decreased. Such a decrease has the potential of producing an overall negative effect on INDEXO's operations in the 2nd pension pillar market. The new regulations are going to be in place from August 1, 2025 and will decrease INDEXO's 2nd pension pillar market commission fee income for all plans. For Jauda 16-55 the decrease will be 0.0452 percentage points, for Izaugsme 55-62 – 0.0372 percentage points and for Konservatīvais 62+ - 0.0481 percentage points.

Potential introduction of the right of asset management companies to administer 3rd pillar pension plans

Under the current 3rd pension pillar regulatory regime 3rd pension pillar pension plans are administered by private pension funds as a separate legal entity and cannot be administered directly by asset management companies. The new regulatory indicative proposes that asset managers will have a right to administer pension plans directly. This would involve transferring the pension plans to asset management companies and liquidation of private pension funds as separate entities. If introduced, this new regime will decrease administrative burden and will have overall positive effect on the 3rd pension pillar market and INDEXO Group operations.

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) introduction of the possibility to continue participation in the 2nd pension pillar and delay of pay-out when the participant reaches pension age; (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 accessibility of public information provided in manapensija.lv, it should include more information about commission fees and indirect costs.

The subsidiary of IPAS INDEXO, AS INDEXO Banka as a credit institution operates within 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.

The regulatory landscape continues to develop with the focus on digital transformation and innovation in financial services, including the ones provided by AS INDEXO Bank. On 4 April 2024 new Regulation 2024/886 of 13 March 2024 regulating instant euro payments came into force, introducing several staged implementation deadlines. Among other things, from 9 January 2025 payment service providers are no longer required to screen instant euro transfers against EU sanctions lists at the time of execution. Instead, sanctions screening is performed separately and regularly, in order to reduce false positives and avoid unnecessary rejections or delays in payment execution. From 9 October 2025 payment service providers will be required to verify the payee's identity (name and IBAN match) before executing an instant payment, thereby reducing the risk of misdirected payments. This regulation aims to improve the efficiency, security, and accessibility of instant euro payments across the EU.

Other notable regulatory initiatives include the review of Payment Services Directive (PSD3) and the initiative for the introduction of a new financial data access legal framework aimed at improving the functioning of European payment market, the proposal for a central bank digital currency (digital euro) and initiatives aimed at regulation of the use of artificial intelligence.

Various new regulatory measures impact the activities of all INDEXO Group entities, among those is entering into force on January 17, 2025 of Regulation (2022/2554 of 14 December 2022 on digital operational resilience for the financial sector (DORA), which introduced new requirements for information and communication technology (ICT) risk management, ICT incident reporting, third party ICT risk management, resilience testing and operational continuity.

On 28 June 2025 Law on Accessibility of Goods and Services came in force requiring financial institutions and other companies to make their services easily accessible to everyone, including persons with disabilities.

In the area of anti-money laundering, more stringent measures will be introduced by amendments to Anti-Money Laundering Directive and adoption of Anti-Money Laundering Regulation that will enter into force from July 2027, expanding the scope of anti-money laundering requirements and strengthening the defences against both money laundering and terrorist financing.

Given the ever-evolving regulatory landscape, INDEXO Group pays close attention to regulatory developments that have the potential to influence the operations of the Group, as well as is committed to the thorough and timely implementation of new regulations, ensuring compliance with applicable regulatory requirements.

13. RECENT TRENDS, DEVELOPMENTS AND MATERIAL CHANGES

Recent trends and developments

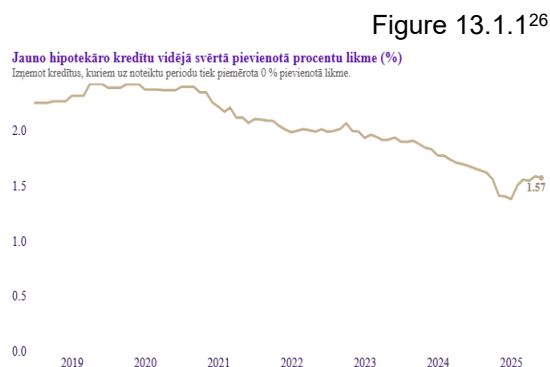
Recent developments in competition have increased churn in the 2nd pillar pension market. This has led to higher customer churn for INDEXO and other established market players.

New legislation will lower the maximum fee cap in pension 2nd pillar market. This will lead to a faster fee reduction as an asset manager grows its AUM. The new law will come into effect on August 1, 2025. As a result IPAS INDEXO's commission income fee will drop by 0.0281 percentage points for Konservatīvais 62+; 0.0372 percentage points for Izaugsme 55-62 and 0.0452 percentage points for Jauda 16-55.

INDEXO pension business focus has been shifted to pension 3rd pillar as the main driver of future growth for the pension segment.

In the middle of July, 2025 INDEXO Bank's number of clients has grown to 38.8 thousand, deposit volumes have reached EUR . 49.6 million, while the amount of loan portfolio has reached EUR 15.9 million.

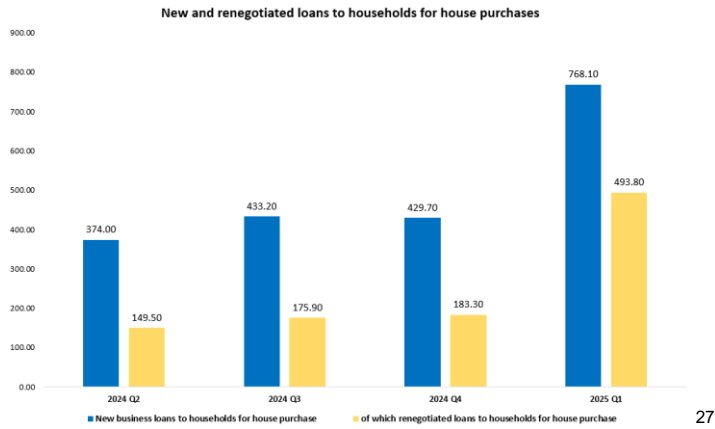
Although mortgage markups in Latvia remain high compared to the euro area and have declined in recent years, they have slightly increased since the beginning of 2025. Interest rates in Latvia are relatively high largely because most mortgage loans are floating and tied to EURIBOR. However, as EURIBOR has started to decline, overall mortgage rates have also begun to fall. In early 2025, the average markup stood slightly above 1.5% (please see chart below).



Following the end of state mortgage support and regulatory changes, including eased advertising rules and lower refinancing costs, mortgage market activity has increased (please see chart below). New and renegotiated loans rose from EUR 430 million in Q4 2024 to EUR 768 million in Q1 2025, with similar volumes expected in Q2.

Figure 13.1.2

²⁶ [Statistika | Naudas skola](#)



Material Changes

There were no material changes in INEXO Group's financial position and operations in the period after the audited financial statement as of 31 December 2024 and up to the date of this Universal Registration Document. The information on the latest published non-audited interim financial reports is available at <https://indexo.lv/en/for-investors/reports/>.

²⁷ Latvijas Banka

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 activities of the Management Board and representing the interests of shareholders in-between of General Meetings 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.

The place of business of the Management Board and the Supervisory Board is the registered address of INDEXO – Roberta Hirša street 1, Riga, LV-1045, Latvia.

INDEXO considers that except for the Management Board and Supervisory Board members, no other senior manager is relevant to establishing that the issuer has appropriate expertise and experience for the management of INDEXO business.

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 INDEXO Management Board members, the Bank of Latvia (in Latvian: Latvijas Banka) evaluated these persons' suitability for the role. The following criteria are taken into consideration:

- sufficient competence in the field for which the person is responsible;
- higher education and corresponding professional experience;
- 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*	Authority term
Henrik Karmo	Chairman of the Management Board	3 June, 2024 (as a Chairman of the Management Board) 16 August, 2018 (as a member of the Management Board)	3 June, 2024	2 June, 2029
Artūrs Roze	Member of the Management Board	3 June, 2024	3 June, 2024	2 June, 2029
Marija Černoštana	Member of the Management Board	3 June, 2024	3 June, 2024	2 June, 2029

* The date of the registration in the Commercial Register

Henrik Karmo



Mr. Henrik Karmo is a professional with more than 25 years of experience in the financial sector. He is one of the founders of INDEXO and since 16.08.2018. also a member of the Management Board. Mr. Henrik Karmo indirectly owns 8.06 % of the total number of INDEXO Shares.

Within the Management Board Mr. Henrik Karmo is responsible for strategy and development, IT, business process and data analysis, marketing.

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

Since 13.06.2020. Mr. Henrik Karmo is Chairman of the Supervisory Board at Indexo Atklātais Pensiju Fonds AS. Henrik Karmo is also a Chairman of the Supervisory Board at Goindex UAB (Lithuania) and a director at SIA "PERFECT MATCH" (Latvia) and Beacon Properties OÜ (Estonia). In the previous 5 years Henrik Karmo has been a Supervisory

Board member at Tulundusühistu Tuleva (Estonia), director at OÜ Capital Coordination (Estonia), Dagny OÜ (Estonia), Gdynia Invest OÜ (Estonia), HKTP Properties OÜ (Estonia), SIA "DVH" (Latvia) and Milo Invest sp. z o.o. (Poland).

As of the date of this Universal Registration Document, the positions and activities of Mr. Henrik Karmo outside of INDEXO Group are not significant with respect to INDEXO.

Artūrs Roze



Mr. Artūrs Roze is a professional with nearly 10 years of experience in financial sector. Mr. Artūrs Roze directly owns 0.13 % of the total number of INDEXO Shares. As of the date of this Universal Registration Document, Mr. Artūrs Roze has been granted 8,000 stock options under Phase Two of the 2022 Share Option Plan.

Within the Management Board Mr. Artūrs Roze is responsible for asset management, IT, sales, quality control and customer support. Artūrs Roze is a member of the Investment Committee.

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

From 2021 to 2024 Mr. Artūrs Roze held the position of Financial Manager at INDEXO. 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, and as a business analyst in Callidus Capital (2018-2021).

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

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

Marija Černoštana



Ms. Marija Černoštana is a legal professional with more than 25 years of experience in the sphere of financial markets. Ms. Marija Černoštana directly owns 0.011 % of the total number of INDEXO Shares. As of the date of this Universal Registration Document, Ms. Marija Černoštana has been granted 5,000 stock options under Phase Two of the 2022 Share Option Plan.

Within the Management Board Ms. Marija Černoštana is responsible for risk management, compliance, legal, data protection and sustainability. Marija Černoštana is a member of the Investment Committee.

Ms. Marija Černoštana has obtained a bachelor's degree and professional diploma in Law from the University of Latvia and master's degree in European and International Law from the Riga Graduate School of Law.

Since 2023 Ms. Marija Černoštana has held the position of the Head of Legal Department at AS INEXO Bank.

She gained previous experience as a legal counsel in Swedbank, from 2005 till 2023 being the Head of Financial Market Legal Department.

Ms. Marija Černoštana is a guest lecturer to Biznesa augstskola Turība.

As of the date of this Universal Registration Document, the positions and activities of Ms. Marija Černoštana outside of INEXO Group are not significant with respect to INEXO

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 INEXO 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 INEXO 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 INEXO.
•	Review: the report on the operation of INEXO internal control system regarding the efficiency of the operation of INEXO's internal control system.
•	Consider: INEXO'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 INEXO 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 INEXO and to get acquainted with all the activities of the Management Board;
- inspect the registers and documents of INEXO, as well as the treasury and all the property of INEXO, entrusting the inspection to one of its members or instructing an invited expert to perform the inspection or clarify certain issues.

INDEXO members of the Supervisory Board are approved by the Bank of Latvia (in Latvian: Latvijas Banka). Upon assessing the INEXO Supervisory Board members, the Bank of Latvia (in Latvian: Latvijas Banka) evaluated these persons' suitability for the role. The following criteria are taken into consideration:

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

Details on the members of the Supervisory Board of INEXO, 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, 2017 (as a Supervisory Board member), 16 August, 2018 (as a Chairman of the Supervisory Board)	28 March, 2025	27 March, 2028
Svens Dinsdorfs	Deputy Chairman of the Supervisory Board	21 September, 2017	28 March, 2025	27 March, 2028
Renāts Lokomets	Member of the Supervisory Board	21 September, 2017	28 March, 2025	27 March, 2028
Ramona Miglāne	Member of the Supervisory Board	19 April, 2023	28 March, 2025	27 March, 2028
Mārtiņš Jaunarājs	Member of the Supervisory Board	28 March, 2025	28 March, 2025	27 March, 2028

** - Shareholders' meeting decision date.

Valdis Vancovičs



Mr. Valdis Vancovičs is a business management professional with extensive experience in the telecommunications industry. Mr. Valdis Vancovičs directly owns 1.26 % 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 INDEXO Banka.

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).

Svens Dinsdorfs

Mr. Svens Dinsdorfs is a professional with extensive experience in financial management. Mr. Svens Dinsdorfs indirectly owns 1.25% 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 INDEXO Banka since 2023, and a member of the Management Board of SIA "Lendorf". He is also a member of association "RTM Tour".

Renāts Lokomets



Mr. Renāts Lokomets is a professional with many years of experience in the banking industry. Mr. Renāts Lokomets indirectly owns 0.99 % of INDEXO shares.

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 INDEXO Bank. Mr. Renāts Lokomets indirectly owns SIA VENTURE CAPITAL, which develops and scales businesses, and is a partner at RAW Ventures Limited. He is also a member of the association "Rīgas Ebreju kopiena".

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 partner of Sorainen ZAB, SIA, a member of a Supervisory Board of Digital Mind 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.

Ms. Ramona Miglāne has gained extensive experience serving on various boards. She was a partner and shareholder at ZAB "drill." PS (2020–2024) and chaired the Supervisory Boards of AS Mintos

Holdings (2015–2020), AS Mintos Marketplace (2016–2020), and AS DelfinGroup (2019–2021). Additionally, she served as a Supervisory Board member at AS MLJH Capital (2017–2020), AS Skanstes Biroju Centrs (2017–2020), and AS Dzimtene (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.

Mārtiņš Jaunarājs



Mr. Mārtiņš Jaunarājs has nearly thirty years of experience in leading positions within Latvian financial and technology sectors, commercial banks and investment funds. Mr. Mārtiņš Jaunarājs indirectly owns 1.14 % of INDEXO shares.

Mr. Mārtiņš Jaunarājs holds Master degree in Business Administration from University of Latvia and holds the Chartered Financial Analyst (CFA) designation.

In addition to his role at INDEXO, Mr. Mārtiņš Jaunarājs is a shareholder and Board Member of SIA Agenda Capital and a chairman of the Supervisory Board at SIA Pure Chocolate since 2017.

Previously, Mr. Mārtiņš Jaunarājs was chairman of the Supervisory Board at SIA Blue Bridge Technologies (2013–2022), SIA Vendon (2012–2022), and SIA AGroup (2013–2022). From 2010 to 2023, Mr. Mārtiņš Jaunarājs served as an Investment Director at BaltCap, overseeing investments in multiple Latvian businesses, managing companies at the board level, and subsequently executing the divestment of these investments.

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

14.4. Declarations

To the knowledge of the members of the Management Board, no member of the Management Board or Supervisory Board 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 and reorganizations have been finalized which resulted of companies being excluded from the Latvian Enterprise Register where:

- Mr. Henrik Karmo served as a Management Board member of SIA “DVH”, which was reorganized through a split in 2022 and subsequently removed from the Latvian Enterprise Register on August 16, 2022. He was also a director at HKTP Properties OÜ, which was liquidated in 2022.
- Mr. Renāts Lokomets was a Supervisory Board member of SIA "Eterna International", which underwent reorganization and was excluded from the Latvian Enterprise Register in 2024.
- Ms. Ramona Miglāne served as a Supervisory Board member in multiple companies:
 - AS MLJH Capital was liquidated, while SIA KB Investments was reorganized and excluded from the Latvian Enterprise Register in 2020.
 - AS Skanstes Biroju Centrs was liquidated, and both SIA LK Investments and AS Grumpy Investments were reorganized and removed from the register in 2021.
 - AS ZS Invest Holdings was liquidated in 2025.

In that respect, to the knowledge of the members of the Management Board, no other member of the Management Board or Supervisory Board 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 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.

14.5. Conflicts of interest

INDEXO Group has set in place and follows internal policy for prevention and management of the conflicts of interest pursuant to the regulatory requirements applicable to the investment management companies, private pension funds and credit institutions. The policy considers various types of potential conflicts between the interests of Indexo Group entities, the persons related thereto, employees, INDEXO Group customers and other third parties (suppliers, etc.).

INDEXO Group exercises all necessary measures to manage the conflicts of interest, including:

- set-up of appropriate organisational structure;
- conflict of interest reporting and record keeping;
- application of conflict of interest management procedures, systems and controls;
- disclosure of the conflict of interest to the customers;
- avoidance of a transaction or action that gives rise to the conflict of interest where the conflict of interest cannot be prevented or effectively managed by other means.

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.

Absence of the conflicts of interest. To the best of members' of the Management Board knowledge and as of the date of this Universal Registration Document:

- no actual or potential conflicts of interest exist between the duties performed by any member of the Management Board or Supervisory Board towards INDEXO and their private interests and/or other duties;
- no arrangements or agreements have been entered into with a shareholder, customer, supplier or others, pursuant to which one of the aforementioned persons has been selected;
- no family affiliation exists between the aforementioned persons;
- no restrictions other than statutory restrictions have been agreed by any of the aforementioned persons with regard to the disposal of their holdings in INDEXO share capital.

14.6. Remuneration and benefits

General principles of Management Board and Supervisory Board members' remuneration

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

On 28 March 2025, the Shareholders' meeting of INDEXO approved the Remuneration policy of the Supervisory Board and Management Board.

Remuneration of the Management Board consists of:

- **The fixed part of remuneration** that is determined by reference to the level of position, duties, responsibilities, required education and professional experience.
- **Other additional benefits** in monetary and non-monetary form, which are included in the standard remuneration package for INEXO employees and that 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, and other similar benefits.
- **Variable part of remuneration** that for the Management Board members can be only in the form of (i) compensation for compliance with the non-compete obligation at work, not exceeding 100% percent of the previous year total remuneration; and (ii) severance pay in case of termination of employment or other legal relations for the amount that exceeds the amount specified by Labor Law, but not exceeding fixed remuneration for the 6 monthsh period. Variable part of remuneration is not guaranteed to any employee, Management of Supervisory Board member.

Remuneration of the Management Board members is determined by the Supervisory Board.

Remuneration of the Supervisory Board consists only of **the fixed part of the remuneration**, which is paid regardless of the results of the person's activities. Remuneration of the Members of the Supervisory Board is determined by INEXO meeting of shareholders and consists of the fixed remuneration for participation in the meetings of the Council and of the committees. No variable remuneration shall be paid to the members of the Council. Members of the Supervisory Board may not participate in the INEXO options program.

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.

Remuneration paid to and other benefits for Management and Supervisory Board members in 2024 financial year

The tables below outline the total amount of remuneration paid by INEXO to Management Board, Supervisory Board, excluding employer's social insurance contributions, EUR.

Table 14.6.1

Name, surname, position	Fixed remuneration			Variable remuneration	Total remuneration
	Base salary	Other benefits	Total		
Henrik Karmo, Chairman of the Management Board	52 152	2 950	55 102	0	55 102
Artūrs Roze, Member of the Management Board (from 03.06.2024.)	34 671	2 011	36 682	0	36 682
Marija Černoštana, Member of the Management Board (from 03.06.2024.)	0	0	0	0	0
Valdis Vancovičs, Chairman of the Supervisory Council	9 500	0	9 500	0	9 500
Svens Dinsdorfs, Member of the Supervisory Council	10 500	0	10 500	0	10 500
Renāts Lokomets, Member of the Supervisory Council	10 500	0	10 500	0	10 500
Mārtiņš Jaunarājs, Member of the Supervisory Council	0	0	0	0	0

Ramona Miglāne, Member of the Supervisory Council	9 500	0	9 500	0	9 500
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Remuneration received from INDEXO Group company INDEXO Banka, excluding employer's social insurance contributions, EUR.

Table 14.6.2

Name, surname, position	Fixed remuneration			Variable remuneration	Total remuneration
	Base salary	Other benefits	Total		
Henrik Karmo, Chairman of the Management Board	19 986	0	19 986	0	19 986
Marija Černoštana, Member of the Management Board (from 03.06.2024.)	38 442	2 174	40 616	0	40 616

The remuneration received from INDEXO Group company INDEXO Banka is indicated for the period of time during which the person held the position of a member of the Board of IPAS INDEXO. In 2024, all members of the Council received remuneration from IPAS INDEXO and did not receive any remuneration from other Group companies within the meaning of the Law on Annual Reports and Consolidated Annual Reports of the Republic of Latvia.

In addition to remuneration, the INDEXO Group companies may offer their employees and officials the opportunity to participate in the option program. Options are granted in accordance with the Group's Option Issuance Rules. This is a long-term incentive plan for the management board and employees in the form of shares, aimed at motivating employees and management board members to focus on the long-term development of operations and to foster interest in the effective management of IPAS INDEXO. Section 15 provides more detailed information regarding option program.

No service contract between INDEXO or any of its subsidiaries and the members of the Management Board and Supervisory Board provides for the benefits upon termination of employment,

No amounts are set aside or accrued by INDEXO or its subsidiaries to provide for pension, retirement or similar benefits of the Management Board and Supervisory Board members.

14.7. Audit and other committees

Audit committee

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

The internal Audit committee consists of Mr. Svens Dinsdorfs and Renāts Lokomets, the third seat on the committee is temporarily vacant and will be filled in due course. 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 Audit committee shall be entitled to remuneration determined by INDEXO's Shareholders' meeting.

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.

Remuneration committee

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

14.8. Corporate governance

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

The Management Board has set 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 aims to foster trust and ethical behaviour thereby ensuring that INDEXO's long-term objectives are met.

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, INDEXO strives to provide effective, transparent, and compliant management which therefore creates a responsible, safe, and comfortable environment for INDEXO employees, investors, and clients.

Following acquisition of credit institution licence by AS INDEXO Banka, under new INDEXO Group governance structure introduced in year 2024, AS INEXO Banka acts 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 a responsible entity within the Group, INDEXO Banka is responsible for the development of Group strategy, Group business planning, financial and treasury management, as well as risk management framework.

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):

●	INDEXO Group governance policy
●	INDEXO Group code of ethics
●	INDEXO Group conflict of interest management policy

•	INDEXO Group Remuneration policy
•	IPAS INDEXO Management Board and Supervisory Board Remuneration policy
•	INDEXO Group material risk management policy
•	INDEXO Group internal audit policy
•	INDEXO Group Procurement organization and oversight policy
•	INDEXO Group Outsourcing engagement and oversight policy
•	INDEXO Group Client feedback and complaints handling policy
•	IPAS INDEXO Accounting policy
•	INDEXO Group Information security policies
•	IPAS INDEXO AML/CFT/CPF and sanctions risk assessment and management rules
•	IPAS INDEXO Dividend policy
•	INDEXO Group Data processing policy
•	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 as a listed company prepares yearly Corporate governance report on the basis of the requirements of the section 56.² of the Financial Instruments Market Act and «Code of Corporate Governance» issued by the Corporate Governance Advisory Board of the Ministry of Justice of the Republic of Latvia in 2020. Principles and criteria incorporated in the Code have been developed taking into consideration suggestions by the European Union and the Organization for Economic Cooperation and Development (OECD) on corporate governance of limited companies. Evaluating compliance with the principles of the Code in the year 2024, the INDEXO's Management Board concluded that INDEXO fully complies with 13 and partially complies with 4 of the principles incorporated in the «Code of Corporate Governance». INDEXO Corporate governance report is available at INDEXO website www.indexo.lv.

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 and future development of INDEXO is largely dependent on attracting and retaining a qualified employees for a long term. In order to attract and retain qualified personnel, INDEXO offers remuneration, which is fair and competitive, as well as other benefits which could attract qualified personnel also in future. 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.

The subsidiary of INDEXO, INDEXO Bank, received a credit institution license in 2024, leading to growth in number of employees in INDEXO Group; additionally, it is also due to the Group's future development plans.

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

	2022	2023	2024
Average number of employees employed by INDEXO Group	83	76	108

The place of permanent employment of the majority of employees of INDEXO is within the metropolitan area of Riga, Latvia.

15.2. Personnel Share Option Plans

In addition to remuneration, the Company may offer its employees and officials the opportunity to participate in the option program. Options are granted in accordance with the Group's Option Issuance Rules. This is a long-term incentive plan for the management board and employees in the form of shares, aimed at motivating employees and management board members to focus on the long-term development of operations and to foster interest in the effective management of INDEXO.

The Company's shareholders' meeting has approved two share purchase right (option) schemes that are in force and within which one option gives the right to purchase one share of the company. The first staff option scheme is hereinafter referred to as the employee stock option scheme, while the second option scheme is hereinafter referred to as the management stock option scheme.

The employee options are not considered as variable or fixed remuneration, as the terms of issue stipulate that the option holder may purchase employee options at a price not lower than the nominal value of the shares, and the option holder must cover the purchase from his own funds. Options may be granted to Members of the Management Board by the Supervisory Council, in accordance with the Group's Option Issuance Rules.

Employee stock option scheme

The terms of the Employee stock option scheme were approved at the Company's shareholders' meeting on March 29, 2021. The updated terms were approved at the Company's shareholders' meeting on March 24, 2022, the current version of the terms was approved on March 25, 2024. One option gives the right to purchase one share of the Company for EUR 2.86 with a holding period of 1 year. The management Board determines the effective date for the exercise of the option right each year, provided that at least two dates are determined in a calendar year. The option holder is entitled to exercise the employee stock option granted to him/her no later than the nearest exercise date of the options after the end of the holding period; unused options are annulled.

Management stock option scheme

The terms of the Management stock option scheme were approved by the Company's shareholders' meeting on March 24, 2022, the current version of the terms was approved on March 25, 2024. According to the terms of stage I of the Management option stock scheme, one option gives the right to purchase one share of the Company for EUR 1.00 with a holding period of 1 year. According to the terms of stage II of the management stock option scheme, one option gives the right to purchase one share of the Company for EUR 27.48 with a minimum holding period of 1 year. The Management board determines exercise dates of the options each year, provided that at least two dates are determined in a calendar year. The holder of options issued under Stage I is entitled to exercise the options granted to him/her no later than the nearest option exercise date after the end of the holding period, unused Stage I options are annulled. The holder of options issued under Stage II may start exercising the options granted to him/her in the relevant proportional amount on the nearest option exercise date after the end of the holding period and may continue to exercise them on any subsequent option exercise date.

The Company has certain clawback rights in relation to Stage I options if on the exercise date (the date being Company's Management Board meeting which is no later than 4 months after the publication of the Company's 2026 annual financial statements) the value of the Company's share does not exceed the amounts specified in the Management stock option scheme regulations. Holders of options issued under Stage I may derive material benefit from the Sage I management stock option only if the market price of the share on the exercise date exceeds EUR 16.51 per share. The number of shares to be returned depends on the market value of the Company's shares and is determined in accordance with the terms of the option scheme.

16. SHAREHOLDERS

The largest shareholders of INDEXO (on 3 July 2025) are:

- Henrik Karmo (direct and indirect with PERFECT MATCH SIA (Latvia) and BEACON PROPERTIES OU (Estonia)) – 8.06%
- Valdis Siksnis (direct and indirect with VSCAP SIA (Latvia)) – 5.44%
- BAROLO FINANTS OU (Estonia) – 5.09%

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 31 of INDEXO's audited consolidated and separate annual report for the financial year ended on 31 December 2024, Note 24 of INDEXO's audited stand alone and consolidated financial statements for the financial year ended on 31 December 2023, Note 19 of INDEXO's audited stand alone and consolidated annual report for the financial year ended on 31 December 2022.

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

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 on 1 January 2024:

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024).

Classification of liabilities as current or non-current – Amendments to IAS 1 (effective for annual periods beginning on or after 1 January 2024).

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (effective for annual periods beginning on or after 1 January 2024).

New standards and amendments did not have any material impact on the INDEXO financial statements.

Standards or interpretations effective for the first time for the annual periods beginning after 1 January 2024 or not yet endorsed by the EU

Amendments to IAS 21 Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025).

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026, not yet endorsed by the EU).

Annual Improvements to IFRS Accounting Standards (Issued in July 2024 and effective from 1 January 2026, not yet endorsed by the EU).

Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026, not yet endorsed by the EU).

IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027, not yet endorsed by the EU).

IFRS 19 Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027).

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 INDEXO Group and INDEXO (EUR)

The tables below set out information from INEXO's Group and INEXO's statements of income for the years ended 31 December 2022, 2023 as well as 2024.

Table 18.1

	Year ended 31 December		
	Consolidated		
	2022	2023	2024
Commission income	2,277,620	3,123,426	4,474,815
Commission expense	-	-	(129,042)
Administrative costs	(3,514,964)	(5,994,955)	(9,374,475)
Interest income calculated using the effective interest rate	2,495	51,466	470,854
Interest costs	(3,147)	(4,713)	(773,344)
Other operating income	-	-	150,000
Other operating expenses	(32,738)	(63,632)	(102,716)
Allowances for expected credit losses	-	(3,497)	(88,961)
Profit/(loss) before corporate income tax	(1,270,734)	(2,891,905)	(5,372,869)
Corporate income tax	(1,069)	(6,296)	(9,461)
Profit or loss of the reporting year	(1,271,803)	(2,898,201)	(5,382,330)
Total comprehensive profit/(loss) for the year, attributable to shareholders for the year	(1,271,803)	(2,898,201)	(5,382,330)
Basic earnings per share	(0.39)	(0.79)	(1.18)
Diluted earnings per share	(0.38)	(0.79)	(1.18)

Table 18.2

	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
Commission income	2,257,065	3,078,289	4,358,622
Administrative costs	(3,269,188)	(3,293,174)	(3,178,802)
Interest income calculated using the effective interest rate	2,495	29,725	69,859
Interest costs	(3,147)	-	(303,084)
Other operating expenses	(3,557)	(43,795)	(64,743)
Allowances for expected credit losses	-	(3,497)	(1,229)
Profit/(loss) before corporate	(1,016,332)	(237,165)	880,623

income tax			
Corporate income tax	(1,069)	(5,226)	(7,388)
Profit or loss of the reporting year	(1,017,401)	(242,391)	873,235
Total comprehensive profit/(loss) for the year, attributable to shareholders for the year	(1,017,401)	(242,391)	873,235
Basic earnings per share	(0.31)	(0.07)	0.19
Diluted earnings per share	(0.30)	(0.07)	0.19

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 2022, 2023, as well as 2024.

Table 18.3

Assets	Year ended 31 December		
	Consolidated		
	2022	2023	2024
Cash and cash equivalents	7,231,123	2,707,396	36,647,025
Investments in equity securities	11,663	61,583	61,583
Loans and advances due from customers	-	-	987,306
Loans to associated companies	-	53,944	73,843
Receivables	220,190	321,489	460,869
Investments in subsidiaries	-	-	-
Investments in associates	49,000	127,400	198,450
Prepayments	24,279	548,006	751,524
Current tax prepayment	-	-	4,433
Other assets	6,937	81,990	534,963
Intangible assets*	177,177	1,965,168	4,562,356
Property, plant and equipment and right-of-use of assets	81,870	59,499	2,590,711
Contract purchase costs	990,417	1,389,048	1,566,969
Total Assets	8,792,656	7,315,523	48,440,032

Equity and Liabilities	Year ended 31 December		
	Consolidated		
	2022	2023	2024
Deposits from customers	-	-	32,423,162
Lease liabilities	90,468	46,665	2,041,690
Debts to suppliers and contractors	89,072	608,361	514,932

Taxes and national social insurance mandatory contributions	95,245	207,962	197,003
Accrued liabilities	193,584	246,200	581,148
Other liabilities	233,046	334,154	557,402
Total Liabilities	701,415	1,443,342	36,315,337
Share capital	3,568,511	3,795,407	4,760,549
Share options	176,960	379,055	269,224
Share premium	7,062,908	7,094,334	17,525,087
Retained losses	(2,717,138)	(5,396,615)	(10,430,165)
Total equity and reserves	8,091,241	5,872,181	12,124,695
Equity and Liabilities Total	8,792,656	7,315,523	48,440,032

Table 18.4

Assets	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
Cash and cash equivalents	4,970,780	982,789	1,468,245
Investments in equity securities	11,663	61,583	61,583
Loans and advances due from customers	-	-	-
Loans to associated companies	-	754,290	73,843
Receivables	388,743	317,911	452,249
Investments in subsidiaries	2,600,000	5,750,000	18,084,445
Investments in associates	49,000	127,400	198,450
Prepayments	24,279	30,816	38,181
Current tax prepayment	-	-	4,425
Other assets	6,937	5,120	35,030
Intangible assets*	-	-	1,742
Property, plant and equipment and right-of-use of assets	81,870	44,524	100,413
Contract purchase costs	990,417	1,389,048	1,566,969
Total Assets	9,123,689	9,463,481	22,085,575

Equity and Liabilities	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
Deposits from customers		-	-

Lease liabilities	90,468	46,665	77,323
Debts to suppliers and contractors	70,669	114,127	21,080
Taxes and national social insurance mandatory contributions	92,814	52,651	32,387
Accrued liabilities	177,555	160,434	393,432
Other liabilities	106,513	67,184	30,854
Total Liabilities	538,019	441,061	555,076
Share capital	3,568,511	3,795,407	4,760,549
Share options	176,960	379,055	269,224
Share premium	7,062,908	7,094,334	17,525,087
Retained losses	(2,222,709)	(2,246,376)	(1,024,361)
Total equity and reserves	8,585,670	9,022,420	21,530,499
Equity and Liabilities Total	9,123,689	9,463,481	22,085,575

Cash flow statements of INEXO Group and INEXO (EUR)

The tables below set out selected information from INEXO's Group and INEXO's statements of cash flows for the years ended 31 December 2022, 2023, as well as 2024.

Table 18.5

	Year ended 31 December		
	Consolidated		
	2022	2023	2024
Cash flow from operating activities			
Profit / (Loss) before corporate income tax	(1,270,734)	(2,891,905)	(5,372,869)
Depreciation of PPE and amortisation of right-of-use and intangible assets	69,760	112,017	662,786
Amortisation of contract acquisition costs	139,277	233,824	314,205
Expense Recognition of Share option reserves	171,524	420,819	238,949
Allowances for expected credit losses	-	3,497	88,961
Interest income calculated using the effective interest rate	(2,495)	(51,466)	(470,854)
Interest expense	3,147	4,713	773,344
(Decrease)/increase in cash and cash equivalents from operating activities before changes in operating assets and liabilities	(889,521)	(2,168,501)	(3,765,478)
Increase in receivables, prepayments, and other assets	(670,111)	(1,327,447)	799,662
Financial assets measured at amortized cost (including loans)	-	-	(1,069,854)
Increase / (decrease) in accrued liabilities	76,330	52,616	488,055
Increase/ (decrease) in trade payables and other liabilities	192,001	729,047	(2,115,499)

Financial liabilities measured at amortized cost including deposits	-	-	32,423,162
Corporate income tax	(1,069)	(6,296)	(9,461)
Interest received	750	51,446	465,455
Interest paid	-	(3,522)	(709,159)
Decrease in cash and cash equivalents from operating activities	(1,291,620)	(2,672,657)	26,506,883
Cash flow from investing activities			
Intangible asset and PPE purchases	(97,402)	(1,885,145)	(3,601,011)
Investments in subsidiaries	-	-	-
Investments in associated company share capital	(49,000)	(128,320)	(71,050)
Issued loans	-	(53,900)	(24,364)
Repaid loans	-	-	3,387
Decrease in cash and cash equivalents from investing activities	(146,402)	(2,067,365)	(3,693,038)
Cash flow from financing activities			
Share capital increase	7,537,257	258,323	11,395,895
Payment of principal of lease liabilities	(27,806)	(37,315)	(205,926)
Interest paid on lease liabilities	(3,147)	(4,713)	(64,185)
Increase in cash and cash equivalents from financing activities	7,506,304	216,295	11,125,784
(Decrease)/increase in cash and cash equivalents	6,068,282	(4,523,727)	33,939,629
Cash and cash equivalents at the beginning of the reporting period	1,162,841	7,231,123	2,707,396
Cash and cash equivalents at the end of the reporting period	7,231,123	2,707,396	36,647,025

Table 18.6

	Year ended 31 December		
	Stand-alone		
	2022	2023	2024
Cash flow from operating activities			
Profit / (Loss) before corporate income tax	(1,016,332)	(237,165)	880,623
Depreciation of PPE and amortisation of right-of-use and intangible assets	41,421	36,632	50,075
Amortisation of contract acquisition costs	139,277	233,824	314,205
Expense Recognition of Share option reserves	171,524	420,819	238,949
Allowances for expected credit losses	-	3,497	1,229
Interest income calculated using the effective interest rate	(2,495)	(29,725)	(69,859)
Interest expense	3,147	4,713	303,084
(Decrease)/increase in cash and cash equivalents from operating activities before changes in operating assets and liabilities	(663,458)	432,595	1,718,306
Increase in receivables, prepayments, and other assets	(807,765)	(566,396)	(682,847)
Financial assets measured at amortized cost (including loans)	-	-	-
Increase / (decrease) in accrued liabilities	65,201	(17,121)	214,505
Increase/ (decrease) in trade payables and other liabilities	121,546	(34,960)	(129,377)
Financial liabilities measured at amortized cost including deposits	-	-	-
Corporate income tax	(1,069)	(5,226)	(7,388)
Interest received	750	29,725	69,704
Interest paid	-	(3,887)	(299,851)

Decrease in cash and cash equivalents from operating activities	(1,284,795)	(165,270)	883,052
Cash flow from investing activities			
Intangible asset and PPE purchases	-	(6,796)	(11,720)
Investments in subsidiaries	(2,000,000)	(3,150,000)	(12,334,445)
Investments in associated company share capital	(49,000)	(128,320)	(71,050)
Issued loans	-	(753,900)	(24,364)
Repaid loans	-	-	707,232
Decrease in cash and cash equivalents from investing activities	(2,049,000)	(4,039,015)	(11,734,347)
Cash flow from financing activities			
Share capital increase	7,537,257	258,323	11,395,895
Payment of principal of lease liabilities	(27,806)	(37,315)	(55,911)
Interest paid on lease liabilities	(3,147)	(4,713)	(3,233)
Increase in cash and cash equivalents from financing activities	7,506,304	216,295	11,336,751
(Decrease)/increase in cash and cash equivalents	4,172,509	(3,987,991)	485,456
Cash and cash equivalents at the beginning of the reporting period	798,271	4,970,780	982,789
Cash and cash equivalents at the end of the reporting period	4,970,780	982,789	1,468,245

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

The tables below set out information consolidated equity and result of changes in equity for the years ended 31 December 2022, 2023 and as well as 2024.

Table 18.7

Consolidated	Share capital	Share options	Share premium	Accumulated deficit	Total
31.12.2022	3,568,511	176,960	7,062,908	(2,717,138)	8,091,241
Share option exercise	226 896	(218,724)	31,426	218,724	258,322
Increase in Share option reserves		420,819			420,819
Total comprehensive loss for the period	-	-	-	(2,898,201)	(2,898,201)
31.12.2023	3,795,407	379,055	7,094,334	(5,396,615)	5,872,181
Share option exercise	43 149	(348,780)	32,225	348,780	75 374
Increase in Share option reserves	-	238,949	-	-	238,949
Increase in Share capital	921,993	-	10,398,582	-	11,320,521
Total comprehensive loss for the period	-	-	-	(5,382,330)	(5,382,330)
31.12.2024	4,760,549	269,224	17,525,087	(10,430,165)	12,124,695

Table 18.8

Stand-alone	Share capital	Share options	Share premium	Accumulated deficit	Total
31.12.2022	3,568,511	176,960	7,062,908	(2,222,709)	8,585,670
Share option exercise	226,896	(218,724)	31,426	218,724	258,322

Increase in Share option reserves		420,819		-	420,819
Total comprehensive loss for the period	-	-	-	(242,391)	(242,391)
31.12.2023	3,795,407	379,055	7,094,334	(2,246,376)	9,022,420
Share option exercise	43 149	(348,780)	32 225	348,780	75,374
Increase in Share option reserves	-	238,949	-	-	238,949
Increase in Share capital	921,993	-	10,398,528	-	11,320,521
Total comprehensive profit for the period	-	-	-	873,235	873,235
31.12.2024	4,760,549	269,224	17,525,087	(1,024,361)	21,530,499

19. RIGHTS TO DIVIDENDS AND DIVIDEND POLICY

19.1. Main principles of Dividend Policy

On 24 March 2022 the Shareholders' meeting approved INDEXO Dividend policy.

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

- maintaining a balance between the short-term (profit) and long-term (development of INDEXO) 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 INDEXO as shown in the Annual Report. Dividends are paid to a Shareholder in proportion to the total number of shares in INDEXO held by the Shareholder. Dividends can only be calculated and paid out for fully paid-up shares. Dividends are paid in cash by bank transfer to Shareholders' accounts on the day of payment.

Annual dividends can be paid out once a year in accordance with the payment schedule after the Shareholders' meeting in which the financial report for the previous financial year has been approved. Under Latvian law extraordinary dividends may be paid only if provided for in the Articles of Association. Extraordinary dividends are not provided for in INDEXO's Articles of Association.

19.2. Decision on distributing dividends

The governing body of INDEXO 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 INDEXO profits include, but are not limited to, the following:

- the financial situation of INDEXO and the state of the economy;
- INDEXO's legal liabilities and obligations;
- the amount of equity capital required;
- the strategic objectives of INDEXO;
- 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 except for taxation requirements. For a description of withholding tax on dividends applicable to Shareholders, 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. The available capital for the business operations of INDEXO will be invested into the growth of INDEXO Group, therefore INDEXO plans to start declaring dividends when the profits of INDEXO exceed the INDEXO Bank 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 which may have significant effects on the issuer and/or INDEXO group's financial position or profitability.

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..

As of the date of this Universal Registration Document, INDEXO's issued share capital amounts to EUR 5,061,225, divided into 5,061,225 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	5,061,225	1	5,061,225

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 starting from year 2020 and till the end of the first quarter of year 2025, 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 shares, thereby dividing the share capital of INDEXO into 3,016,987 shares with a nominal value of EUR 1 (one Euro) per share.	-	3,016,987
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
2024	The share capital was increased by EUR 965,142 resulting in issuance of 965,142 new shares with nominal value of EUR 1.	965,142	4,760,549
2025 up to the date of Universal Registration Document	The share capital was increased by EUR 13,568 resulting in issuance of 13,568 new shares with nominal value of EUR 1.	13,568	4,774,117
	The share capital was increased by EUR 272,108 resulting in issuance of 272,108 new shares with nominal value of EUR 1.	272,108	5,046,225
	The share capital was increased by EUR 15,000 resulting in issuance of 15,000 new shares with nominal value of EUR 1.	15,000	5,061,225

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 text of the Articles of Association currently in force can be found on INDEXO corporate website www.indexo.lv.

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. The nominal value of one share is 1 EUR (one euro).
- **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 the Company for a period of up to 5 (five) years is authorized to increase the share capital of the Company for the amount up to and not exceeding 572 000 (five hundred and seventy-two thousand) shares, in accordance with the provisions of Article 249 part 4 of the Commercial Law.
- **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 outside the ordinary course of business and 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 2024.
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 2024, 31 December 2023, 31 December 2022.
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., LV1076, 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.
Barolo Finants OÜ	A private limited liability company registered in Estonia, registration number:11459279, legal address: Harju maakond, Tallinn, Kesklinna linnaosa, Roosikrantsi tn 11, 10119, Estonia.
Belarus	Republic of Belarus.
Beacon Properties OÜ	A private limited liability company registered in Estonia, registration number:12058105, legal address: Harju maakond, Tallinn, Kesklinna linnaosa, Tina tn 8-4, 10126, Estonia.
CFT	Combating the financing of terrorism.
CPF	Counter Proliferation Financing.
Commercial Register	The Register of Enterprises of the Republic of Latvia.
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.

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.
General Meeting or Shareholders' meeting	A meeting of INDEXO's shareholders.
Goindex UAB	A private limited liability company registered in Lithuania, registration number: 305706496; legal address: Eglynlaukio g. 7, Vilnius, Lithuania.
IAS	International Accounting Standards.
IFRS	International Financial Reporting Standards.
SIA Provendi asset management AIFP	A private limited liability company registered in Latvia, registration number: 40203438204, legal address: Rīga, Elizabetes iela 13 - 1, LV-1010, Latvia.
INDEXO or IPAS "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 Roberta Hirša street 1, Riga, LV-1045, Latvia.
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 Roberta Hirša street 1, Riga, LV-1045, Latvia. Indexo Atklātais Pensiju Fonds AS is a subsidiary of INDEXO.
INDEXO Bank or AS INDEXO Bank or Bank	A joint stock company (akciju sabiedrība) incorporated in Latvia and registered in the Commercial Register on 19.12.2022 under registration number 40203448611, having its registered address at Roberta Hirša street 1, Riga, LV-1045, Latvia. The legal name until 16.05.2024 - AS IDX1R.
INDEXO Group	INDEXO and its subsidiaries INDEXO Bank and Indexo Atklātais Pensiju Fonds AS.
INDEXO Jauda 16-55	2 nd pension pillar plan with a 100% allocation to equities.
INDEXO Izaugsme 55-62	2 nd pension pillar plan with a 50% allocation to equities. The first 2 nd pension pillar plan in Latvia, which offered clients investment in index-based funds.
INDEXO Konservatīvais 62+	2 nd pension pillar plan with a 100% allocation to investment grade fixed income funds
INDEXO Akciju plāns	3 rd pension pillar plan with a 100% allocation to equities.
INDEXO Obligāciju plāns	3 rd pension pillar plan with a 100% allocation to investment grade fixed income funds.
Investment management company	The investment management company authorised in accordance with Investment Management Companies' Law.

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 Roberta Hirša street 1, Riga, LV-1045, Latvia.
ISIN	International Securities Identification Number.
IT	Information Technologies.
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.
Nasdaq CSD	Nasdaq CSD SE (<i>Societas Europaea</i>), the regional Baltic central securities depository (CSD), registration No. 40003242879, registered address Valņū street 1, Riga LV-1050, Latvia.
Nasdaq Riga	Nasdaq Riga AS, registration No. 40003167049, registered address at Valņū 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.
PERFECT MATCH SIA	A private limited liability company registered in Latvia, registration number: 40003663126, legal address: Rīga, Stabu iela 64 - 8, LV-1009, Latvia.
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.
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.
VSCAP SIA	A private limited liability company registered in Latvia, registration number: 50103872951, legal address: Rīga, Elizabetes iela 13 - 1, LV-1010, Latvia.