IPAS “Indexo”

Consolidated and Separate Annual Report for 2024

and the independent auditor’s report

(Translation of Latvian original)

This is a translation in .pdf format without the European Single Electronic Format (ESEF) markups of the digitally signed original which was prepared in Latvian and submitted in machine-readable .xhtml format to the Nasdaq Riga Stock Exchange (link: https://nasdaqbaltic.com/)

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Information on the group

Name of the Company	IPAS INDEXO	
Legal status of the Company	Investment management joint-stock company	
Registered and office address	Roberta Hirsa 1, Riga, LV-1045, Latvia	
ISIN Code	LV0000101863	
Number, place, and date of registration in the Register of Enterprises	40203042988 Riga, 10 January, 2017	
Licence number	06.03.07.567/478	
Date of issue of the licence	16.05.2017., reregistered on 31.05.2017.	
Shareholders	Qualifying holding (shareholding of 5% and more): Henrik Karmo (direct and indirect with PERFECT MATCH SIA (Latvia) and BEACON PROPERTIES OU (Estonia)) – 8.56% Valdis Siksnis (direct and indirect with VSCAP SIA (Latvia)) – 5.78% BAROLO FINANTS OU (Estonia) – 5.41% Natural persons and legal entities with a shareholding of under 5%	
Investments in subsidiaries	Indexo Atklātais Pensiju Fonds, AS	AS INDEXO Banka
Shareholding (%)	100%	100%
Registered and office address	Roberta Hirsa 1, Riga, LV-1045, Latvia	Roberta Hirsa 1, Riga, LV-1045, Latvia
Registration number	40203248944	40203448611
Date of foundation	13.06.2020.	19.12.2022.
Licence number	06.04.04.705/531	27-55/2024/2
Licence issue date	20.01.2021.	16.05.2024
Investments in associates	SIA Provendi asset management AIFP	Goindex UAB
Shareholding (%)	49%	4.36%
Registered and office address	Elizabetes 13-1, Riga, LV-1010, Latvia	Lvivo g. 25-701, LT-09320 Vilnius, Lithuania
Registration number	40203438204	305706496
Date of foundation	02.11.2022.	13.06.2020.
Members of the Supervisory Board and their position	Valdis Vancovičs – Chairman of the Supervisory Board (from 19.04.2023) Svens Dinsdorfs – Deputy Chairman of the Supervisory Board (from 19.04.2023) Renāts Lokomets – Member of the Supervisory Board (from 19.04.2023) Ramona Miglāne – Member of the Supervisory Board (from 19.04.2023) Ivita Asare - Member of the Supervisory Board (from 19.04.2023. till 08.07.2024)	
Members of the Management Board and their position	Henrik Karmo – Chairman of the Management Board Artūrs Roze – Member of the Management Board Marija Černoštana – Member of the Management Board	
Reporting period	1 January 2024 – 31 December 2024	
Auditors	"PricewaterhouseCoopers" SIA Riga, Marijas iela 2A, Licence No. 5 Ilandra Lejiņa Sworn auditor certificate No. 168	

Management report

The mission of the investment management company "Indexo" (IPAS "Indexo", hereinafter the Company or INDEXO) is to offer modern, transparent and simple investment products at low cost and to improve competition and transparency in the Latvian financial services industry.

We are the fastest growing pension fund manager in Latvia in terms of clients acquired. In 2024, we added a significant number (14 701) of new clients, reaching 141 914 clients. Our Assets Under Management grew by 46% to EUR 1 339 million and our yearly commission income has risen by 42% to EUR 4.45 million in 2024.

2024 was an excellent year for IPAS INDEXO pension clients. Even though the financial markets experienced continuous fluctuations, and the short-term results of pension plans can be volatile, historical evidence indicates that the best long-term results can be expected from investing in diversified and passively managed equity funds. As a result, around 77% of INDEXO customers have chosen "Indexo Jauda 16 – 55" fund, which grew 25.45% this year, bringing the 5-year annual growth rate to over 10.8%. Since the establishment of "INDEXO Jauda 16-55" on February 5th, 2018, 1 euro invested in Jauda has grown to 1.98 euros. Our other funds showed strong growth as well. INDEXO management team continues to work hard on reducing the costs associated with investment services in order to further improve the returns of INDEXO pension plans.

Despite INDEXO's fast growth and large investments in client acquisition, INDEXO pension business recorded a net profit of EUR 813 974 in 2024, with EUR 178 115 coming in December. Excluding group costs and one-off items related to the capital raise at the end of 2023 and in September 2024, the profit before client acquisition costs would have reached EUR 3.3 million at the end of reporting period, and the normalized net profit of the pension business would be EUR 1.337 million.

We would like to inform you about the key events in the development of INDEXO in 2024:

1) In 2024, Indexo customer number increased by 14 701 customers and reached 141 914 by the end of the year, which is a 12% increase comparing to December 31, 2023. Over 5 years our client number has been increasing on average at 34.7% per annum. This makes us the fastest-growing 2nd Pillar fund manager in Latvia in absolute terms. However, growth was slightly below expectations due to organizational changes earlier in the year and rising competition leveraging similar distribution channels as INDEXO.
2) Our Assets Under Management (AUM) increased by 46% over the last 12 months and stood at EUR 1 339 million at the end of the year, meanwhile Latvian 2nd pillar pension market increased from EUR 7.06 billion to EUR 8.78 billion (increase of 24%) over the same period. The market has grown mainly due to increases in all the top equity and bond indices in 2024, INDEXO market share has reached nearly 15% of the 2nd pillar pension savings market. At the end of 2023, INDEXO's market share stood at 12.7%.

3) Our monthly incoming 2nd pillar social tax contributions **grew by 17%** from EUR 8.8 million per month to **EUR 10.4 million** per month driven by higher customer numbers and growing salaries. At the end of 2024, our 2nd pension pillar customers had the highest average AUM per customer, amounting to almost **EUR 10 400** per customer, more than **EUR 3 000** more than our closest competitor had.
4) INDEXO customer retention is still at a high level and reached on annualized basis **86.89%** in December 2024. At the end of 2023, our customer retention was **93%**. The decrease in customer retention is largely due to increased activity by our competitors. We have taken notice, have implemented and will continue to implement measures to increase customer loyalty.
5) INDEXO Bank started its operations on August 28, 2024. At the end of 2024 INDEXO Bank had over **21 000** customers and **EUR 33 million** in customer deposits. To support the ongoing development of INDEXO Bank's operations, INDEXO's total share count now amounts to **4 760 549**, while the total share capital of INDEXO Banka has risen to **EUR 17 309 445**, an increase of **EUR 12 309 445** from 2023, where the total investment stood at **EUR 5 000 000**.
6) In 2024, we have invested **EUR 5 million** in IT solutions, with nearly **EUR 3 million** capitalized as **intangible assets**. The IT spending covered the development of a mobile application, various products (such as current accounts, cards, payments, deposits and consumer lending), supporting processes, infrastructure, and security. We continued to make significant investments in the development of the Bank, which resulted in a net loss of approximately EUR 6.16 million in 2024.. You can read about the bank development in greater detail further in the INDEXO Bank's annual report.
7) The real estate management company that INDEXO co-founded has grown its assets reaching gross value of **EUR 70 million** and is attracting new investors. INDEXO's participation in SIA Provendi asset management AIFP supports the Latvian economy and helps create a low-cost real estate fund for future retail investors.
8) INDEXO has invested **EUR 61 583** into Lithuanian pension manager Goindex. At the end of 2024 Goindex has reached approximately **EUR 175 million** of AUM and **37 000 clients**.

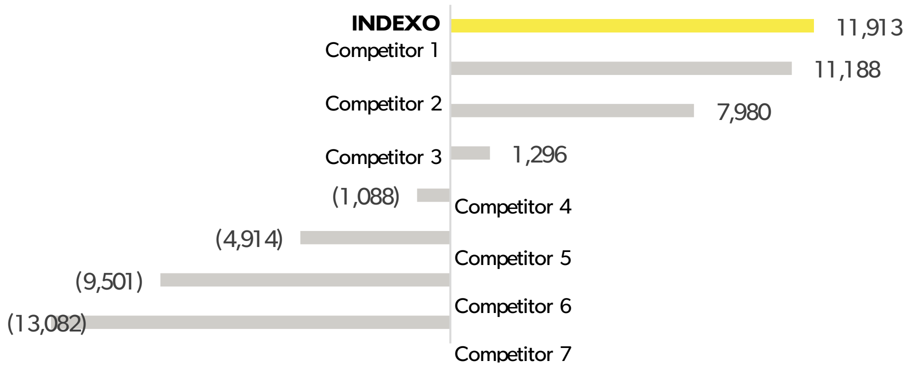
We would like to thank all the INDEXO shareholders, clients, partners and employees for their contribution to INDEXO's stability and further growth!

General description

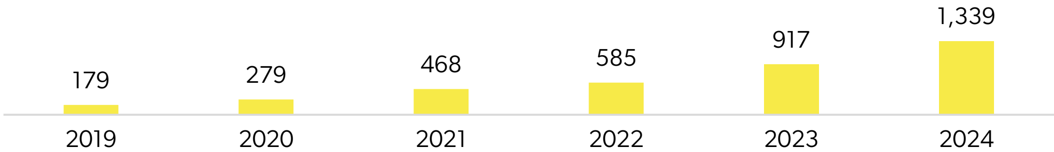
The Company was founded on 10 January 2017. The registered office of the Company is Roberta Hirsa iela 1, Riga, LV-1045, Latvia. The uniform registration number in the Commercial Register of the Republic of Latvia is 40203042988. On 16 May 2017, the Financial and Capital Market Commission (after the merger – the Bank of Latvia) issued the Company a licence to provide investment management services, which was re-registered on 31 May 2017 under the number 06.03.07.567/478.

Data highlights

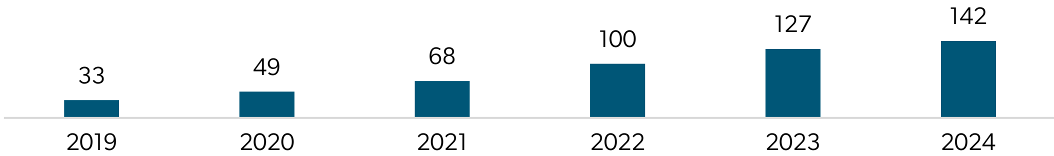
2nd pillar clients acquired since beginning of 2024
# of new clients



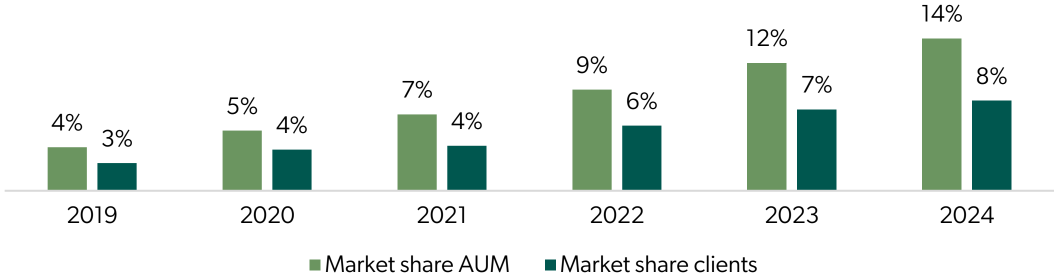
2nd and 3rd pillar pension AUM growth
Millions EUR



2nd and 3rd pillar pension client growth
Thousands



2nd and 3rd pillar INDEXO's market share
% of AUM and % of clients



Pension Savings Management key operating results

Millions, EUR	Jan – Dec 2024	Jan – Dec 2023	Change
12-month contribution inflows	115.7	91.4	26.6%
Churn, end of period, annualized %	13.11	7.04	6.07pp
Commission income, 12 months	4.45	3.12	42.3%
Operating income, 12 months	2.77	1.88	47.3%
Profit/(Loss) for the period, 12 months	0.81	(0.33)	347%
Normalized results*			
Operating income, 12 months	3.30	1.88	75.5%
Profit/ (Loss) for the period, 12 months	1.34	(0.33)	506%

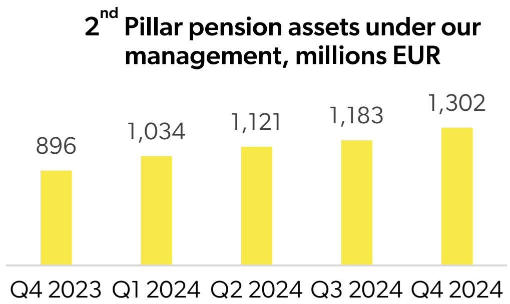
*-Normalized results show pure pension business results excluding expenses which are not attributed to the pension business. Like costs from the secondary public offering, interest expenses of commitment letters, INDEXO Bank's employee options and other costs that have been incurred due to the development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

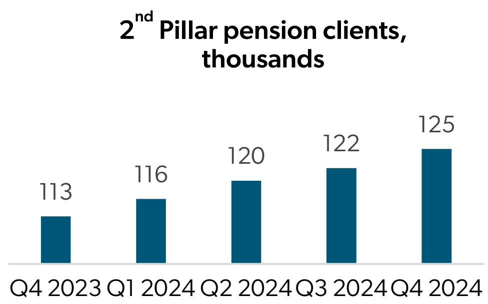
Pension Fund Management

2nd pillar plans

Each customer contributes on a monthly basis to their pension account, which will be invested according to INDEXO's investment strategy and will compound with the world equity and bond markets until the person retires. As these pension accounts grow, so does INDEXO's revenue and profits. As long as INDEXO is able to attract customers at an attractive cost compared to the lifetime customer value, we will invest in new client acquisition to increase our customer base. Expanding our customer base will lead to a higher AUM, which, in turn, will drive revenue and profit growth, thereby boosting our shareholder value.

In 2024, INDEXO added 11 913 new customers. The customer acquisition happens across different physical and online channels and, given that INDEXO market share in terms of clients is still only about 9.6% of total Latvian 2nd pillar customer base, we see a strong potential for further growth. Latvian 2nd pillar pension system allows customers to change their pension manager only once a year.

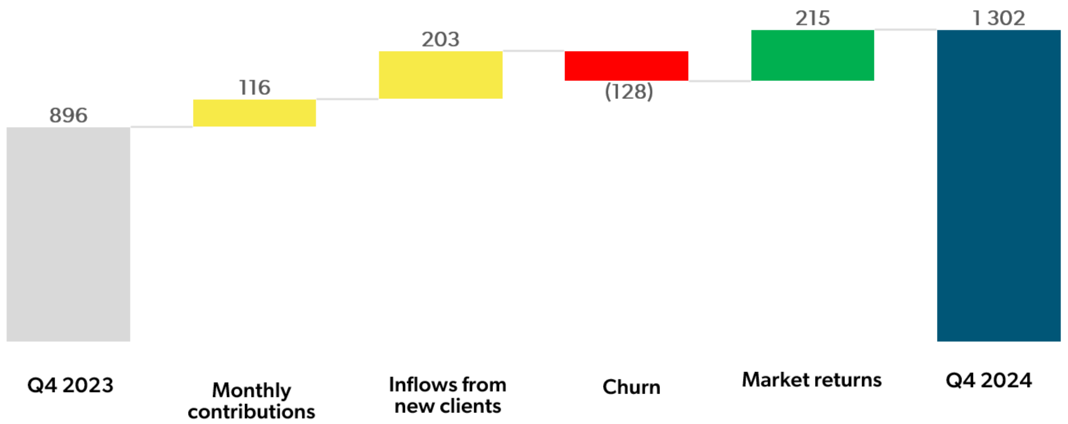




Growing world equity and bond markets have contributed to the growth of our 2nd pillar AUM. INDEXO 2nd pillar Assets Under Management meanwhile grew by 45% from EUR 896 million at the end of 2023 to EUR 1 302 million at the end of 2024. This was ensured by new customer asset inflow, social tax contributions to our 2nd pillar customers' accounts as well as favorable market returns.

2nd Pillar pension AUM growth drivers Q4 2023 – Q4 2024

Millions EUR, based on management estimates



Monthly contributions over last 12 months have been EUR 116 million and grown 26.5% y-o-y due to increase in salary and new clients joining INDEXO. Inflows from new clients grew to EUR 203 million or 20.4% y-o-y. This is due to higher average accounts that new customers bring over to INDEXO. The markets provided excellent returns to our clients over the year and that is reflected also in the increase of our AUM.

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

2nd Pillar Pension plan	Risk Profile	1-year return (per annum)	3-year return (per annum)	5-year return (per annum)	Return since inception (per annum)
INDEXO Izaugsme 55-62	50% Equities	12.94%	3.04%	5.12%	5.48%
INDEXO Jauda 16-55	100% Equities	25.45%	9.21%	10.75%	10.40%
INDEXO Konservativais 62+	100% Bonds	2.60%	-2.21%	-1.35%	-0.41%

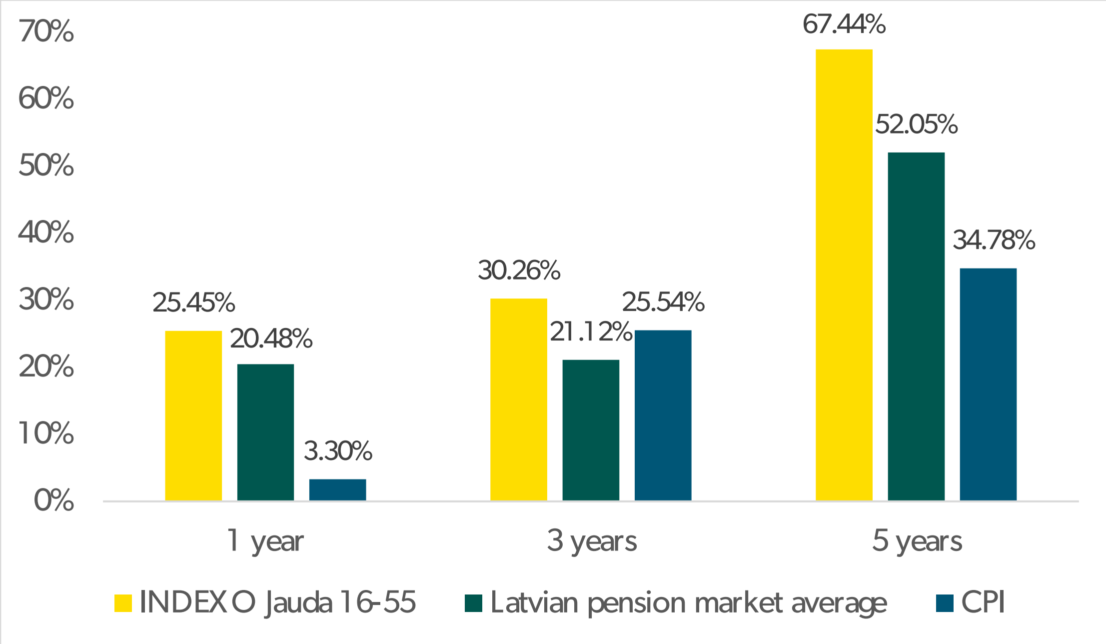
The results of our plans using passive investment strategy can be accessed on www.manapensija.lv.

We are also proud to say that net of fees, INDEXO clients have some of the best long-term returns in the Latvian market in comparison with other asset managers. INDEXO was the first asset manager to introduce passive index investing to Latvian market, and this strategy has so far proven to outperform most competition both in times when markets grow, or when they go down. Of course, it is important to remember that financial markets are volatile, and past performance is not always indicative of future results.

The second largest share of Latvian pension money is invested with 50% equity strategy, with almost 3.4 billion euros of Latvians' pension savings assets. Our pension plan "INDEXO Izaugsme 55-62" (further Izaugsme) continues to outperform all competitors of this segment in terms of long-term returns. At the end of 2024, over 5 years, our Izaugsme plan customers have earned upwards of 0.5% per year more compared to the 2nd best plan in this category. The results of our plans using passive investment strategy can be seen on www.manapensija.lv.

This has been a successful year for investors in our conservative plan "INDEXO Konservatīvais 62+" with a yearly return of 2.60%. Our strategy with our conservative plan is to minimize credit risk, preserve capital and ensure good liquidity of the instruments in our portfolio.

INDEXO Jauda pension plan



The graph shows the cumulative returns of INDEXO Jauda 16-55 pension plan on 31.12.2024 relative to the average returns of 100% equity plans in the Latvian 2nd pillar pension market (excluding INDEXO Jauda 16-55), and the consumer price index in Latvia. Sources: manapensija.lv, Central Statistical Bureau of Latvia.

Our largest pension plan, "INDEXO Jauda 16-55"(thereafter – Jauda), (constituting approximately 77% of INDEXO AUM), has performed well in the long term, beating both the competition and, most importantly, significantly outperforming CPI over a 5-year period leading to real, inflation-adjusted wealth growth.

INDEXO was the first pension fund manager to launch 75% equity plans on 5 February 2018. According to the available data on 31 December 2024, INDEXO Jauda has provided 10.75% per annum returns to our customers in the last 5 years. This is a great result, especially considering that the plan was established as a 75% equity plan and converted into 100% equity plan only once the legislation was in place to allow 100% equity plans in 2021/2022.

Our growth would be even faster if not for the worsened customer retention rate during the period. It dropped to 86.89%, down from approximately 92.96% at the end of December 2023. This is due to increased activities by all competitors and a new entrant to the market, which has lifted churn for everyone in the market, particularly for INDEXO. INDEXO has the highest AUM per customer compared to other asset managers, and the clients that tend to leave have lower assets than our average customer. Starting from July 2024, pension fund managers were required to reach out to customers who had selected plans that were inappropriate for their age group. This led to an overall increase in market churn, with a significant number of people switching plans. However, many of these changes involved customers choosing new plans rather than switching managers.

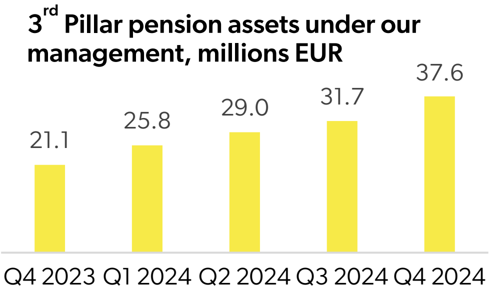
We are taking active measures in communicating with clients, reiterating the reasons why INDEXO is a great choice for them (some examples include robocalls, educational blog posts, and always-on ads). Our sales team leaders are also improving how our sales teams inform customers about their choices, making sure that our clients fully understand the reasons for joining INDEXO, thus creating customer loyalty. With the launch of INDEXO's banking services, our relevance to clients has grown, and as we continue to enhance our bank products and services, we expect customers to expand their share of wallet with the INDEXO Group.

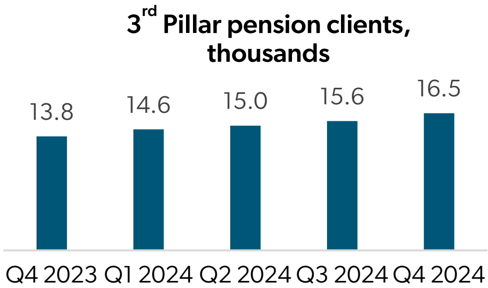
3rd pillar plans

INDEXO has an attractive voluntary 3rd pillar pension product with personalized automatic rebalancing and low fees. It means that as a person nears the pension age, INDEXO automatically starts reducing equity risk according to a pre-set glide path. On the other hand, INDEXO's tool also allows our client to personally manage the risk level of their portfolio by choosing the desired level of equity risk. Over 90% of our customers have chosen the automatic rebalancing strategy that we recommend.

We are pleased to report a promising development, as the number of customers joining INDEXO's 3rd pillar pension product has seen a notable increase following the launch of our new Banking app. Though in its early stages, the app has already demonstrated its potential as an effective tool, enabling users to enhance their savings for both everyday goals and long-term pensions.

Voluntary third pillar plans represent a small but important part of our overall business. Our AUM continues growing fast, and we are constantly working to increase the number of customers who are making regular contributions, as this is the best way to ensure sufficient savings at retirement. On December 31st, 2024, 3rd pillar assets comprised 2.89% of the total AUM managed by INDEXO.





In 2024, our 3rd pillar customer number increased by 2 788 or 20.7% (from 13 751 on 31 December 2023 to 16 539 on 31 December 2024), and meanwhile the AUM grew from EUR 21.1 million to EUR 37.6 million or 78%. Our 3rd pillar OCF and fees are very competitive and low for all customers no matter their account size.

Following the recent reduction in the 2nd pension pillar inflow payments from 6% to 5% of the total gross salary, with the remaining 1% being redirected to the 1st pension pillar retirement savings, and considering the Bank of Latvia's implementation of an aggressive maximum fee schedule to theoretically compensate for the 1% difference, which is highly dependent on Assets Under Management (AUM), we have decided to redirect our focus and sales efforts towards the Bank and the 3rd pension pillar products. These products offer better and more predictable returns for our shareholders.

Our biggest challenge in the 3rd pillar market is to convince people that this product is a great tool for people to supplement their 1st and 2nd pillar retirement savings. Whereas in Estonia and Lithuania there is significant increase in new customers opening 3rd pillar accounts and increasing the contributions into 3rd pillar plans, the Latvian market is quite dormant. But for us this is an opportunity as the free funds will grow and more people will seek ways to save for future.

As of December 31, 2024, our plan returns are as follows:

3rd Pillar Pension plan	Risk Profile	1-year return (per annum)	3-year return (per annum)	Return since inception (per annum)
INDEXO Akciju plāns	100% Equities	25.1%	8.7%	11.2%
INDEXO Obligāciju plāns	100% Bonds	2.3%	-1.9%	-1.6%

Bank Development

Since its launch on August 28, 2024, INDEXO Bank has gained over 21 000 customers within its first months of operations. The total deposits stood at over EUR 33 million and our loan portfolio exceeded EUR 1.06 million. At INDEXO Bank, all customer onboarding applications are submitted through the bank's new mobile app. We have launched INDEXO 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.

During 2024 the average number of INDEXO 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 INDEXO's appeal as an employer. Although our main customer engagement channels are digital, February 17th we opened our only physical customer service centre in the Verde office building. This initiative aims to increase INDEXO's brand visibility and make us more accessible to both existing and future customers.

To facilitate precise expense tracking and obtain the bank license, the subsidiary of IPAS INDEXO, AS INDEXO 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 INDEXO. The largest cost items include recent capital-raise-related costs, fees for signed commitment letters to support future bank capital needs, and option costs for INDEXO Bank employees. However, all other bank development-related costs are separated from INDEXO and are reflected in INDEXO Bank's financial results as presented in the bank's annual report.

The operational results from the first month confirm that INDEXO Bank - with over 141 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.

Real estate fund

In 2022, together with two real estate professionals, we co-founded SIA Provendi asset management AIFP- a real estate management company in which INDEXO holds 49%. In 2023, SIA Provendi asset management AIFP launched the cheapest real estate fund in Latvia, Provendi Real Estate Fund – and two of our investment plans - Jauda and Izaugsme - started to invest a portion of their assets into the fund. At the end of 2024, the fund had approximately EUR 70 million of gross investments into residential and retail properties. Shortly after the reporting period, Indexo Real Estate Fund had signed a new retail property in Latvia, meaning that their current gross investment total is over EUR 100 million.

At the end of December 31, 2024, INDEXO's pension plan Izaugsme's investment stood at EUR 7.3 million or 2.75% of the plan assets into the real estate fund and Jauda - EUR 8.6 million or 0.87% of the plan's assets.

Even though the fund fees are the lowest compared to other real estate funds in the region, it will always be a slightly more expensive component of our investment portfolio compared to stock market ETFs, therefore, it will result in higher indirect costs for our clients. To mitigate this impact on Izaugsme and Jauda performance, we have committed to reimbursing our portion of profits generated by SIA Provendi asset management AIFP to Izaugsme and Jauda until the OCF of this fund reaches 0.50% in our pension fund portfolios. We anticipate the first reimbursements to occur in 2025, when SIA Provendi asset management AIFP is expected to reach stable profitability.

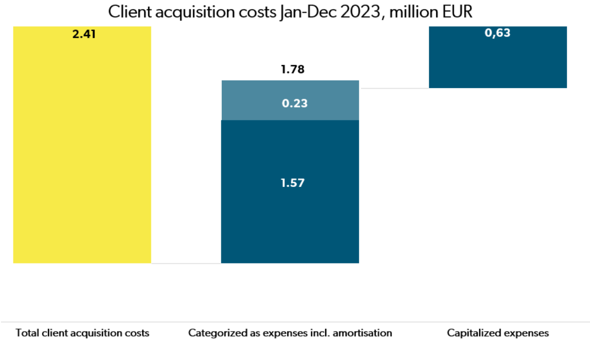
Financials

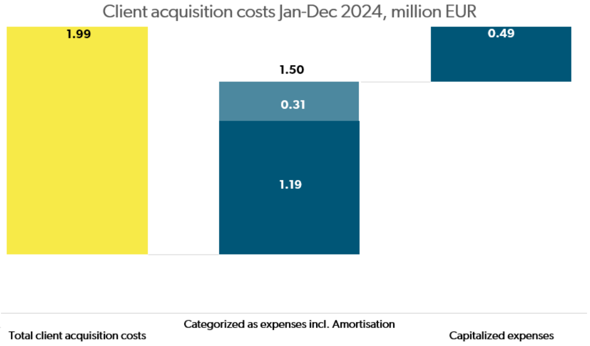
IPAS "Indexo" 2PL pension business results

		Jan-Dec 2024	Jan-Dec 2023
Comission income	EUR	4 358 622	3 123 426
Interest income/(expense), net	EUR	(233 225)	25 012
Administrative and other expenses for pension management	EUR	(1 033 869)	(1 272 371)
Operating income before client acquisition and other business project expenses	**EUR**	**3 091 528**	**1 876 067**
Client acquisition costs	EUR	(1 971 956)	(1 791 549)
Pension management operating result	**EUR**	**1 119 572**	**94 518**
Non-cash personnel option expenses	EUR	(238 949)	(420 819)
Corporate income tax	EUR	(7 388)	(5 226)
Comprehensive losses for the reporting period	**EUR**	**873 235**	**(331 527)**

Increases in number of clients and the volume of assets under management have contributed to income growth in pension fund management reaching EUR 4.3 million (compared to EUR 3.1 million in 2023). The total income of IPAS "Indexo" during the reporting period was more than sufficient to cover the administrative expenses of pension fund management. Profit before client acquisition costs reached EUR 3.09 million (compared to EUR 1.88 million in 2023) and profit after client acquisition costs was EUR 1.12 million (compared to EUR 95 thousand in 2023). Net Profit was more than EUR 0.87 million compared to a loss of EUR 0.33 million in 2023.

During the reporting period, the client acquisition costs amounted to EUR 1.99 million (in 2023: EUR 2.41 million) of which EUR 1.50 million (in 2023: EUR 1.78 million) were recognized as expenses, including an amortized part of EUR 0.31 million (in 2023: EUR 0.23 million) from previously capitalized





client acquisition costs. During the reporting period, EUR 0.49 million (in 2023: EUR 0.63 million) of client acquisition costs were capitalized.

Results of subsidiary "Indexo Atklātais Pensiju Fonds" AS

During the reporting period "Indexo Atklātais Pensiju Fonds" AS (hereinafter referred to as: INDEXO APF) continued attracting clients to its innovative and modern private pension plans.

	Jan-Dec 2024	Jan-Dec 2023
	EUR	EUR
Commission income	81 359	45 137
Administrative and other expenses	(140 620)	(134 275)
Comprehensive losses for the reporting period	**(59 261)**	**(89 138)**
	Dec 2024	Dec 2023
	EUR	EUR
Assets	**557 187**	**465 381**
Liabilities	**324 720**	**198 653**
Equity	**232 467**	**266 728**

At the end of the reporting period, the number of participants of INDEXO APF administered pension plans reached 16.5 thousand (13.8 thousand in 2023), while assets under management reached 37.6 million euro. In the reporting period INDEXO APF income grew by 80% and reached 81.4 thousand EUR. However, INDEXO APF's income in the reporting period was not sufficient to cover its administrative expenses. In the reporting period, INDEXO APF operated with a loss of 59.3 thousand EUR, which is an improvement relative to the previous reporting period. As more focus will be put on promoting 3rd pension pillar savings , it is expected that INDEXO APF will keep the same growth rate in 2025.

Results of subsidiary INDEXO Banka, AS

	Jan-Dec 2024	Jan-Dec 2023*
	EUR	EUR
Commission & Interest income/(expense)	(144 042)	36 381
Administrative and other expenses	(6 018 573)	(2 606 128)
Comprehensive losses for the reporting period	**(6 162 615)**	**(2 569 747)**
	Dec 2024	Dec 2023
	EUR	EUR
Assets	**44 591 041**	**3 856 278**
Liabilities	**36 114 252**	**1 526 319**
Equity	**8 476 789**	**2 329 959**

*- These are bank development expenses incurred by AS "IDX1R" during 2023, not INDEXO Bank, due to it not technically being a bank yet.

As the Bank's operations have just started and the bank has operated only for a couple months, INDEXO 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 the reporting period, INDEXO Bank incurred losses amounting to EUR 6.16 million.

More detailed information on INDEXO operational highlights, risks and results during 2024 can be found in the INDEXO Bank's annual report. You can find the report here: https://indexo.lv/en/for-investors/reports/

"Indexo" Group results:

	Jan-Dec 2024	Jan-Dec 2023
	EUR	EUR
Commission and other income	5 095 669	3 174 892
Administrative and other expenses	(10 477 999)	(6 073 093)
Comprehensive losses for the reporting period	(5 382 330)	(2 898 201)
	Dec 2024	Dec 2023
	EUR	EUR
Assets	48 440 032	7 315 523
Liabilities	36 315 337	1 443 342
Equity	12 124 695	5 872 181

The total group losses in 2024 amounted to EUR 5.38 million, of which EUR 6.16 million are attributable to the bank development and a profit of EUR 0.81 million to the pension management business.

Groups equity at the end of reporting period amounted to EUR 12.1 million (in 2023: EUR 5.87 million). During 2024, share capital was increased by EUR 965 142. The Group has total assets on a balance sheet of EUR 48.4 million (in 2023: EUR 7.32 million) of which EUR 36.6 million is held in placements with credit institutions (in 2023: EUR 2.71 million). Group's total liabilities stand at EUR 36.3 million (in 2023: EUR 1.44 million), of which EUR 32.4 million are financial liabilities measured at amortized cost including deposits.

Sustainability

INDEXO was established with the aim to improve the financial environment in Latvia. It was a response to the unjustifiably high commission fees and low returns in pension management at the time. INDEXO strives to continuously develop in order to create long-term value for its clients, shareholders, and society at large. In 2023, the Company developed INDEXO Strategy document that includes INDEXO's sustainability strategy for the period from 2023 to 2027.

Environment

As a pension manager with a passive asset management strategy, INDEXO recognizes that the biggest impact can be made through the investments of the assets under management, Company's digital initiatives and Company's office building.

INDEXO mainly invests 2nd and 3rd pillar pension plan assets into low-cost index funds. The initial goal set by INDEXO sustainability strategy was to maintain the ESG risk level of its investments in index funds at low level. In 2024 the Company adjusted sustainability goals, allowing moderate sustainability risk level of its investments. Company's goal is to promote responsible and sustainable growth through pension investments by ensuring the best possible long-term results with low overall costs. INDEXO considers investment sustainability risks in its management processes but does not set sustainable investments as objective and does not promote environmental or social characteristics of investments. Managing sustainability risk is one aspect of financial risk management for pension plan investments, and INDEXO assesses sustainability risks in conjunction with other financial risks when making investment decisions.

In addition to investments, we can create a positive environmental impact through our digital initiatives and the INDEXO office building. In 2024, all contracts with cooperation partners and clients and other documents were signed using electronic signatures. The launch of INDEXO Bank promotes paperless transactions, online banking, and mobile services, reducing the need for multiple physical branches and minimizing environmental impact. Customers were encouraged to utilize electronic statements and digital communications, minimizing the environmental impact associated with traditional banking. In January 2024, INDEXO signed a long-term lease agreement with the "Verde" office complex, the greenest office complex in Riga, which now houses all INDEXO employees.

Social Responsibility

INDEXO cares about relationships with employees, clients, shareholders, regulators and society. The company addresses social issues and advocates for positive changes in the Latvian financial environment.

- INDEXO has achieved many positive changes in the pension sector. With the establishment of INDEXO Bank on August 28, 2024, we are expanding our impact on the banking sector, initially focusing on private individuals and later creating new opportunities for businesses. More about the development of the Bank in 2024 is described in the management report section "Bank Development" and in the Bank's annual report.
- Throughout 2024, INDEXO's equity pension plans show some of the best long-term results in the industry, thereby ensuring larger savings for clients.
- Following the government's proposal to reduce 2nd pillar pension contributions from 6% to 5%, we launched an initiative on ManaBalss.lv opposing the reduction. This initiative became the fastest-signed petition in the history of the ManaBalss.lv platform. After submitting it to the Saeima Chancellery, we continued to actively voice our position on the negative long-term consequences of reducing contributions.
- Beyond individual consultations provided by INDEXO representatives on the 2nd and 3rd pillar pension, we regularly published educational content on financial topics through our communication channels. Additionally, we started creating content on two new platforms – Instagram and TikTok – with the goal of expanding our audience reach. We also participated in Financial Literacy Week organized by the Bank of Latvia with a webinar on the Latvian pension system, and in collaboration with the online program "Mediāna" we created four series on financial literacy.
- By supporting the Rimi Riga Marathon, we engaged in promoting a healthy lifestyle.

Governance

Since its inception, one of INDEXO's core values has been transparency and good governance. After becoming a public company and reaching nearly 6 000 shareholders, INDEXO continues to improve its corporate governance practice.

In response to increasing cyber threats, INDEXO invested in advanced cybersecurity measures to protect client data, demonstrating a commitment to data privacy and security.

Along with the Group's annual report, the company publishes the Corporate Governance Report for 2024, prepared in accordance with the requirements of Article 56.² of the Financial Instruments Market Law and the Corporate Governance Code issued by the Ministry of Justice's Advisory Council in 2020. Evaluating the adherence to the principles mentioned in the code for 2024, the Company's management board concludes that during the reporting period, 13 principles were fully complied with and 4 were partially complied with.

Signed on behalf of the Company by:

Henrik Karmo, Chairman of the Management Board

Marija Černoštana, Member of the Management Board

Artūrs Roze, Member of the Management Board

Valdis Vancovičs, Chairman of the Supervisory Board

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Statement of responsibility of the management board

The Management Board of IPAS "Indexo" is responsible for the consolidated and separate financial statements, which provides true and fair view of the Group's and the Company's financial position as of 31 December 2024, as well as their performance and cash flows for 2024, in accordance with IFRS Accounting Standards as adopted by the European Union.

In preparing the financial statements for the year ended 31 December 2024, as set out on pages 18 to 92, management has consistently applied IFRS Accounting Standards, as adopted by the European Union, based on the going concern principle. Management's judgments and assumptions in the preparation of these financial statements have been prudent and reasonable.

The Company's management is responsible for maintaining proper accounting records, safeguarding the Group's and the Company's assets, and detecting and preventing fraud and other irregularities within the Group and the Company. The Management Board of the Company is responsible for compliance with the requirements of the legislation of the Republic of Latvia and Bank of Latvia regulations to the Group and the Company.

Signed on behalf of the Company's Management Board by:

Henrik Karmo, Chairman of the Management Board

Marija Černoštana, Member of the Management Board

Artūrs Roze, Member of the Management Board

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Financial statements

Consolidated and Separate Statements of Comprehensive Income

	Notes	Jan – Dec 2024	Jan – Dec 2023	Jan – Dec 2024	Jan – Dec 2023
		Group	Group	Company	Company
		EUR	EUR	EUR	EUR
Commission and fee income	3	4 474 815	3 123 426	4 358 622	3 078 289
Commission expense	4	(129 042)	-	-	-
Administrative expenses	5	(9 374 475)	(5 994 955)	(3 178 802)	(3 293 174)
Interest income calculated using the effective interest rate	6	470 854	51 466	69 859	29 725
Interest expense	7	(773 344)	(4 713)	(303 084)	-
Other operating income		150 000	-	-	-
Other operating expenses	8	(102 716)	(63 632)	(64 743)	(43 795)
Allowances for expected credit losses		(88 961)	(3 497)	(1 229)	(3 497)
Profit / (Loss) before corporate income tax		**(5 372 869)**	**(2 891 905)**	**880 623**	**(237 165)**
Corporate income tax	9	(9 461)	(6 296)	(7 388)	(5 226)
Profit / (Loss) for the period, attributable to the owners of the parent		**(5 382 330)**	**(2 898 201)**	**873 235**	**(242 391)**
Total comprehensive profit / (loss) for the period attributable to the owners of the parent		**(5 382 330)**	**(2 898 201)**	**873 235**	**(242 391)**
Basic earnings per share	34	(1.18)	(0.79)	0.19	(0.07)
Diluted earnings per share	34	(1.18)	(0.79)	0.19	(0.07)

The notes on pages 23 to 92 form an integral part of these financial statements.
The financial statements have been authorised for issue on 27 February 2025 and signed on behalf of the Company's Management Board by:

Henrik Karmo, Chairman of the Management Board

Marija Černoštana, Member of the Management Board

Artūrs Roze, Member of the Management Board

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Consolidated and Separate Statements of Financial Position

	Notes	Dec 2024 Group EUR	Dec 2023 Group EUR	Dec 2024 Company EUR	Dec 2023 Company EUR
ASSETS					
Cash and cash equivalents	10,11	36 647 025	2 707 396	1 468 245	982 789
Investments in equity securities	12	61 583	61 583	61 583	61 583
Loans and advances due from customers	13	987 306	-	-	-
Loans to associates and subsidiaries	24	73 843	53 944	73 843	754 290
Trade receivables	14	460 869	321 489	452 249	317 911
Investment in subsidiaries	15	-	-	18 084 445	5 750 000
Investment in associates	16	198 450	127 400	198 450	127 400
Prepayments	17	751 524	548 006	38 181	30 816
Current tax prepayment	18	4 433	-	4 425	-
Other assets	19	534 963	81 990	35 030	5 120
Property, plant and equipment	20	617 884	21 688	28 025	6 713
Intangible asset	21	4 562 356	1 965 168	1 742	-
Right-of-use assets	22	1 972 827	37 811	72 388	37 811
Contract acquisition costs	23	1 566 969	1 389 048	1 566 969	1 389 048
TOTAL ASSETS		**48 440 032**	**7 315 523**	**22 085 575**	**9 463 481**
EQUITY AND LIABILITIES					
Deposits from customers	25	32 423 162	-	-	-
Lease liabilities	22	2 041 690	46 665	77 323	46 665
Trade payables	26	514 932	608 361	21 080	114 127
Taxes and national social insurance mandatory contributions	27	197 003	207 962	32 387	52 651
Accrued liabilities	28	581 148	246 200	393 432	160 434
Other liabilities	29	557 402	334 154	30 854	67 184
Total liabilities:		**36 315 337**	**1 443 342**	**555 076**	**441 061**
Equity					
Share capital	30	4 760 549	3 795 407	4 760 549	3 795 407
Share options	5	269 224	379 055	269 224	379 055
Share premium		17 525 087	7 094 334	17 525 087	7 094 334
Accumulated deficit		(5 047 835)	(2 498 414)	(1 897 596)	(2 003 985)
Profit / (Loss) for the period		(5 382 330)	(2 898 201)	873 235	(242 391)
Total equity		**12 124 695**	**5 872 181**	**21 530 499**	**9 022 420**
TOTAL EQUITY AND LIABILITIES		**48 440 032**	**7 315 523**	**22 085 575**	**9 463 481**

The notes on pages 23 to 92 form an integral part of these financial statements.
The financial statements have been authorised for issue on 27 February 2025 and signed on behalf of the Company's Management Board by:

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Marija Černoštana, Member of the Management Board

Artūrs Roze, Member of the Management Board

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Consolidated and Separate Statement of Changes in Equity

Group	Notes	Share capital	Share options	Share premium	Accumulated deficit	Total
		EUR	EUR	EUR	EUR	EUR
31.12.2022		3 568 511	176 960	7 062 908	(2 717 138)	8 091 241
Share option exercise	5, 30	226 896	(218 724)	31 426	218 724	258 322
Increase in Share option reserves	5		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	5, 30	43 149	(348 780)	32 225	348 780	75 374
Increase in Share option reserves	5	-	238 949	-	-	238 949
Increase in Share capital	30	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

Company	Notes	Share capital	Share options	Share premium	Accumulated deficit	Total
		EUR	EUR	EUR	EUR	EUR
31.12.2022		3 568 511	176 960	7 062 908	(2 222 709)	8 585 670
Share option exercise	5, 30	226 896	(218 724)	31 426	218 724	258 322
Increase in Share option reserves	5		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	5, 30	43 149	(348 780)	32 225	348 780	75 374
Increase in Share option reserves	5	-	238 949	-	-	238 949
Increase in Share capital	30	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

The notes on pages 23 to 92 form an integral part of these financial statements.
The financial statements have been authorised for issue on 27 February 2025 and signed on behalf of the Company's Management Board by:

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Marija Černoštana, Member of the Management Board

Artūrs Roze, Member of the Management Board

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Consolidated and Separate Statements of Cash Flows

	Notes	Jan – Dec 2024	Jan – Dec 2023	Jan – Dec 2024	Jan – Dec 2023
		Group	Group	Company	Company
		EUR	EUR	EUR	EUR
Cash flow from operating activities					
Profit / (Loss) before corporate income tax		(5 372 869)	(2 891 905)	880 623	(237 165)
Depreciation of PPE and amortisation of right-of-use and intangible assets	20,21, 22	662 786	112 017	50 075	36 632
Amortisation of contract acquisition costs	23	314 205	233 824	314 205	233 824
Expense Recognition of Share option reserves	5	238 949	420 819	238 949	420 819
Allowances for expected credit losses		88 961	3 497	1 229	3 497
Interest income calculated using the effective interest rate	6	(470 854)	(51 466)	(69 859)	(29 725)
Interest expense	7	773 344	4 713	303 084	4 713
(Decrease)/increase in cash and cash equivalents from operating activities before changes in operating assets and liabilities		**(3 765 478)**	**(2 168 501)**	**1 718 306**	**432 595**
Increase in receivables, prepayments, and other assets	14,17, 18,19	799 662	(1 327 447)	(682 847)	(566 396)
Financial assets measured at amortized cost (including loans)	13	(1 069 854)	-	-	-
Increase / (decrease) in accrued liabilities	28	488 055	52 616	214 505	(17 121)
Increase/ (decrease) in trade payables and other liabilities	26,29	(2 115 499)	729 047	(129 377)	(34 960)
Financial liabilities measured at amortized cost including deposits	25	32 423 162	-	-	-
Corporate income tax	9	(9 461)	(6 296)	(7 388)	(5 226)
Interest received	6	465 455	51 446	69 704	29 725
Interest paid	7	(709 159)	(3 522)	(299 851)	(3 887)
Decrease in cash and cash equivalents from operating activities		**26 506 883**	**(2 672 657)**	**883 052**	**(165 270)**
Cash flow from investing activities					
Intangible asset and PPE purchases	20,21, 22	(3 601 011)	(1 885 145)	(11 720)	(6 796)
Investments in subsidiaries	15	-	-	(12 334 445)	(3 150 000)
Investments in associated company share capital	12,16	(71 050)	(128 320)	(71 050)	(128 320)
Issued loans	24	(24 364)	(53 900)	(24 364)	(753 900)
Repaid loans	24	3 387	-	707 232	-
Decrease in cash and cash equivalents from investing activities		**(3 693 038)**	**(2 067 365)**	**(11 734 347)**	**(4 039 015)**
Cash flow from financing activities					
Share capital increase	30	11 395 895	258 323	11 395 895	258 323
Payment of principal of lease liabilities	22,32	(205 926)	(37 315)	(55 911)	(37 315)
Interest paid on lease liabilities	22	(64 185)	(4 713)	(3 233)	(4 713)
Increase in cash and cash equivalents from financing activities		**11 125 784**	**216 295**	**11 336 751**	**216 295**
(Decrease)/increase in cash and cash equivalents		**33 939 629**	**(4 523 727)**	**485 456**	**(3 987 991)**
Cash and cash equivalents at the beginning of the reporting period	10,11	**2 707 396**	**7 231 123**	**982 789**	**4 970 780**
Cash and cash equivalents at the end of the reporting period	10,11	**36 647 025**	**2 707 396**	**1 468 245**	**982 789**

The notes on pages 23 to 92 form an integral part of these financial statements.
The financial statements have been authorised for issue on 27 February 2025 and signed on behalf of the Company's Management Board by:

Henrik Karmo, Chairman of the Management Board

Marija Černoštana, Member of the Management Board

Artūrs Roze, Member of the Management Board

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Notes to the Consolidated and Company's Financial Statements

1. General information

Investment management joint-stock company INDEXO was registered on 10 January 2017. The Company received a license for management of the state-funded pension scheme plans and license for investment management services on 16 May 2017. In 2020 the Company established a subsidiary "INDEXO Atklātais Pensiju Fonds" AS (hereinafter – "APF"), Financial and Capital Market Commission issued license on management of private pension funds on 21 January 2021. On 19 December 2022 the Company established a subsidiary AS INDEXO Banka (till May 2024 AS "IDX1R"), AS with the purpose to receive a banking license to begin bank operations in Latvia, which it successfully achieved May 15th, 2024, and changed its name to AS INDEXO Banka. INDEXO, INDEXO Bank and INDEXO APF comprises the Group.

INDEXO and INDEXO APF is providing asset management services to the state-funded pension scheme plans and private pension plans.

Regulatory framework

The Company's activities are regulated by Investment management companies (hereinafter "IPS") law, Commercial law, and other legislative acts. The Company's activities are supervised by the Bank of Latvia (hereinafter "LB").
APF activities are regulated by Private pensions' law and other legislative acts.
The Bank's operations are governed by the law "On Credit Institutions", "Commercial Law" and regulations issued by the EU and Bank of Latvia. The above regulations govern capital adequacy, minimum equity, liquidity, foreign exchange positions, risk transaction restrictions with respect to one counterparty, group of related customers and related parties of the Bank, as well as other applicable requirements.

Basis of preparation

The Group's and the Company's Financial statements are prepared in accordance with the IFRS Accounting Standards as adopted by European Union (IFRS). Separate disclosures are prepared in accordance with the requirements of Bank of Latvia's Regulations. The Group's and the Company's financial statements are prepared under a historical cost convention, except equity investments. The financial year of the Group and the Company coincides with the calendar year.

Functional currency

Items included in the financial statements of each of The Group's and the Company's financial statements are presented measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). Financial statements are presented in the official currency of the Republic of Latvia – the euro ("EUR"), unless stated otherwise.
The Group's and the Company's financial statements have been prepared on a going concern basis. Cash flows from operating activities in the Statement of cash flows has been prepared using the indirect method.

The Group and the Company have presented assets and liabilities in decreasing order of liquidity as such presentation, in the opinion of the management, is more relevant because the Group and the Company does not provide services within a clearly identifiable cycle.

2. Material accounting policy information

The notes include accounting policies constantly applied by the Group and the Company in preparation of their financial statements for 2023 and 2024, as well as the new accounting standards and interpretations.

New standards and interpretations

Standards or interpretations effective for the first time in the annual period 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 Group's/Company's 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 Group/Company is currently assessing the impact of the amendments on their financial statements. Based on initial analysis, no significant impact is expected on the financial statements of the Group and the Company in the year of their implementation.

Estimates and judgements

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. Estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and form the basis for making judgments about carrying amounts of assets and liabilities that cannot be determined based on other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a regular basis. Changes in estimates are recognised in the period in which the estimate is revised if the change affects only that period, or in the period in which the estimate is revised and in subsequent periods if the change affects both current and future periods.

In preparing the financial statements, significant judgments and estimates are used in:

- impairment of investments in subsidiaries based on the recoverable amount of the investment (Company);
- client acquisition costs and their amortisation period (Group and Company). The Group and the Company recognises as a contract cost asset the variable part of compensation of its employees engaged in customer acquisition, which is being amortised over a seven-year period;
- share-based payments (Group and Company);
- Group has made judgments and estimates regarding the application of standard requirements to a lease. In 2024, an annual discount rate of 6.4% or 6.36% was applied to the lease payments, depending on the lease;

The Group business plan was developed to include the gradual development of new banking products. Significant system enhancements are required for the introduction of these products. Considering the rapid advancement of technology, especially in the software sector, the Group has planned to implement intangible assets gradually, in phases, according to the needs of new processes and products. Taking the above mentioned, a decision was made to depreciate systems over a period of five years. Depreciation rates of Intangible assets for software`s is used 20.00 % p.a.

The Group in addition, as a significant quantitative indicator for determining the increase in Credit Risk, the relative and absolute PD increase thresholds are evaluated (automatic process):

- relative indicator – if the asset's current lifetime PD, compared to the lifetime PD at origination, has increased by at least 200%;
- absolute indicator – if the 12-month PD at the reporting date exceeds 20%;
- in the event that one of the aforementioned thresholds is exceeded, the asset is classified as Stage 2.

Company has made judgments and estimates regarding the loan to associated company, considering that the loan is unsecured, the expected credit losses from financial instruments are determined with LGD=100%. The lifetime PD is determined to be 5.42%.

Recoverable amount of investments in subsidiaries

Impairments on investments in subsidiaries are calculated based on their recoverable amount. If recoverable amount if the investment is lower than its carrying amount, an impairment is recognised. Recoverable amount of INDEXO APF is estimated based on net present value of forecasted future discounted cash flows. Recoverable amount of AS INDEXO Banka (till May 2024 AS "IDX1R") is estimated based net present value of future discounted cash flows and company's value in the future. Please see Note 15.

Contract acquisition costs – Customer acquisition costs

The Group and the Company recognises contract acquisition cost assets if the Group and the Company expects to recover these costs. Acquisition costs are costs incurred by the Group and the Company in concluding contracts with its customers, but which the Group and the Company would not have incurred if the specific contracts had not been concluded (incremental costs). Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained are recognised as expense in profit or loss when incurred unless these costs are explicitly chargeable to the customer regardless of whether the contract is obtained. The Group and the Company recognises incremental costs of obtaining a contract with customer as an asset in its balance sheet. If the amortization period of a potential contract cost asset is expected to be less than one year, the Group and the Company recognises the costs incurred in entering into the contracts directly in profit and loss when incurred.

A contract cost asset is carried at cost less accumulated amortisation and credit losses. Accumulated amortisation is recognised on a systematic basis over the estimated useful lives of the services, considering the expected dynamics of revenue generation.

The Group and the Company recognises as contract cost asset variable part of compensation of its employees engaged in customer acquisition, which is being amortised over a seven-year period. The Company's management believes that the variable compensation of its customer acquisition specialists related to customer acquisition meets the definition of incremental costs of obtaining a contract under IFRS 15 "Revenue from Contracts with Customers", as these costs would not have been incurred if no customers were acquired, and the Company expects to recover those costs. Please see Note 13.

Capitalised customer acquisition costs are recognised in the statement of financial position under "Contract acquisition costs", while amortisation costs are recognised in the statement of comprehensive income under "Administrative expenses".

Accounting for share-based payments

The Company's shareholders meeting has granted the Company's management and employees stock options to the Company's shares. The respective stock options are classified in the Group's and the Company's financial statements as a share-based payment transaction in accordance with the requirements of IFRS 2.

In determining the fair value of the stock options at the grant date, the Group's and the Company's management considered information about actual direct and indirect transactions with the Company's shares that is available to the Group's and the Company's management. At the end of each reporting period, the Group's and the Company's management estimates the probability of exercising the stock options by individually assessing the expected performance of the terms of the Group's and the Company's management's vesting period, including length of service in the Group and the Company, performance, and accordingly recognises accruals for expected personnel tax payments. Please see Note 5.
In determining the fair value of the share-based payment award, the Group's and the Company's management exercised significant judgment in assessing the available market data, including actual direct and indirect transactions with the Company's shares. The fair value estimate represents a key source of estimation uncertainty, as it is sensitive to assumptions regarding the share price, expected volatility and risk-free interest rate.

At the end of each reporting period, the Group's and the Company's management makes a key estimate of the number of awards expected to vest, by individually assessing the probability of exercising the stock options. This assessment considers factors such as the expected performance of the Group's and the Company's management's vesting period, including length of service in the Group and the Company, performance, and potential forfeitures. Accordingly, the Group and the Company recognize accruals for expected personnel tax payments, which depend on the estimated vesting rate and future tax legislation.

In accordance with IAS 1.125 and 129, the Group discloses sensitivity analysis where a reasonable change in key assumptions (e.g., share price volatility or estimated vesting rate) would have a material impact on share-based payment expense. Please see Note 5 for further details.

Basis of consolidation

Subsidiaries

Subsidiaries are companies that are controlled by the Group. The company is controlled by the Group if the Group receives, or the Group has the right to receive variable returns from the investment and it has the ability to influence the amount of the variable return by using its power over the company. Financial statements of the subsidiaries are included in the consolidated financial statements from the date the control is gained and are excluded when the control is lost.

Investments in subsidiaries in the separate financial statements are accounted for at cost less provision for impairment, if any.

Loss of control

When Group loses the control over subsidiary, it stops recognising subsidiary's assets and liabilities, as well as any non-controlling interests and other equity components. Profit or loss earned is recognised in profit or loss statement. If Group retains interest in the former subsidiary, such interest is accounted for at fair value at the date when control is lost.

Transactions eliminated at consolidation

In preparation of these consolidated financial statements intercompany transactions and balances, as well as unrealised profit were eliminated. Unrealised loss is eliminated similar to unrealised profit but to the extent not exceeding impairment.

Unified accounting policies in the Group

In preparation of the consolidated financial statements, the accounting policies of subsidiaries which differ from those used by the Group are adjusted to conform with the accounting policies of the Group.

Associates

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

Assets under management

The Group and the Company manages and administers the assets held in the securities and cash accounts of the custodian bank on behalf of its customers. Financial information on these assets is not included in these financial statements because the risks and rewards associated with these assets are entirely attributable to the Group's and the Company's customers. Consequently, these assets are not considered assets of the Group and the Company. These financial statements include the assets under management for information purposes only.

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment (PPE) are carried at cost less accumulated amortisation and accumulated credit losses. Cost includes expenditure directly attributable to the acquisition of the intangible asset or PPE.

Depreciation rates of intangible assets and PPE using straight-line basis

	% p.a.
Software	20.00
Equipment	33.33
Computers	33.33
Furniture	33.33
Other PPE	33.33

Costs associated with maintaining software programmes are recognised as an expense as incurred. Installation and configuration costs that are directly attributable to the identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits; and
- the expenditure attributable to the software can be reliably measured.

The costs of repairs and maintenance of PPE are recognised in the income statement in the period in which they are incurred.

Gain or loss on disposal of an item of PPE is calculated as the difference between the asset's carrying amount and the proceeds on disposal and is recognised in the profit or loss in the period in which it arises.
All intangible assets are IT investments. IT investments are utilized in the Group and the Company's core operations to support customer onboarding and servicing, including the mobile application among many other systems. More detailed information can be found in Note 20.

Inventory

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

Lease

Classification
At the time the contract is entered into, the Group and the Company considers whether the contract is a lease or includes a lease. A contract is a lease or contains a lease if the contract grants control over the use of an identifiable asset for a specified period of time in exchange for consideration.

Lessee
Leases are recognised as a right-of-use asset and the corresponding lease liability at the date when the leased asset is available for use by the Group and the Company. The cost of the right-of-use assets consists of:

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

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

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

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

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

Short-term lease and lease of assets with low value

Lease payments associated with short-term leases or leases of assets with low value are recognized as expenses using the straight-line method in profit or loss calculation. A short-term lease is a lease with a term of 12 months or less. More detailed information can be found in Note 22.

Investments in subsidiaries and associates (Company)

Investments in subsidiaries (i.e., companies in which the Company holds or otherwise controls more than 50% of the share capital) are stated at cost less credit losses. Subsequent to initial recognition, investments in subsidiaries are stated at cost less credit losses.

If there is objective evidence that an investment in a subsidiary is impaired, the impairment loss is calculated as the difference between the carrying amount of the investment and its recoverable amount. The recoverable amount is the higher of an investment's fair value less costs to sell and its value in use. An impairment loss on an investment may be reversed if there has been a change in the estimates used to determine the impairment since the last impairment loss was recognised.

Dividends received from subsidiaries are recognised when the Company's legal right to receive the payment is established.

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Revenue and expenditure accounting

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

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

In determining the amount of the SFPS investment plan fees for management, the Company shall consider the maximum amount of remuneration set forth in the Cabinet of Ministers Regulation No

765 "Procedures by which the Manager of Funds of the State Funded Pension Scheme shall Calculate the Payment for the Management of an Investment Plan and Procedures for the Accounting and Deduction of the Abovementioned Payment".
Other commissions and other income and expenses are recognized when the related service is provided.

Foreign currency transactions

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

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

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

Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised in the balance sheet on the date on which the contractual provisions of the instrument become binding to the Group and the Company. All regular way purchases and sales of financial assets are recognised on the settlement date, i.e., the date on which the financial asset is received.

Financial assets or financial liabilities are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset or financial liability unless the financial asset or financial liability is classified as at fair value through profit or loss. Transaction costs for financial assets or liabilities at fair value through profit or loss are recognised in the comprehensive income statement. Subsequent to initial recognition, expected credit losses from financial instruments are considered for financial assets measured at amortised cost, so that the credit losses from financial instruments are recognised in the comprehensive income statement when the asset is just recognised.

If the fair value of financial assets and financial liabilities differs from the transaction price at initial recognition, the Group and the Company recognises the difference as follows.

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

market data, or on disposal.

Classification

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

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

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

- The business model chosen by the Group and the Company for managing the financial assets;
- The characteristics of the contractual cash flows of a financial asset.

A financial asset is measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold the financial asset to generate contractual cash flows; and
- The contractual terms of a financial asset provide for cash flows that are solely payments of principal and interest.

Financial assets measured at amortized costs

, Cash and cash equivalents, loans and advances due from customers, other assets are classified as financial assets measured at amortised cost if the following criteria are met:

- They are held within a business model achieved through the collection of contractual cash flows;
- Their contractual cash flows consist of solely payments of principal and interest on the remaining principal;
- The Group and the Company does not designate them as financial assets at fair value through profit or loss upon initial recognition.

Financial assets that meet the above criteria are measured at amortised cost and are subject to the impairment model in IFRS 9. Impairment allowances are determined based on the forward-looking Expected Credit Loss (ECL) models.

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

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

Due to insufficient historical data, PD is based on external sources, adjusted for future macroeconomic information.

EAD represents the estimation of credit exposure at the time of default. EAD modelled each time ECL is calculated, based on the payment schedule in the loan agreement.

LGD is the amount that may not be recoverable in the event of default. For the assessment of LGD, the quality and quantity of any collateral held are considered, as well as the likelihood of its recovery. Due to insufficient historical data, external sources are also used to determine LGD.

The Group and the Company use a collective ECL calculation model for loans, including those in Stage 3. This model is applicable to homogeneous groups of loans, primarily small consumer loans (up to €20 000) to individuals. Individual assessment costs are disproportionate compared to potential losses.

ECL Calculation Parameters:

- PD (Probability of Default): Estimated over a specific period.
- EAD (Exposure at Default): Estimated at the future default date, considering expected changes post-reporting period.
- LGD (Loss Given Default): Estimated in case of default.
- EIR (Effective Interest Rate): Used to discount ECL to present value at the end of the reporting period.

Maximum Period for ECL Assessment is the maximum contract duration during which the bank is exposed to credit risk, evaluated for each loan whenever ECL is calculated.

Stage 3 Loans: PD is set at 100%.

ECL for counterparty claims is not discounted as discounting has no material impact on the bank's and group's financial statements.

The repayment of counterparty credit obligations in the event of default depends on the counterparty's creditworthiness, which is characterized by the credit rating assigned to the counterparty. Therefore, LGD for counterparty claims is determined based on the recovery rate published by Moody's, according to the counterparty's credit rating and the remaining term of the claim.

PD for counterparty claims is determined based on the average default probabilities published by Moody's, according to the counterparty's credit rating and the remaining term of the claim which are updated once a year by Moody's. If the counterparties have not been assigned a credit rating by the credit rating agency Moody's, the credit ratings assigned to the counterparties by Fitch or Standard and Poor's, which are comparable to it, are used. If the counterparties have access to two credit ratings assigned by the aforementioned external credit rating agencies and they are different, then the worst of them is used. If more than two credit ratings from external credit rating agencies are available, then the two worst credit ratings are used, and if they are different, the better of them is used. If the counterparty does not have an individual credit rating, but the counterparty is part of a group of related parties, then the credit rating to be used in the assessment is determined by taking into account the credit rating nominated for the counterparty's parent company (if any) and the counterparty's sovereign credit rating (if any), choosing the lower of them.

ECL Model for Receivables and Technical Overdrafts are divided into two groups: individuals and legal entities.

ECL is calculated using the PD*EAD* LGD approach. Discounting is not applied due to immaterial impact.

Given that the Bank does not have sufficient historical data to calculate PD and LGD, for Receivables and Technical Overdrafts these are determined based on external data sources.

Forward Looking Information (FLI) ECL adjustments consider historical correlations between macroeconomic indicators (for Consumer Loans- Unemployment rates) and default probability, using expert assessments and external data sources. Base scenario and at least one adverse scenario are used for FLI assessment.

Taking into account the size of the Bank's Loan portfolio and the concentration of portfolio risk in the market of the Republic of Latvia, the impact of future information on ECL is estimated based on the correlation between the borrowers' Default rate and the macroeconomic indicators of the Republic of Latvia. The Bank believes that the unemployment rate is most closely related to the level of default of Borrowers, consumers. With an increase in the unemployment rate, the level of default of Borrowers, consumers increase proportionally. For the calculation of ECL and forecasting of future PD rates, a base scenario is used, supplemented with at least one adverse scenario. PD rates are adjusted with the weighted value of all scenarios, using the distribution of the probability of occurrence of scenarios as weights: 85% - base scenario, 15% - adverse scenario.

Amortised cost ("AC") is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any allowance for expected credit losses. Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method. Accrued interest income and accrued interest expense, including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of related items in the statement of financial position.

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the gross carrying amount of the financial instrument.

The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount, which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortised over the expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate. For assets that are purchased or originated credit impaired ("POCI") at initial recognition, the effective interest rate is adjusted for credit risk, i.e. it is calculated based on the expected cash flows on initial recognition instead of contractual payments.

Financial assets are written-off, in whole or in part, when the Group and the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Group and the Company may write-off financial assets that are still subject to enforcement activity when the Group and the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

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

Impairment of financial assets

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

- Financial assets measured at amortised cost.

The Group's and the Company's financial instruments that fall within the scope of the impairment model, the allowance for expected credit losses from financial instruments is calculated as follows:

- Stage 1 - financial instruments for which there has been no significant increase in credit risk since initial recognition or financial instruments for which credit risk is considered to be low (if a financial instrument has an external credit risk rating of BBB- or better, it is considered to have low credit risk.) – expected credit losses from financial instruments are calculated as an amount equal to 12 months of expected credit losses,
- Stage 2 – financial instruments without impairment but with a significant increase in credit risk since initial recognition, expected credit losses from financial instruments are calculated as an amount equal to the lifetime expected credit losses,
- Stage 3 - impaired financial instruments – the expected credit losses from financial instrument stage calculated at an amount equal to the lifetime expected credit losses from financial instruments.

Credit losses from financial instruments are the difference between the contractual cash flows expected to be received under the contract and the cash flows the Group and the Company expects to receive (i.e., all payment defaults), discounted at the original effective interest rate. The Group and the Company estimates cash flows considering all contractual terms of a financial instrument (for example, prepayments, renewals, sales, and similar options) using the estimated useful lives of the financial instruments. These cash flows include cash flows from the sale of collateral or other credit enhancements that form an integral part of the contractual terms.

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

Significant increase in credit risk

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

At each reporting date, the Group and the Company evaluates whether the credit risk of the financial instrument has considerably increased since its initial recognition by analysing changes in the risk of default over the expected lifetime of the financial instrument.

For the transactions the main indicator is changes in the probability of default (or PD) of lifecycle liabilities, which are determined by comparing the scenario providing the lifecycle PD set for the year on the reporting date with a scenario providing the lifecycle PD set for the year at the time of initial recognition.

Regardless of the quantitative indicator, a significant increase in credit risk is caused by the following backstop indicators:

payments are more than 30 days, but less than 90 days past due; or

financial assets which are classified as financial assets on watch-list; or

reviewed financial assets (terms of the loan contract have been reviewed and relieves have been granted due to customer's financial difficulties).

Backstop indicators usually overlap with the quantitative indicator of a significant increase in credit risk. If a credit risk has significantly increased since its initial recognition, provisions for lifecycle ECL are recognised and the financial instrument is moved to the second stage.

If credit quality of the financial instrument in future reporting periods improves to the extent that a significant increase in credit risk since initial recognition disappears, the financial instrument is moved back to the first stage.

In 2023, the Group and the Company have accrued credit losses from financial instruments on assets related to the loan to SIA Provendi Asset Management AIFP. The Group and the Company consider that the credit losses on the remaining assets within the scope of the expected impairment loss from financial instruments model are immaterial.

Definition of default

The financial instruments, which are defaulted, are included in the third stage. For accounting purposes, the Group and the Company uses the definition of default included in the capital requirements regulation (Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, Article 178), i.e. the financial assets which are past due more than 90 days. It is considered that the credit value of all the financial assets in the third stage has reduced. It is considered that the debtor is unlikely to be able to settle the credit obligations in full without collateral, irrespective of the existence of the overdue amounts and the number of days past due. The Group and the Company make such a conclusion based on regular or ad-hoc analysis of the debtor (DSCR, cashflow analysis, planned, future events).

Financial assets at fair value through profit or loss

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

Financial liabilities measured at amortised cost
All financial liabilities initially are recognised at fair value. Subsequent to initial recognition, interest-bearing financial liabilities are measured at amortised cost using the effective interest rate (EIR) method. Gains or losses are recognised in profit or loss when the liabilities are derecognised and using the EIR method. Amortised cost is calculated by considering any purchase discounts or premiums as well as fees or costs that are an integral part of the EIR. Amortisation of EIR is included in the comprehensive income statement as net interest income.

Initial recognition and measurement
Financial assets are derecognised when the contractual rights to receive cash flows from the financial asset have expired or when the Group and the Company has transferred substantially all risks and rewards of ownership.

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

Derecognition
Financial assets are derecognised when the contractual rights to receive cash flows from the financial asset have expired or when the Group and the Company has transferred substantially all risks and rewards of ownership. Any consideration given or liability retained as a result of the transfer is recognised as a separate asset or liability. The Group and the Company derecognises a financial liability when it is settled, i.e., when the liability is discharged, cancelled or expired.

Offsetting
Financial assets and liabilities are offset, and the net amount recognised in the balance sheet when there is a legal right to do so and the Group and the Company intends to settle on a net basis, or to dispose of the asset and settle the liability simultaneously.

Fair value of financial assets and liabilities

The fair value of assets and liabilities is the price that would be received to sell an asset or paid to settle a liability in the ordinary course of business between market participants at the measurement date. The fair value of financial assets and liabilities is divided into the following fair value hierarchy:

- Level 1: Unadjusted quoted prices in an active market;
- Level 2: Adjusted quoted prices or valuation model with active market parameters used;
- Level 3: A valuation model where the material parameters used are not available in the market and are based on internal assumptions.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e., the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e., without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets.

When the transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognized in the statement of comprehensive income depending on the individual facts and circumstances of the transaction but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

A number of the Group's and the Company's accounting policies and disclosures require the determination of fair value of financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values is disclosed in the respective notes.

Other receivables

Other receivables are accounted for in accordance with the terms of the contract, net of any allowance for impairment for credit losses, and are recognised in the balance sheet. Provisions for expected credit losses (ECL) on receivables are recognized based on a forward-looking assessment in accordance with IFRS 9, considering historical loss rates, current conditions, and reasonable forecasts of future economic conditions. Receivables are written off when their collection is considered impossible.

Cash and cash equivalents

Cash and cash equivalents are cash on hand and at bank, and other highly liquid assets with an original maturity of three months or less that are used by the Group and the Company to settle current liabilities.

Accrued liabilities

"Accrued liabilities" include clearly known amounts of payables to suppliers of goods and services received during the reporting period for which, due to delivery, purchase or contractual terms or for other reasons, no supporting payment authorisation document has yet been received as of the balance sheet date. This item also includes accrued liabilities for employees' unused annual leave and variable compensation.

Provisions and contingent liabilities

The Group and the Company recognises a provision when there is a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the possibility of an outflow of resources embodying economic benefits is remote, a brief description of a contingent liability and estimate of its financial effect is disclosed.

Employee benefits

Employee entitlement to an annual leave is recognised when employees have accrued the appropriate annual leave days. Accruals for employees' annual leaves are estimated based on employees' unused annual leave days as of the balance sheet date. The Group and the Company makes mandatory social security contributions to the state-funded pension scheme in accordance with Latvian legislation. The state-funded pension scheme is a defined contribution pension plan to which the Group and the Company is required to make statutory payments. The Group and the Company has no legal or constructive obligation to make additional payments if the state-funded pension scheme is unable to meet its obligations owed to its employees. National social security mandatory contributions are recognised as an expense on an accrual basis and are included in employee expenses.

Share-based payments

The cost is recognised as part of employee compensation, together with a corresponding increase in equity (stock options) during the period in which the service is rendered and the performance conditions are fulfilled (vesting period). The cumulative cost recognised in respect of equity settled transactions at the end of each reporting period reflects the past service vesting period and the Group's best estimate of the number of equity instruments that will ultimately vest. The cost or reversal of the previously recognised expense in the statement of comprehensive income for the reporting period reflects the changes in cumulative costs recognised at the beginning and end of the reporting period.

Expenses are not recognized in relation to share-based payments that are not guaranteed, as the relevant non-market conditions and/or performance conditions have not been met during the vesting period. If share-based payments include market or non-guaranteed conditions, transactions are accounted for as guaranteed, regardless of whether the non-guaranteed conditions are met, provided that all other obligations and/or performance conditions are fulfilled.
When the terms of a share-based payment transaction in equity are modified, the minimum amount to be recognised is the grant-date fair value of the unmodified remuneration, provided the original terms of the share-based payment are satisfied. Incremental costs determined at the date of modification are recognised for any modification that increases the total fair value of the share-based payment or otherwise provides a benefit to the employee. When the Group or an employee cancels a share-based payment, the remaining fair value of the share-based payment is immediately recognised in the statement of comprehensive income.

Corporate income tax

Corporate income tax for the reporting period is included in the financial statements based on the Management's calculations prepared in accordance with Latvian Republic tax legislation.
Corporate income tax is calculated on the basis of distributed profit (20/80 of the net amount payable to shareholders). Corporate tax on distributed profit will be recognized when the shareholders of the Group companies and the Company make a decision about profit distribution. The Group companies and the Company calculate and pay corporate income tax also for the conditionally distributed profit (20/80 of calculated taxable base), which includes taxable objects in accordance with the Corporate Income Tax law, such as the expenditure not related to economic activity, the doubtful debts of debtors and the loans to the related parties, if they meet criteria provided in the Corporate Income

Tax law, as well other expenses exceeding statutory limits for deduction. Corporate income tax for the conditionally distributed profit is recognized in the income statement in the year for which it is assessed.

The Group and the Company recognize deferred tax liabilities (DTL) and deferred tax assets (DTA) related to lease liabilities and right-of-use assets in accordance with IFRS 16 and IAS 12. Given the total lease amount of almost 2 million, these deferred tax balances are considered material. The Group offsets DTL and DTA when the offsetting criteria under IAS 12 are met.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

• the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares

• by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

• the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and

• the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Segment reporting

The Group's and the Company's management, examines the Group's and the Company's performance and has identified two reportable segments of its business:
(i) asset management and (ii) banking development. Please see note 36 for further information.

The Management primarily uses a measure of to assess the performance of the operating segments. However, the Management also receives information about the segments' revenue, net profit and assets on a monthly basis.

Risk management

The Group and the Company organize their activities in the field of risk management in accordance with the regulatory legal acts governing the operations of the Group and the Company, as well as based on the Group's and the Company's operational strategy and other documents regulating the activities of the Group and the Company. The Bank is responsible for overseeing risk management at the Group level by establishing and ensuring the general risk management framework of the Group, defining the principles and rules for the implementation of the risk management strategy, risk assessment, reporting, analysis, management, and control, as well as monitoring the implementation of these rules and the functioning of the local risk management functions within the Group's companies.

The Group and the Company identifies all material risks inherent to its operations and develops, documents, and implements appropriate policies for managing these risks, including their measurement, assessment, control, mitigation measures, and risk reporting and information provision.

The Group's and the Company's risk management objective is as follows:

- To establish and maintain such a system of risk identification and management which would allow minimization of the negative effect the risks may produce on the Group's and the Company's operations and performance;
- To identify and determine the level of risk tolerance which would facilitate achievement of the Group's and the Company's strategic goals;
- To define the levels of responsibility of the Group and the Company risk management system and their respective functions;
- To define the risk management structure and methods;
- To ensure the Group's and the Company's statutory compliance.

The risk management system is integrated into The Group's and the Company's internal control system, ensuring independent risk control and compliance functions separate from business functions.

The risk management framework includes risk strategies, policies, procedures, risk limits, and controls, ensuring adequate, timely, and continuous identification, assessment, measurement, monitoring, mitigation, and reporting of material risks.

Risk Management Structure

The Councils of The Group companies are responsible for establishing and effective functioning of the risk management system and approving the relevant risk management policies and strategies.

The Boards of The Group companies have the responsibility for implementing risk management strategies and policies approved by the Council.

The Group Risk Director's functions are performed by the Bank's Risk Director. The Group Risk Director:

- Leads the Bank's risk control function;
- Ensures the supervision of the Group companies' risk management system and facilitates its improvement;
- Provides a comprehensive and clear information on the Group's and the Company's overall risk profile, all relevant risks and risks compliance with the risk management strategy through regular communication to the Bank`s Council, Board and other officers;
- Advises and provides support to the Council and the Board of the Group and the Company in designing operational strategy and in making other decision related to the risks faced by the Group and the Company.

The Group companies identify the material risks inherent to their operations, including in the context of determining capital requirements, and develop risk management policies and procedures, ensuring compliance with risk management policies and procedures, including established limits and restrictions, and provide regular reports and information to the Boards and Management Boards of the Group companies. These reports include information on the risks inherent to their operations, enabling the Group Risk Director, the Board, and the Management Board to continuously assess the risks affecting the Group's and its companies' ability to achieve their objectives and, if necessary, make decisions on appropriate corrective measures.

The Bank ensures the monitoring of operational compliance risk at the Group level by establishing key principles for identifying, assessing, and managing the operational compliance risks of the Group and the Company. The Company's operational compliance function is responsible for managing the operational compliance risks of the Company.

The internal audit function regularly reviews and assesses the compliance of the Group and the Company with its risk management strategies, policies, and procedures, and reports the results of the audits to the Boards of the Group's companies, as well as the effectiveness of the risk management system.

Heads of the Group's and the Company's structural units and other employees of the Group and the Company are aware of their duties and responsibilities related to routine risk management and, within the boundaries of their competences, report the compliance with the limits and restrictions set to the Risk Management function as well as participate in the risk identification, effect assessment, and materiality determination process.

Internal Control System

Risk management in the Group and the Company is based on the three lines of defense model and is organized to prevent or escalate any potential conflicts of interest.

The first line of defense involves primary risk management, conducted by all business and compliance departments and those employees who manage risks daily as part of their operational activities. This line involves risk identification and the implementation of risk mitigation measures.

The second line of defense involves further, in-depth, and independent risk identification and assessment, analysis, and monitoring conducted by the Risk management, Compliance, AML, Sanctions departments as well as data protection department.

The third line of defense provides independent assurance on the risk management process and its effectiveness, conducted by the Internal Audit department.

Risk Culture

The Group and the Company promotes a risk culture that encourages proper behaviour based on the Group's and the Company's values, best industry practices, and ethical standards.

The Group and the Company ensures the establishment of a comprehensive risk culture that facilitates the implementation of effective risk management processes, considering the Group's and the Company's development strategy and risk strategy.

Risk Measurement and Mitigation

At the end of reporting period, the Group and the Company complies with all regulatory requirements.

The Group and the Company perform the quantitative assessment of risks based on developed methodologies, and the 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" dated 30.09.2024.

To assess the risks inherent in or expected for the operations of the Group and its subsidiaries, the Group's companies also perform stress testing of risks.

To mitigate the risks inherent in the Group and its subsidiaries' operations, the Group's companies develop and implement a limit control system that covers the approved limits and defines the risk appetite constraints set in the operational strategy. In cases where limit breaches are detected, the responsible person reports to the Group's Risk Director and the Board of the Group company. In the event of a regulatory limit breach, the Group company immediately informs Bank of Latvia, and further action is taken in accordance with the regulatory requirements of Bank of Latvia. The Board of the Group company is also notified of any regulatory limit breach, and an action plan is prepared and approved to address the violation.

Risk Materiality Assessment Process

Material risks are inherent to the Group's and the Company's operations and can significantly negatively impact the Group's and the Company's reputation, ability to provide services, achieve strategic objectives, and/or cause substantial financial losses.

According to the Group's and the Company's operational specifics, the following are considered material risks:

Credit risk

The goal of the Group's and the Company's credit risk management is to ensure an optimal balance between credit risk, the planned level of asset return, and liquidity. The foundation of the Group's and the Company'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 Group and the Company invest funds only in financial assets whose risks can be identified, assessed, and managed.

According to the requirements of IFRS 9, financial assets are classified into three quality stages: Stage 1 includes financial assets whose credit risk has not significantly increased compared to initial recognition; Stage 2 includes financial assets whose credit risk has significantly increased compared to initial recognition but do not show signs of default; Stage 3 includes financial assets that show signs of default.

The Group and the Company primarily assume credit risk in Latvia.

As of the preparation of this report, the Group's operations involving credit risk include placing funds in banks and issuing consumer loans. Meanwhile, the Company's operations involving credit risk include placing funds in banks and issuing a loan to SIA Provendi.

Consumer loan issuance is an automated process, with the Credit Committee making decisions in specific cases. Decisions on changes to loan agreements are made based on the authorizations specified in the Group and the Company's internal regulatory documents.
The Group and the Company assesses credit risk both at the time of loan issuance and regularly throughout the loan's life, at least quarterly.
At the time of loan issuance, the bank evaluates the applicant's creditworthiness using the KIB external credit rating (Score Grade), which is determined using the KIB scoring model. Each client is assigned a Score Grade from A1 to E3 based on various factors.
By evaluating the borrower's KIB Score Grade, DTI, DSTI the bank automatically determines the credit risk level and assigns an internal credit rating (Risk level) from 5 to 1 for each individual consumer borrower.
Additionally, the Group and the Company performs an automatic creditworthiness check for each potential borrower and does not issue a loan if any criteria indicating unacceptable credit risk are met.

The internal credit rating (Risk Level) is updated at least quarterly using updated data from external and internal sources. Throughout the loan's life, credit monitoring and quality assessment are conducted according to the "Credit Monitoring Procedure" and the "Asset Quality Assessment and Provisioning Procedure."

Concentration risk

The Group and the Company integrate 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 closely related to other risks, and its management system is part of the Group's and the Company's various risk management policies and related procedures.

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

The Bank ensures compliance with large exposure limits at both the individual Bank level and the consolidated Group level, as stipulated by the European Parliament and Council Regulation (EU) No 575/2013 (June 26, 2013) on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012. Large exposures are classified as transactions whose value equals or exceeds 10% of the Bank's and/or Group's Tier 1 capital.

During the financial reporting period, both the individual Bank and the consolidated Group complied with the requirement that the exposure amount to a single client or a group of connected clients must not exceed 25% of the Group's and the Company's Tier 1 capital. If the client is a credit institution or an investment firm, or a group of connected clients that includes one or more credit institutions or investment firms, and its country of registration is an EU member state or an equivalent country (as per Commission Implementing Decision (EU) 2021/1753 of October 1, 2021, on the equivalence of the supervisory and regulatory requirements of certain third countries and territories for the purposes of the treatment of exposures in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council), the total exposure must not exceed 100% of the Group's and the Company's Tier 1 capital. If such a client is registered in a country that does not meet the aforementioned conditions, the total exposure must not exceed 25% of the Group's and the Company's Tier 1 capital. During the financial reporting period, the Group and the Company has complied with the aforementioned requirements.

The maximum credit risk is disclosed in the table below:

	Dec 2024	Dec 2023	Dec 2024	Dec 2023
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
Placements with Bank of Latvia	444 289	-	-	-
Overnight with Bank of Latvia	34 930 915	-	-	-
Placements with Swedbank AS and SEB banka AS	396 681	415 493	17 295	18 795
Short-term deposits in Swedbank AS and SEB banka AS	876 364	2 291 903	776 364	963 994
Short-term deposits in INDEXO Bank AS	-	-	674 586	-
Receivables	395 247	321 489	390 252	317 911
Loan to SIA Provendi asset management AIFP	78 418	53 900	78 418	53 900
Loan to AS INDEXO Banka (till May 2024 AS "IDX1R")	-	-	700 000	700 000
Loans to Bank`s clients	1 069 854	-	-	-
Total	**38 191 768**	**3 082 785**	**2 612 397**	**2 054 600**

Excessive leverage risk

Excessive leverage risk arises from the vulnerability of Group companies caused by actual or potential leverage in their financing structure, which may necessitate unforeseen corrective measures regarding the Group companies' strategy. This includes the sale of assets due to financial difficulties, which could result in losses or adjustments to the value of remaining assets. The increase in excessive leverage risk can also be caused by a reduction in the Group's and/or Group companies' Tier 1 capital due to losses, as well as the excessive accumulation of exposures relative to Tier 1 capital.

Excessive leverage risk is characterized by the leverage ratio and the mismatch between assets and liabilities. The leverage ratio is calculated as of the reporting reference date at both the individual Bank level and the consolidated Group level by dividing the measure of Tier 1 capital by the sum of the measure of all assets not deducted in determining Tier 1 capital and the measure of off-balance sheet exposure values, expressed as a percentage.

Market risk

Market risk is the possibility for the Company's management service recipient to incur losses due to the revaluation of financial instruments in the investment portfolio, which is associated with changes in market value influenced by factors such as exchange rates, interest rates, equity security prices, or the issuer's creditworthiness. The objective of market risk management is to reduce market risk inherent in pension plans by investing in a wide range of different types of investments and across various regions, thereby mitigating the negative impact of a decline in financial instrument prices

Foreign exchange risk

Foreign currency risk is the possibility of incurring losses from the revaluation of financial instruments denominated in foreign currencies due to changes in exchange rates.

During the reporting period, the Group and the Company did not have, and at the end of the reporting period do not have, any significant open currency positions in any foreign currency that would materially affect the Group's and the Company's assets or liabilities.

The Group and the Company manage both direct foreign currency risk, which arises from investing financial assets in financial instruments denominated in foreign currencies, and indirect foreign currency risk, which arises from investing assets in euro-denominated investment funds that further invest these funds in financial instruments denominated in foreign currencies. Indirect foreign currency risk is managed by setting a target in the allocation of investment assets to debt securities portfolios in investment funds linked to euro-denominated investment-grade debt securities indices.

Interest rate risk

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 Group and/or Group companies.

The Bank plans to generate interest income by promoting the growth of the loan portfolio, primarily financing Latvian residents, and doing everything possible to prevent the increase of the NPL (non-performing loan) ratio above the level set in the Risk Appetite.

To assess interest rate risk, the Bank regularly evaluates and plans the repricing term structure at both the individual Bank level and the consolidated Group level, 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 at both the individual Bank level and the consolidated Group level.

Interest rate risk assessment is based on the following key principles:

The impact of interest rate changes on financial results and economic value is assessed at both the individual Bank level and the consolidated Group level.

The level of interest rate risk is determined.

All significant interest rate risks associated with assets, liabilities, and off-balance sheet items are assessed.

Sources of interest rate risk include:

- Basis risk: The risk of incurring losses due to changes in interest rates affecting interest rate-sensitive instruments with the same repricing or maturity terms but different base rates.
- Gap risk: The risk of incurring losses due to an unbalanced term structure of interest rate-sensitive instruments, covering changes in the term structure of interest rates that occur consistently across the yield curve (parallel risk) or differently over time intervals (non-parallel risk).
- Option risk: The risk of incurring losses if interest rate-sensitive instruments directly (e.g.,

options) or indirectly (e.g., loans with prepayment options, demand deposits, term deposits with early withdrawal options, fixed-rate loan commitments, etc.) provide the option to change the amount and timing of cash flows.

The extent to which the 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, choosing the shortest term.

Liquidity risk

The goal of the Group's and the Company's liquidity risk management strategy is to ensure the objective of liquidity risk management 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 Group and the Company implement 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.

The Group and the Company assume liquidity risk within the set limits and restrictions.

To manage liquidity risk, the Group and the Company 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.

To ensure liquidity, the Bank, as the entity responsible for overseeing risk management at the Group level, as well as the Company, undertake the following actions:

- Regularly assess and plan the term structure of assets and liabilities.
- Ensure sufficient liquid assets to meet obligations.
- Control the funding structure.
- Monitor liquidity risk intra-day.
- Regularly assess the level of liquidity risk, including stress testing.
- Develop internal regulatory documents governing liquidity risk management, which allow for timely identification, assessment, analysis, and monitoring of liquidity risk.

The Bank implements an early warning system that allows for the timely identification of potential difficulties and the prompt assessment of the need to implement liquidity risk mitigation measures.

The Bank, as the entity responsible for overseeing risk management at the Group level, ensures the following indicators are met at both the individual Bank level and the consolidated Group level:

- A liquidity coverage ratio of at least 120%.
- A net stable funding ratio of at least 110%.

- A loan-to-deposit ratio for non-banks of at least 80%.

The table below (Note 32: Maturity analysis of financial assets and liabilities) allocates the Group's and the Company's assets, liabilities and off-balance liabilities liquidity groupings on the time remaining from the balance sheet date to the contractual maturity dates.

Operational risk

The Group and the Company uses a forward-looking and risk-based approach to identify, assess, and mitigate potential risk losses. Operational risk includes information technology risk, outsourcing risk, and legal risk.

Operational risk is mitigated by developing clearly defined processes and implementing appropriate internal controls.

The Group and the Company builds and maintains a skilled and motivated team of employees who conduct their daily work according to high ethical and professional standards. Regular employee training is conducted.

To quickly identify operational risk events and implement appropriate risk mitigation measures in a timely manner, the bank has established and implemented a database for the systematic recording of operational risk events. The Group and the Company has established a procedure whereby any employee, regardless of their position, must immediately register any operational risk event upon its identification, for any circumstances that have caused or may potentially cause losses to The Group or the Company (regardless of their form). All operational risk events registered in the database are reviewed, and if necessary, risk mitigation measures are developed and implemented to improve the internal control system.

The Group's and the Company'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, the bank focuses on the timely resolution of identified control deficiencies, consistent third-party risk management, technological control development, and continuous improvement. The Group and the Company has low tolerance for risks associated with system availability.

The Group and the Company 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 The Group's and the Company'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.

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

Sustainability risk

Sustainability risk refers to the risk that an event or circumstances in the environmental, social, or governance (ESG) domains could negatively impact the value of the investments managed by the Company. The Company's risk appetite in the area of sustainability — i.e., the level of sustainability risk the Company is willing to accept to achieve its strategic investment objectives — is moderate. The

Company balances potential environmental, social, and governance risks associated with investments against potential long-term benefits in line with its investment strategy.

The Company strives to select investments that meet at least a medium ESG rating level wherever possible.

Model risks

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

The Group companies take 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.

Reputational risk

The Group's companies refrain from engaging in activities that pose or could be associated with elevated reputational risks, regardless of financial gains or rewards. Reputation is of fundamental importance and is carefully analysed when making decisions.

Any media coverage of the Group's companies 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.

Compliance risk

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

The Group and the Company operates in a manner that ensures compliance with applicable laws and regulations.

Compliance in the Group and the Company 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 Company and the 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.

AML and Sanctions risk

The Group and the Company operates in a manner that ensures compliance with all applicable laws and regulations. This includes a low-risk appetite and a zero-tolerance principle toward intentional violations in AML and sanctions risk matters, collaborating only with trusted clients that fit the defined target customer base and using effective and integrated solutions for customer and partner relationship management, "know your customer" processes, transaction monitoring, and sanctions screening.

The Group and the Company establishes effective internal control systems according to the risk levels of the bank's clients/partners, products, geography, and delivery channels, implementing appropriate risk mitigation measures.

Business model risk

The Group`s companies maintain a reasonably diversified, viable, and sustainable business model by offering a wide range of financial services to clients with diverse needs.

The Group`s companies strategically develop its service offerings based on next-generation financial technologies.

The Group`s company mitigates business model risk by continuously monitoring operational performance indicators against established plans and taking appropriate actions when necessary.

3. Commission and fee income

	Jan – Dec 2024	Jan – Dec 2023	Jan – Dec 2024	Jan – Dec 2023
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
Commission fee for the management of the assets of the State Funded Pension Scheme Investment Plan "INDEXO Izaugsme 55-62"	917 567	705 778	917 567	705 778
Commission fee for the management of the assets of the State Funded Pension Scheme Investment Plan "INDEXO Jauda 16-55"	3 259 677	2 234 735	3 259 677	2 234 735
Commission fee for the management of the assets of the State Funded Pension Scheme Investment Plan "INDEXO Konservatīvais 62+"	120 879	106 180	120 879	106 180
Commission fee for the management of the assets of the private pension scheme pension plan "INDEXO AKCIJU PLĀNS"	136 488	71 100	56 201	29 277
Commission fee for managing the assets of the private pension scheme pension plan "INDEXO OBLIGĀCIJU PLĀNS"	10 439	5 633	4 298	2 319
Commission income from AS INDEXO Bank Clients, including	29 765	-	-	-
Money transfer	*269*	-	-	-
Payment cards	*12 454*	-	-	-
Current account servicing	*16 789*	-	-	-
Other	*253*	-	-	-
Total	4 474 815	3 123 426	4 358 622	3 078 289

4. Commission and fee expense

	Jan – Dec 2024	Jan – Dec 2023	Jan – Dec 2024	Jan – Dec 2023
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
Loans	(12 073)	-	-	-
Payments	(18 606)	-	-	-
Cards	(71 837)	-	-	-
Other	(1 205)	-	-	-
Custody fee	(5 068)	-	-	-
Client onboarding	(20 253)	-	-	-
Total	**(129 042)**	**-**	-	-

5. Administrative expenses

	Jan – Dec 2024	Jan – Dec 2023	Jan – Dec 2024	Jan – Dec 2023
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
Sales and marketing expenses	974 384	886 015	627 791	891 186
Remuneration to the Management Board and Supervisory Board	762 912	663 138	121 817	139 948
Remuneration to other staff	2 706 874	1 743 712	1 268 507	1 052 628
National social insurance mandatory contributions to the Management Board and Supervisory Board	179 971	135 199	28 737	25 743
National social insurance mandatory contributions to other staff	767 736	411 342	253 019	247 532
Share option reserves	238 949	420 819	238 949	420 819
IT costs	2 254 237	1 074 204	128 173	127 756
Professional fees	323 780	272 353	154 960	166 659
Office maintenance costs	172 290	57 876	89 868	30 948
Amortisation of the right-of-use an asset	224 237	34 903	27 426	34 903
Depreciation of property, plant and equipment	437 843	79 548	33 221	4 164
Other staff costs	243 159	125 166	81 463	73 706
Other	88 103	90 680	85 479	77 182
Total	**9 374 475**	**5 994 955**	**3 178 802**	**3 293 174**

	Dec 2024	Dec 2023	Dec 2024	Dec 2023
	Group	Group	Company	Company
Number of employees, average	108	99	58	68

Remuneration policy

To ensure a high long-term employee performance culture, the Group and the Company determine remuneration that is competitive, differentiated, follows business logic, aligns with market practices, and reflects employee competence and long-term performance. The total remuneration paid for a certain period of time must not jeopardize the Group's and the Company's ability to produce positive results over the relevant business cycle.

Group's Remuneration policy in its current version was approved on 25 March 2024 at the Company's shareholders' meeting. The principles of the Remuneration policy are reviewed on a regular basis to ensure that they are consistent with the Company's business plan or the strategy of the investment portfolio under its management, and that they are compliant with the relevant internal and external regulatory provisions. The main changes in the 25.03.2024. version of Group Remuneration policy were related with the introduction of the provision that variable remuneration in the form of the bonuses could be awarded only to the employees of the sales and customer support functions, whose professional activities do not have a material impact on Company's risk profile. New version of Group's Remuneration policy also specifies that variable remuneration in the form of a compensation for non-competition and payments in case of the termination of employment can be awarded to all employees and Management and Supervisory Board members within the limit specified by the Group Remuneration policy.

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

The remuneration structure of the Group and the Company consists of three components:
- base salary;
- variable part of remuneration (only in monetary form);
- other additional benefits.

The fixed part of the remuneration consists of a part of the salary that is independent of the employee's individual performance. The fixed part of the remuneration is determined by considering the employee's level of education, professional experience, position, duties and responsibilities. This is usually the salary. For the members of the Supervisory Council there is a fixed remuneration determined by shareholders' meeting for the participation in Council's and committees' meetings.

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

The variable part of remuneration consists of the part of remuneration depending on the individual performance of the employee, the structure of which consists of bonuses and compensations. The variable part of the remuneration in the form of the bonuses is awarded based on the employee's individual performance.

During 2024, the variable part of the remuneration of sales specialists and sales team leads was based on the individual performance of the employee, which was determined and paid monthly on the basis of IPAS INDEXO rules on working hours, remuneration, bonuses and training for sales specialists. The variable remuneration paid to sales specialists and sales team leads in 2024 did not exceed the policy limit of 500% of the employee's annual variable remuneration.
In 2024 no variable remuneration was paid to the Supervisory Board members, Management Board members or any employee in the positions with an impact on risk profile.

The remuneration of the Company's employees during 2024 is shown in the table below.

	Company	Company
	2024	2023
	EUR	EUR
Total remuneration of affected employees with an impact on risk profile remuneration:	**295 728**	**232 796**
-incl. Supervisory and management board	161 475	139 948
- incl. audit committee	1 100	1 500
- executives	89 736	-
- other positions which include risk taking for the Company or its funds under management	-	60 446
-other positions where the employed officials or employees of the company, based on the company's risk assessment, significantly influence the risk profile of the company or its managed investment portfolio through their professional activities, such as the head of the investment department, the head of human resources, and the head of distribution (marketing) department.	3 780	-
- positions who are responsible for internal control functions in the company	39 637	30 903
Other employee remuneration	1 811 564	1 376 345
Total remuneration:	**1 410 271**	**1 609 141**
-of which fixed part of remuneration	1 404 151	1 060 166
-of which variable part of remuneration	407 413	548 976
Total count of remuneration received:	**1 511**	**1 559**
- of which fixed part of remuneration received	920	949
- of which variable part of remuneration received	591	610

The Group's and the Company's capitalised salary costs in 2024 and 2023

	Jan – Dec 2024	Jan – Dec 2023	Jan – Dec 2024	Jan – Dec 2023
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
Remuneration, accrued liabilities for unused annual leave and other corrections	5 171 406	2 793 481	1 695 059	1 465 851
Capitalised remuneration costs	(492 126)	(632 455)	(492 126)	(632 455)
Amortisation of capitalised remuneration costs	314 650	233 824	314 650	233 824
Total	**4 993 930**	**2 394 850**	**1 517 583**	**1 067 220**

Share options

Shareholders of the Company have approved two personnel share option schemes relevant during the reporting period. The first option scheme is referred to hereinafter as an employee stock option scheme while the second option scheme is referred to hereinafter as a management stock option scheme.

Employee stock option scheme

The terms of the Employee Stock Option Scheme were approved at the Company's shareholders' meeting on 29 March 2021. The updated terms were approved at the Company's shareholders' meeting on 24 March 2022, the latest version of the terms was approved on 25 March 2024. Summary of options granted under the Employee Stock Option Scheme

	Jan – Dec 2024		Jan – Dec 2023	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
	EUR		EUR	
As of 1 January	2.86	26 975	2.86	19 594
Granted during the year (+)	2.86	3 875	2.86	30 350
Exercised during the year (-)	2.86	(26 125)	2.86	(16 896)
Forfeited during the year (-)	2.86	(1 500)	-	(6 073)
As of 31 December	2.86	3 225	2.86	26 975
Vested and exercisable as of 31 December	-	-	-	-

The assessed fair value at grant date of options granted during the year ended 31 December 2024 was between EUR 9.06 to EUR 10.71 per option (please see table below). The fair value at grant date is independently determined using a Black-Scholes model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share the risk-free interest rate for the term of the option.

The utilisation of shares is not subject to any restrictions. Employee stock option scheme is an equity-settled scheme that includes only a service condition. The model inputs for options granted during the year ended 31 December 2024 included:

- exercise price: EUR 2.86
- grant date: multiple grant dates
- exercise period first date: 12 months after grant date
- expiry date: The Management Board of the Company determines the option exercise dates ("Option Exercise Date") each year by its decision, ensuring that at least two Option Exercise Dates are set within the calendar year, if not exercised by then, the options expire
- share price at grant date: share price at grant date
- expected price volatility of the Company's shares: 26%
- risk-free interest rate: German 5-year bond yield at grant date

Grant date	Date	18/03/2024	22/04/2024	03/07/2024	16/07/2024
Exercise price	EUR	2.86			
Expected price volatility of the company's shares	%	26%			
Exercise period first date	Date	19/03/2025	23/04/2025	04/07/2025	17/07/2025
Expiry date	Date	20/06/2025	24/07/2025	05/10/2025	18/10/2025
Share price at grant date	EUR	11.85	12	13.5	13.35
Risk-free interest rate	%	2.48%	2.49%	2.56%	2.41%
Option price per option	**EUR**	**9.06**	**9.21**	**10.71**	**10.56**

The assessed fair value at grant date of options granted during the year ended 31 December 2023 was between EUR 8.65 to EUR 12.30 per option (please see table below). The fair value at grant date is independently determined using a Black-Scholes model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share the risk-free interest rate for the term of the option.

The utilisation of shares is not subject to any restrictions. Employee stock option scheme is an equity-settled scheme that includes only a service condition. Vested options are exercisable for a period of three months after vesting. The model inputs for options granted during the year ended 31 December 2023 included:

- exercise price: EUR 2.86
- grant date: multiple grant dates
- exercise period first date: 12 months after grant date
- expiry date: 3 months after exercise period end date
- share price at grant date: share price at grant date
- expected price volatility of the company's shares: 26%
- risk-free interest rate: German 5-year bond yield at grant date

Grant date	Date	03.02.2023	08.05.2023	17.07.2023	21.07.2023	18.12.2023
Exercise price	EUR	2.86				
Expected price volatility of the company's shares	%	26%				
Exercise period first date	Date	04.02.2024	09.05.2024	18.07.2024	22.07.2024	19.12.2024
Expiry date	Date	05.05.2024	10.08.2024	19.10.2024	23.10.2024	20.05.2025
Share price at grant date	EUR	15.1	14.45	14	14	11.5
Risk-free interest rate	%	2.24%	2.28%	2.58%	2.56%	2.05%
Option price per option	**EUR**	**12.3**	**11.65**	**11.21**	**11.21**	**8.65**

Phase I management stock option scheme

During the reporting period the Company granted Phase I management stock options to its management team. The terms of the personnel options of the Company were approved by the general meeting of shareholders of the Company on 24 March 2022, the latest version of the terms was approved on 25 March 2024. One option gives the right to purchase one share of the Company for EUR 1.00 with a vesting period of 1 calendar year. After an option is exercised, the Company has a proportional clawback right, if at the target date (Companies board meeting date is no later than 4 months after Company's 2026 Annual report publishing date) stock price does not exceed the specified amount in the Option scheme rules. Option holders can get a material benefit from Phase I management options only if the stock market price exceeds the EUR 16.51 per share price on the exercise date.

	Jan – Dec		Jan – Dec	
	2024		2023	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
	EUR		EUR	
As of 1 January,	16.51	37 100	16.51	229 000
Granted during the year (+)	16.51	4 050	16.51	20 100
Exercised during the year (-)	16.51	(30 592)	16.51	(210 000)
Forfeited during the year (-)	16.51	(6 508)	16.51	(2 000)
As of 31 December,	16.51	4 050	16.51	37 100
Vested and exercisable as of 31 December	-	-	-	-

The assessed fair value at grant date of options granted during the year ended 31 December 2024 was between EUR 1.16 – EUR 1.24 per option (please see the table below). The fair value at grant date is independently determined using a Black-Scholes model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share the risk-free interest rate for the term of the option and the probability of option forfeiture due to the long vesting period.

The model inputs for options granted during the year ended 31 December 2024 included:

- exercise price: EUR 16.51
- grant date: multiple granting dates
- target date: 4 months after approval of FY2026 annual report, expected in August 2027.
- probability of option forfeiture during the vesting period: 30%
- share price at grant date: share price at grant date
- expected price volatility of the company's shares: 26%
- risk-free interest rate: German 5-year bond yield at grant date

Grant date	**Date**	**03/07/2024**	**16/07/2024**
Exercise price	EUR	16.51	
Exercise period first date	Date	01-Aug-27	
Probability of option forfeiture during the vesting period	%	30%	
Expected price volatility of the company's shares	%	26%	
Share price at grant date	EUR	13.5	13.35
Risk-free interest rate	%	2.56%	2.41%
Option price per option	**EUR**	**1.24**	**1.16**

The assessed fair value at grant date of options granted during the year ended 31 December 2023 was between EUR 0.75 – EUR 2.31 per option (please see the table below). The fair value at grant date is independently determined using a Black-Scholes model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share the risk-free interest rate for the term of the option and the probability of option forfeiture due to the long vesting period.

The model inputs for options granted during the year ended 31 December 2023 included:

- exercise price: EUR 16.51
- grant date: multiple granting dates
- target date: 4 months after approval of FY2026 annual report, expected in August 2027.
- probability of option forfeiture during the vesting period: 30%
- share price at grant date: share price at grant date
- expected price volatility of the company's shares: 26%
- risk-free interest rate: German 5-year bond yield at grant date

Grant date	Date	03.02.2023	08.05.2023	17.07.2023	18.12.2023	19.12.2023
Exercise price	EUR	16.51				
Exercise period first date	Date	1 August 2027				
Probability of option forfeiture during the vesting period	%	30%				
Expected price volatility of the company's shares	%	26%				
Share price at grant date	EUR	15.1	14.45	14	11.45	11.5
Risk-free interest rate	%	2.24%	2.25%	2.58%	2.05%	2.00%
Option price per option	**EUR**	**2.31**	**1.95**	**1.76**	**0.75**	**0.76**

Phase II management stock option scheme

During the reporting period, the Company granted Phase II management stock options to its management team. The terms of the personnel options of the Company were approved by the general meeting of shareholders of the Company on 24 March 2022, the latest version of the terms was approved on 25 March 2024. One option gives the right to purchase one share of the Company for EUR 27.48 with a vesting period of 1 calendar year. Following the exercise of share options, the Company retains the right to repurchase the shares if, at the exercise evaluation date (determined by the Management Board and set no later than four months following the publication of the Company's financial statements for the year 2026), the value of the Company's shares does not exceed EUR 27.48.

	Jan - Dec 2024		Jan - Dec 2023	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
	EUR		EUR	
As at 1 January	-	126 700	-	-
Granted during the year (+)	27.48	24 300	27.48	126 700
Exercised during the year (-)	-	-	-	-
Forfeited during the year (-)	-	(11 164)	-	-
As at 31 December	27.48	139 836	27.48	126 700
Vested and exerciseable as at 31 December	-	-	-	-

The assessed fair value at grant date of options granted during the year ended 31 December 2024 was between EUR 0.18 – EUR 0.21 per option (please see the table below). The fair value at grant date is independently determined using a Black-Scholes model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share the risk-free interest rate for the term of the option and the probability of option forfeiture due to the long vesting period.

The model inputs for options granted during the year ended 31 December 2024 included:

- exercise price: EUR 27.48
- grant date: multiple granting dates
- target date: 4 months after approval of FY2026 annual report, expected in August 2027.
- probability of option forfeiture during the vesting period: 30%
- share price at grant date: share price at grant date
- expected price volatility of the company's shares: 26%
- risk-free interest rate: German 5-year bond yield at grant date

Grant date	Date	03/07/2024	15/07/2024	16/07/2024
Exercise price	EUR		27.48	
Exercise period first date	Date		01-Aug-27	
Probability of option forfeiture during the vesting period	%		30%	
Expected price volatility of the company's shares	%		26%	
Share price at grant date	EUR	13.5	13.3	13.35
Risk-free interest rate	%	2.56%	2.45%	2.41%
Option price per option	**EUR**	**0.21**	**0.18**	**0.19**

The assessed fair value at grant date of options granted during the year ended 31 December 2023 was between EUR 0.34 – EUR 0.35 per option (please see the table below). The fair value at grant date is independently determined using a Black-Scholes model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share the risk-free interest rate for the term of the option and the probability of option forfeiture due to the long vesting period.

The model inputs for options granted during the year ended 31 December 2023 included:

- exercise price: EUR 27.48
- grant date: multiple granting dates
- target date: 4 months after approval of FY2026 annual report, expected in August 2027.
- probability of option forfeiture during the vesting period: 30%
- share price at grant date: share price at grant date
- expected price volatility of the company's shares: 26%
- risk-free interest rate: German 5-year bond yield at grant date

Grant date	Date	09.10.2023	16.10.2023
Exercise price	EUR	27.48	
Exercise period first date	Date	1 August, 2027	
Probability of option forfeiture during the vesting period	%	30%	
Expected price volatility of the company's shares	%	26%	
Share price at grant date	EUR	13.50	13.60
Risk-free interest rate	%	2.65%	2.71%
Option price per option	**EUR**	**0.34**	**0.35**

The options are recognized in the financial statements linearly over the vesting period. Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	Jan – Dec 2024	Jan – Dec 2023
	EUR	EUR
Options issued under employee option scheme	137 017	329 317
Options issued under Phase I management option scheme	90 275	88 633
Options issued under Phase II management option scheme	11 665	2 869
Total option scheme expense	**238 957**	**420 819**

6. Interest income calculated using the effective interest rate

	Jan – Dec 2024	Jan – Dec 2023	Jan – Dec 2024	Jan – Dec 2023
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
Interest earned on short-term placements with credit institutions	448 923	48 521	37 997	26 435
Interest on loans to related parties	-	2 945	31 862	3 290
Interest income on consumer loans	21 931	-	-	-
Total	**470 854**	**51 466**	**69 859**	**29 725**

7. Interest expense

	Jan – Dec 2024	Jan – Dec 2023	Jan – Dec 2024	Jan – Dec 2023
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
Interest on lease liabilities	64 185	4 713	3 233	-
Interest on purchase of shares	299 851	-	299 851	-
Interest on customers' accounts	170 826	-	-	-
Deposit guarantee payment	238 482	-	-	-
Total	**773 344**	**4 713**	**303 084**	**-**

8. Other operating expenses

	Jan – Dec 2024	Jan – Dec 2023	Jan – Dec 2024	Jan – Dec 2023
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
Costs compensated to pension plans	-	6 421	-	-
Bank of Latvia financing fee	102 716	57 211	64 743	43 795
Total	**102 716**	**63 632**	**64 743**	**43 795**

9. Corporate income tax expense

The components of income tax expense for the years ended 31 December 2023 and 2024 were as follows:

	Jan – Dec 2024	Jan – Dec 2023	Jan – Dec 2024	Jan – Dec 2023
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
Corporate income tax expense	(9 461)	(6 296)	(7 388)	(5 226)
Total	**(9 461)**	**(6 296)**	**(7 388)**	**(5 226)**

10. Demand deposits with the central banks

	Dec 2024	Dec 2023
	EUR	EUR
Cash	-	-
Overnight with Bank of Latvia	34 930 915	-
Placement with the Bank of Latvia	444 289	-
Total before impairment loss from financial instruments allowance	**35 375 204**	-
Allowances for expected credit losses	(1 224)	-
Total	**35 373 980**	-

Due from the Bank of Latvia represents the EUR nominated balance on the correspondent account with the Bank of Latvia.

The obligatory reserve EUR 77 678 is compared to the Group's and the Company's average monthly balance on the correspondent account with the Bank of Latvia. The Group's and the Company's average cash and correspondent account balance should exceed the compulsory reserve requirement. As of 31 December 2024, the Group and the Company complied with the requirements.

11. Due from financial institutions

	Dec 2024	Dec 2023	Dec 2024	Dec 2023
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
Placements with Swedbank AS	382 922	400 906	3 536	4 208
Placements with SEB banka AS	13 759	14 587	13 759	14 587
Short-term deposits with Swedbank AS	876 364	2 291 903	776 364	963 994
Short-term deposits with INDEXO Banka AS	-	-	674 586	-
Total	**1 273 045**	**2 707 396**	**1 468 245**	**982 789**
Allowances for expected credit losses	-	-	-	-
Total	**1 273 045**	**2 707 396**	**1 468 245**	**982 789**

According to IFRS 9 "Financial Instruments", the Bank have assessed expected credit losses from placements with credit institutions. The Bank holds cash in AS Swedbank and Bank of Latvia. AS Swedbank have an S&P rating of A+, Moody's has an Aa3 rating and Fitch has an AA rating. In assessing the amount of expected credit losses, it was determined that it was insignificant and no allowance for expected credit losses from were recorded. AS INDEXO Banka has no rating.

12. Investments in equity securities

	Shareholding 31.12.2024	31.12.2024	Shareholding 31.12.2023	31.12.2023
	Company	Company	Company	Company
		EUR		EUR
Goindex UAB (Lithuania)	4.36%	61 583	5%	61 583
Total		**61 583**		**61 583**

	Shareholding 31.12.2024	31.12.2024	Shareholding 31.12.2023	31.12.2023
	Group	Group	Group	Group
		EUR		EUR
Goindex UAB (Lithuania)	4.36%	61 583	5%	61 583
Total		**61 583**		**61 583**

Goindex UAB was established to improve the pension market in Lithuania, which is in line with the Company's mission and values. The investment will support positive changes in the Lithuanian pension market.

13. Loans and advances due from customers

A consumer loan is a type of credit extended to individuals to finance personal expenses without requiring collateral, typically used for discretionary purchases, household needs, or debt consolidation.
An overdraft on a current account is a short-term credit facility that allows account holders to withdraw funds exceeding their available balance, typically subject to interest and repayment terms.

Gross carrying amount and credit loss allowance amount for loans and advances due from customers at amortized cost by classes at 31 December 2024 and 31 December 2023 are disclosed in the table below:

The breakdown of loans due from customers is as follows:

a) by customer types:

	Dec 2024	Dec 2023	Dec 2024	Dec 2023
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
Households	1 069 854	-	-	-
Total before allowance for expected credit losses	**1 069 854**	-	-	-
Allowances for expected credit losses	(82 548)	-	-	-
Total, net	**987 306**	-	-	-

b) by the term of agreement:

	Dec 2024	Dec 2023	Dec 2024	Dec 2023
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
Up to one year	1 649	-	-	-
More than one year	1 068 205	-	-	-
Total before credit loss allowance	**1 069 854**	-	-	-
Allowances for expected credit losses	(82 548)	-	-	-
Total, net	**987 306**	-	-	-

c) Loans by product:

	Dec 2024	Dec 2023	Dec 2024	Dec 2023
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
Consumer loans	1 068 205	-	-	-
Overdrafts of current accounts	1 649	-	-	-
Total before allowance for expected credit losses	**1 069 854**	-	-	-
Allowances for expected credit losses	(82 548)	-	-	-
Total, net	**987 306**	-	-	-

d) Expected credit losses by product

The table below shows the gross amount of loans and receivables and the amount of expected credit losses on 31 December 2024.

	Gross	Allowances for expected credit losses	Gross	Allowances for expected credit losses
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
Consumer loans	1 062 960	(82 548)	-	-
Overdrafts of current accounts	1 649	-	-	-
Total	**1 064 609**	**(82 548)**	**-**	**-**

The table below shows the gross amount of loans and receivables and the amount of credit losses on 31 December 2023.

	Gross	Allowances for expected credit losses	Gross	Allowances for expected credit losses
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
Consumer loans	-	-	-	-
Overdrafts of current accounts	-	-	-	-
Total	**-**	**-**	**-**	**-**

e) Movements in the allowances for expected credit losses:

	2024	2023
	EUR	EUR
Balance at the beginning of the year	**0**	**0**
Increase in allowance for expected credit losses	(82 548)	0
Release of prior periods expected credit losses	0	0
Write-off of prior periods' expected credit losses		
Balance at the end of the reporting period	**(82 548)**	**0**

f) Breakdown of the Bank's loans by their qualitative assessment:

	2024	2023
	EUR	EUR
The borrower's internal risk level categories from 4 till 5	1 009 167	0
The borrower's internal risk level categories from 2 till 3	39 122	0
The borrower's internal risk level category 1	19 916	0
Total gross loans	**1 068 205**	
Allowance for expected credit losses	**(82 548)**	
Total net loans	**985 657**	**0**

g) The following table discloses the changes in the credit loss allowance and the gross carrying amount for loans and advances to customers carried at amortised cost between the beginning and the end of the reporting and comparative periods.

EUR	Credit loss allowance Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im-paired)	Total	Gross carrying amount Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im-paired)	Total
At 31 December 2023								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
New originated	82 548	-	-	82 548	1 069 854	-	-	**1 069 854**
- to lifetime (from Stage 1 to Stage 2)	(55 290)	55 290	-	-	(281 964)	281 964	-	**-**
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	-	(15 355)	15 355	-	-	(21 803)	21 803	**-**
Total movements with impact on credit loss allowance charge for the period	**27 258**	**39 935**	**15 355**	**82 548**	**787 890**	**260 161**	**21 803**	**1 069 854**
At 31 December 2024	**27 258**	**39 935**	**15 355**	**82 548**	**787 890**	**260 161**	**21 803**	**1 069 854**

As the Bank started banking operations in 2024, all the qualitative assessment breakdown has been made by newly originated loans.

14. Trade receivables

	Dec 2024	Dec 2023	Dec 2024	Dec 2023
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
Commission fee for the management of the assets of the state-funded pension scheme investment plan "INDEXO Izaugsme 55-62"	91 814	70 105	91 814	70 105
Commission fee for the management of the assets of the state-funded pension scheme investment plan "INDEXO Jauda 16-55"	341 494	232 577	341 495	232 577
Commission fee for the management of the assets of the state-funded pension scheme investment plan "INDEXO Konservatīvais 62+"	11 121	10 075	11 121	10 075
Commission fee for the management of the assets of the private pension scheme pension plan "INDEXO AKCIJU PLĀNS"	15 250	8 095	6 279	3 333
Commission fee for managing the assets of the private pension scheme pension plan "INDEXO OBLIGĀCIJU PLĀNS"	1 190	637	490	261
AS INDEXO Banka (till May 16th 2024 IDX1R, AS)	-	-	1 050	1 559
Total	**460 869**	**321 489**	**452 249**	**317 910**

Trade receivables have been received shortly after the end of the period, therefore, expected credit losses are assessed as insignificant.

15. Investments in subsidiaries

	Shareholding 31.12.2024	31.12.2024	Shareholding 31.12.2023	31.12.2023
		EUR		EUR
INDEXO Banka, AS (Latvia)	100%	17 309 445	100%	5 000 000
Indexo Atklātais Pensiju Fonds, AS (Latvia)	100%	775 000	100%	750 000
Total	**100%**	**18 084 445**	**100%**	**5 750 000**

2021 was the first year in which AS "Indexo Atklātais Pensiju Fonds" offered its services. "AS Indexo Atklātais Pensiju Fonds" has remained loss-making since the first year of operations. Losses were planned for the first years of operation of the APF as the private pension plans under management are yet to accumulate the number of customers and related investments in the plans to generate sufficient returns in a form of asset management fees to cover operating costs.

In 2024, AS "Indexo Atklātais Pensiju Fonds" share capital was increased by EUR 25 000. On 31 December 2024 share capital of AS "Indexo Atklātais Pensiju Fonds" consists of 775 000 shares with a nominal value of 1 EUR per share.

The Company has assessed the recoverable amount of the investment by discounting the expected future cash flows of its subsidiary. The key assumptions used for value in use calculation is as follows:

- Discount rate of 10% (2023: 10%);
- Increase in the number of clients (according to the long-term business plan);
- Growth in asset under management (according to the long-term business plan);
- Market returns;
- Cost level within the subsidiary (according to the long-term business plan);
- Planned fees for asset under management and private pension plan administration (according to the long-term business plan).

The following individual change in each of the key assumptions would make recoverable amount approximate the investments carrying amount:

- 43% less new clients throughout the forecast period (2023: 43%);
- 49% lower average AUM per client joining INDEXO (2023: 49%);
- Market returns reduced to 9.5% per annum throughout the forecast period (2023: 9.5%);
- Cost level within the subsidiary increases by 19% per annum throughout the valuation period (2023: 19%);
- Planned fees for asset under management and private pension plan administration reduced by 26% throughout the valuation period (2023: 26%).

AS INDEXO Banka (till May 2024 AS "IDX1R") was established on 19 December 2022 with the aim to develop the legal and IT infrastructure required for receiving a Banking license. On 31 December 2023, share capital of AS INDEXO Banka (till May 2024 AS "IDX1R") consisted of 5 000 000 shares with a nominal value of 1 EUR per share. In 2024 share capital was increased by EUR 12 309 445. At the end of the reporting period, INDEXO Banka, AS share capital consists of 17 309 445 shares with a nominal value of 1 EUR per share.

The Company has assessed the recoverable amount of the investment based on the long-term valuation of its subsidiary, AS INDEXO Banka (till May 2024 AS "IDX1R"), by discounting the future cash flows of the subsidiary and calculating the terminal value using third year's discounted cash flow. The key assumptions used for value in use calculation is as follows:

- Discount rate of 10% (2023: 10%);
- Multiplier x10 for terminal valuation (2023: x10);
- Future cash flows (according to the long-term business plan);
- Increase in the number of clients (according to the long-term business plan);
- Deposit and credit portfolio increase (according to the long-term business plan);

The following individual change in each of the key assumptions would make recoverable amount approximate the investments carrying amount:

- Terminal valuation multiplicator decreased to 3.3 (2023: 3.3);
- 84% less new clients (2023: 84%);
- 42% less deposit and credit portfolio (2023: 42%);
- Discount rate of 100% (2023: 100%);
- 58% less future cash flows (2023: 58%).

According to the recoverability calculations, it is not necessary to recognize any impairment of investments in subsidiary companies as of 31 December 2024.

Sensitivity analysis

The following table demonstrates the sensitivity to reasonably possible changes in parameters for INDEXO Banka, AS and AS "Indexo Atklātais Pensiju Fonds", based on the value depreciation test performed as of 31.12.2024. Using the aforementioned variables, the net present value of the Bank project is determined in the amount of EUR 46 713 thousand, which exceeds the investment made. On the other hand, the net present value of "Indexo Atklātais Pensiju Fonds" investment stands at EUR 1 355 thousand, which also exceeds the investment made. Sensitivity analysis was prepared to calculate changes in net present value of the project in cases when key parameters would worsen compared to the forecast. The analysis assumes that all other variables remain constant.

Indexo Banka, AS	Parameter Value	Net present value EUR'000 from unfavourable changes in the parameter by 5%	Net present value EUR'000 from unfavourable changes in the parameter by 10%
Discount Rate	10%	46 244	45 780
Terminal Value multiplier	x10	40 648	35 516
Future Cash Flows	EUR	39 645	33 509
Number of Clients	#	42 994	40 208
Deposit Portfolio	EUR	44 906	43 099
Credit Portfolio	EUR	37 232	27 752
AS "Indexo Atklātais Pensiju Fonds"	**Parameter Value**	**Net present value EUR'000 from unfavourable changes in the parameter by 5%**	**Net present value EUR'000 from unfavourable changes in the parameter by 10%**
Discount rate	10%	1 317	1 280
Number of Clients	#	1 281	1 208
Growth in Assets under management	EUR	1 216	1 077
Market Returns	6%	1 345	1 334
Cost level	EUR	1 330	1 305
Planned fees for pension plan administration	% of AUM	1 215	1 075

Financial information of subsidiaries:

	AS "Indexo Atklātais Pensiju Fonds"		INDEXO Banka, AS	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
Assets	557 187	465 381	44 591 041	3 856 278
Liabilities	324 720	198 653	36 114 252	1 526 319
Equity	232 467	266 728	8 476 789	2 329 959
Operating income	81 359	45 137	(144 042)	-
Loss for the reporting year	(59 261)	(89 138)	(6 162 615)	(2 569 747)

16. Investment in associates

	Shareholding 31.12.2024	31.12.2024	Shareholding 31.12.2023	31.12.2023
	Company	Company	Company	Company
		EUR		EUR
SIA Provendi asset management AIFP	49%	198 450	49%	127 400
Total		**198 450**		**127 400**

	Shareholding 31.12.2024	31.12.2024	Shareholding 31.12.2023	31.12.2023
	Group	Group	Group	Group
		EUR		EUR
SIA Provendi asset management AIFP	49%	198 450	49%	127 400
Total		**198 450**		**127 400**

SIA Provendi asset management AIFP was established with the purpose of creating a modern low-cost real estate management fund in Latvia which aligns with the mission statement and values of the Group. The investment will support positive change in the Latvian investment market. In 2024, we have made EUR 71 050 investment in the SIA Provendi asset management AIFP company.

The Company has assessed the recoverable value of the investment based on the long-term valuation of its associate company, SIA Provendi asset management AIFP, by discounting the future cash flows of the associate company. In the calculations, the value of the associate company was determined using cash flow forecasts, applying a discount rate of 10%. Cash flow projections were made for the next three years, using the company's 2024 long-term business plan and further growth.

17. Prepayments

	Dec 2024	Dec 2023	Dec 2024	Dec 2023
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
Maintenance costs, IT, Software licences	691 196	508 700	-	-
Health insurance	36 341	36 039	21 500	27 549
Utilities	-	3 267	-	3 267
Marketing expenses	12 564	-	12 564	-
Subscription fees	10 343	-	3 215	-
Other	1 080	-	902	-
Total	**751 524**	**548 006**	**38 181**	**30 816**

18. Current tax prepayment

	Dec 2024	Dec 2023	Dec 2024	Dec 2023
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
Solidarity tax	4 433	-	4 425	-
Total	4 433	-	4 425	-

19. Other assets

	Dec 2024	Dec 2023	Dec 2024	Dec 2023
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
Financial assets				
Guarantee deposit	114 422	5 152	10 840	5 120
Prepayments	93 244	-	24 340	-
Inventory of plastic cards	68 178	76 838	-	-
Allowances for expected credit losses	(1 268)	-	(150)	-
NETS Guarantee deposits	263 229	-	-	-
NETS Guarantee deposits Allowances for expected credit losses	(2 842)	-	-	-
Total financial assets	**534 963**	**81 990**	**35 030**	**5 120**

In 2024, security deposits of EUR 263 229 were reserved for potential transactions connected with VISA system.

20. Property, Plant and Equipment

	Leasehold Improvements (Group)	PPE (Group)	Total (Group)	Leasehold Improvements (Company)	PPE (Company)	Total (Company)
	EUR	EUR	EUR	EUR	EUR	EUR
Historical cost						
31.12.2022	-	21 687	21 687	-	21 687	21 687
Additions	-	26 389	26 389	-	6 796	6 796
31.12.2023	-	48 076	48 076	-	28 483	28 483
Additions	-	245 976	245 976	-	28 129	28 129
Disposed	-	(1 458)	(1 458)	-	(1 458)	(1 458)
Advance Payments	-	9 997	9 997	-	-	-
Leasehold Improvements	366 300	-	366 300	-	-	-
31.12.2024	366 300	302 592	668 892	-	55 154	55 154
Accumulated depreciation						
31.12.2022	-	17 606	17 606	-	17 606	17 606
Calculated	-	8 782	8 782	-	4 164	4 164
31.12.2023	-	26 388	26 388	-	21 770	21 770
Calculated	-	26 078	26 078	-	6 817	6 817
Depreciation of Disposed Fixed Assets	-	(1 458)	(1 458)	-	(1 458)	(1 458)
31.12.2024	-	51 008	51 008	-	27 129	27 129
Net book value at 31.12.2023	-	21 688	21 688	-	6 713	6 713
Net book value at 31.12.2024	366 300	251 584	617 884	-	28 025	28 025

All fixed assets are used for the core business needs of the Group and the Company. Property, Plant & Equipment consists of furniture and technical equipment.

21. Intangible assets

	Software investments (Group)	Software Investments (Company)
	EUR	EUR
Historical cost		
31.12.2022	**216 376**	-
Additions	1 786 913	-
Advance payments	71 844	-
31.12.2023	**2 075 133**	**-**
Additions	2 975 325	2 178
Advance payments	4 870	-
31.12.2024	**5 055 328**	2 178
Accumulated amortisation		
31.12.2022	**39 199**	-
Calculated	70 766	-
31.12.2023	**109 965**	**-**
Calculated	383 007	436
31.12.2024	**492 972**	436
Net book value at 31.12.2023	**1 965 168**	-
Net book value at 31.12.2024	**4 562 356**	**1 742**

All intangible assets are IT investments. IT investments are utilized in the Group's and the Bank's core operations to support customer onboarding and servicing, including the mobile application among many other systems.

22. Right-of-use assets

The Group applies IFRS 16 to leases. During the reporting period, the Group leased multiple office spaces. The lease on Elizabetes 13-1A was valid until 15 September 2024 and lease liabilities were calculated using a discount rate of 6.9%. The lease on Pulkveža Brieža 2 was valid until 30 September 2024 and lease liabilities were calculated using a discount rate of 6.4%. The lease on Roberta Hirša 1 is valid from 15 July 2024 until the 15 July 2029 and lease liabilities are calculated using a discount rate of 6.4%, which is used by the Group. The sales office lease is valid until July 31, 2026, and lease liabilities are calculated using a discount rate of 6.36%, which is used by the Company, therefore also the Group. For discount rate calculations, the Group and the Company used the Bank of Latvia intercompany lending rate at the exact day when calculations were made. Lease contract does not provide for indexation or a variable payment component. The Group and the Company has assessed lease contract terms and at the end of reporting period does not consider that the lease contracts will need to be extended. In determining the lease term, management of the Bank considered all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options will be only included in the lease term if the lease is reasonably certain to be extended. Potential future cash outflows have not been included in the lease liability because it is not reasonably certain that the leases will be extended.

	Dec 2024	Dec 2023	Dec 2024	Dec 2023
	Group	Group	Company	Company
Right-of-use assets	EUR	EUR	EUR	EUR
Right-of-use assets	1 972 827	37 811	72 388	37 811
Lease liability	2 041 690	46 665	77 323	46 665

	Group	Company
Right-of-use assets	EUR	EUR
At 31.12.2022	**77 788**	**77 788**
Amortisation	(37 338)	(37 338)
Correction*	(2 639)	(2 639)
At 31.12.2023	**37 811**	**37 811**
Impact of lease additions	2 128 331	90 488
Amortisation	(224 237)	(44 280)
Correction	30 922	(11 631)
At 31.12.2024	1 972 827	**72 388**

	Group	Company
Lease liability	EUR	EUR
At 31.12.2022	**90 466**	**90 466**
Changes during the reporting period	(42 734)	(42 734)
Correction	(1 069)	(1 069)
At 31.12.2023	**46 665**	**46 665**
Changes during the reporting period	2 128 331	90 488
Lease liabilities	(225 171)	(49 066)
Interest	64 466	3 966
Correction	27 399	(14 730)
At 31.12.2024	**2 041 690**	**77 323**

*- recalculated m2 for office space according to certificate of acceptance

23. Contract acquisition costs

	Dec 2024	Dec 2023	Dec 2024	Dec 2023
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
Customer attraction costs	1 566 969	1 389 048	1 566 969	1 389 048
Total	**1 566 969**	**1 389 048**	**1 566 969**	**1 389 048**

The Group capitalises the variable compensation (including employer's social security contributions) of specialists involved in customer acquisition. The capitalised expenses are amortised over a period of seven years.

According to the data of the State Social Insurance Agency, in the reporting period, on average 13% of participants in the investment plans managed by the Group opted for other investment plans registered in Latvia, while 87% of participants remained in the plans managed by INDEXO. This means that if this indicator remains unchanged in the coming years, a participant of the investment plans managed by the Group will remain a client of INDEXO for about 12-14 years on average. Therefore, the Group believes that the amortisation of the variable compensation of customer acquisition specialists related to customer acquisition over a period of seven years is appropriate.

Customer acquisition costs	EUR	EUR
	Group	Company
At 31.12.2022	**990 417**	**990 417**
Capitalised salary costs, including national social insurance mandatory contributions	632 455	632 455
Amortisation of capitalised salary costs, including national social insurance mandatory contributions	(233 824)	(233 824)
At 31.12.2023	**1 389 048**	**1 389 048**
Capitalised salary costs, including national social insurance mandatory contributions	492 126	492 126
Amortisation of capitalised salary costs, including national social insurance mandatory contributions	(314 205)	(314 205)
At 31.12.2024	**1 566 969**	**1 566 969**

24. Loans to associates and subsidiaries

	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
SIA Provendi asset management AIFP	78 264	53 900	78 264	53 900
AS INDEXO Banka (till May 2024 AS "IDX1R")	-	-	-	700 000
Total loans	**78 264**	**53 900**	**78 264**	**753 900**
Accrued interest	154	3 541	154	3 887
Total accrued interests	**154**	**3 541**	**154**	**3 887**
Allowances for expected credit losses	(4 575)	(3 497)	(4 575)	(3 497)
Total	**73 843**	**53 944**	**73 843**	**754 290**

Loan to associated company was made for working capital, to cover the borrower's current expenses, the maturity date is set at the end of 2026 with the interest rate 6% p.a. Assessing the credit quality of the loan as of 31 December, 2024, the loan is classified in stage 2 according to IFRS 9, and allowances for expected credit losses were made. Considering that the loan is unsecured, the expected credit losses from financial instruments are determined with LGD=100%. The lifetime PD is determined to be 5.42%.

Loan to AS INDEXO Banka (till May 2024 AS "IDX1R") was made in 2023 to ensure its economic activities. The maturity date was set to the end of June 2024 with the interest rate 6%. The loan to AS INDEXO Banka (till May 2024 AS "IDX1R") was classified in stage 1, and it was assessed that allowances for expected credit losses were insignificant, as the loan repayment was made on 26 January,2024.

Changes in allowances for expected credit losses (Group):

	Allowances for expected credit losses				Loans, gross			
	Stage 1	Stage 2	Stage3	Total	Stage 1	Stage 2	Stage 3	Total
31.12.2023	-	(3 497)	-	(3 497)	-	53 900	-	53 900
SIA Provendi asset management AIFP	-	(1 078)	-	(1 078)	-	24 364	-	24 364
AS INDEXO Banka (till May 2024 AS "IDX1R")	-	-	-	-	-	-	-	-
31.12.2024	-	(4 575)	-	(4 575)	-	78 264	-	78 264

Changes in allowances for expected credit losses (Company):

	Allowances for expected credit losses				Loans, gross			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
31.12.2023	-	(3 497)	-	(3 497)	700 000	53 900	-	753 900
SIA Provendi asset management AIFP	-	(1 078)	-	(1 078)	-	24 364	-	24 364
AS INDEXO Banka (till May 2024 AS "IDX1R")	-	-	-	-	(700 000)	-	-	(700 000)
31.12.2024	-	(4 575)	-	(4 575)	-	78 264	-	78 264

25. Deposits from customers

Current account is a primary account which is opened after agreeing to INDEXO Bank terms and conditions in the onboarding process.
A savings vault is a deposit of funds for an unspecified period of time on which interest is paid. A savings vault account may be deposited into, or funds may be withdrawn from it without restrictions or prior notices.
Term deposit is a deposit of funds for a particular period of time on which interest is paid, and which cannot be added to. As the banking licence was not yet received in 2023, the Bank did not have any deposits from customers during 2023.

By deposit terms:

	Dec-24	Dec-23	Dec-24	Dec-23
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
Current account (incl. accrued interests)	5 007 598	-	-	-
Savings vaults	16 584 893	-	-	-
Term deposits (incl. accrued interests):	10 830 671	-	-	-
from 6 months to 1 year	10 389 220	-	-	-
from 1 year to 2 years	134 054	-	-	-
from 2 years to 5 years	307 397	-	-	-
Total deposits:	**32 423 162**	**-**	**-**	**-**

By geographical region:

	Dec-24	Dec-23	Dec-24	Dec-23
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
Latvia	32 295 530	-	-	-
European Economic Area	127 561	-	-	-
Other non-EU EEA countries	71	-	-	-
Total deposits:	**32 423 162**	**-**	**-**	**-**

Current accounts:	Dec-24	Dec-23	Dec-24	Dec-23
	Group	Group	Company	Company
Residents	EUR	EUR	EUR	EUR
Private individuals	4 954 498	-	-	-
Corporates	-	-	-	-
Bank's employees	42 921	-	-	-
Total:	**4 997 419**	**-**	**-**	**-**

Current accounts:	Dec-24	Dec-23	Dec-24	Dec-23
	Group	Group	Company	Company
Non- residents	EUR	EUR	EUR	EUR
Private individuals	9 818	-	-	-
Corporates	-	-	-	-
Bank's employees	-	-	-	-
Total:	**9 818**	**-**	**-**	**-**

Savings vaults:

	Dec-24	Dec-23	Dec-24	Dec-23
	Group	Group	Company	Company
Residents	EUR	EUR	EUR	EUR
Private individuals	16 201 172	-	-	-
Corporates		-	-	-
Bank's employees	284 756	-	-	-
Total:	**16 485 928**	**-**	**-**	**-**

Savings vaults:	Dec-24	Dec-23	Dec-24	Dec-23
	Group	Group	Company	Company
Non- residents	EUR	EUR	EUR	EUR
Private individuals	99 326	-	-	-
Corporates	-	-	-	-
Bank's employees	-	-	-	-
Total:	**99 326**	**-**	**-**	**-**

Term deposits:

	Dec-24	Dec-23	Dec-24	Dec-23
	Group	Group	Company	Company
Residents	EUR	EUR	EUR	EUR
Private individuals	10 598 928	-	-	-
Bank's employees	213 255	-	-	-
Total:	**10 812 183**	**-**	**-**	**-**

Term deposits:	Dec-24	Dec-23	Dec-24	Dec-23
	Group	Group	Company	Company
Non- residents	EUR	EUR	EUR	EUR
Private individuals	18 488	-	-	-
Corporates	-	-	-	-
Bank's employees	-	-	-	-
Total:	**18 488**	**-**	**-**	**-**

Interest rates applied to the deposits of the Bank's employees do not differ from interest rates on deposits from other customers.

26. Trade payables

	Dec 2024	Dec 2023	Dec 2024	Dec 2023
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
Financial liabilities				
Payables for purchased goods and received services	346 582	608 361	(970)	114 127
IT infrastructure development	*138 511*	*34 797*	-	-
Audit expenses	*49 912*	-	-	-
IT support costs	*45 806*	-	-	-
PR expenses	*30 000*	*16 031*	-	*16 031*
Other	*60 245*	*110 196*	*(970)*	*53 022*
Cards issuing costs	*11 275*	-	-	-
Rental costs	*10 833*	-	-	-
Received services from related companies	-	-	-	*19 272*
Advance payments	-	-	-	*(2 154)*
Bank system licences	-	*419 381*	-	-
Total financial liabilities	**346 582**	**608 361**	**(970)**	**114 127**
Non-financial liabilities				
Health Insurance	*37 781*	*27 956*	*22 050*	*27 956*
Taxes	*130 569*	-	-	-
Total non-financial liabilities	**168 350**	**27 956**	**22 050**	**27 956**
Total	**514 932**	**608 361**	**21 080**	**114 127**

27. Taxes and national social insurance mandatory contributions

	Dec 2024	Dec 2023	Dec 2024	Dec 2023
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
Non-financial liabilities				
Taxes and national social insurance mandatory contributions	197 003	207 962	32 387	52 651
National social insurance mandatory contributions	*121 003*	*64 798*	*28 523*	*26 002*
Income tax	*58 362*	*42 283*	*2 993*	*18 436*
Joint tax	*189*	*706*	-	*659*
VAT	*18 476*	*100 138*	*871*	*7 529*
Risk fee	*24*	*37*	-	*25*
Total	**197 003**	**207 962**	**32 387**	**52 651**

28. Accrued liabilities

	Dec 2024	Dec 2023	Dec 2024	Dec 2023
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
Financial liabilities				
Payables to suppliers	**123 802**	73 155	104 730	59 278
Non-financial liabilities				
Payables to employees - for unused annual leave	221 624	151 151	102 636	92 703
Payables to employees - contributions to the 3PL	30 600	21 894	11 100	8 454
Payables to employees - for remuneration of employees and related tax payments	153 107	-	153 106	-
Payables to the Bank of Latvia	52 015	-	21 860	-
Total financial and non-financial liabilities	**581 148**	**246 200**	**393 432**	**160 434**

29. Other liabilities

	Dec 2024	Dec 2023	Dec 2024	Dec 2023
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
Non-financial liabilities				
Salary liability	153 171	153 001	2 950	66 988
Liabilities to 3rd Pillar pension plans	291 221	180 957	-	-
Other liabilities	29 936	196	29 936	196
Financial liabilities				
Money in transit	83 074	-	(2 032)	-
Total	**557 402**	**334 154**	**30 854**	**67 184**

30. Share capital

The registered and fully paid-in share capital of IPAS "Indexo" as of 31 December 2024 amounts to EUR 4 760 549 (31 December 2023: EUR 3 795 407) and consists of bearer shares. The share capital of the Company consists of 4 760 549 bearer shares with a nominal value of EUR 1 (one euro) per share, with each share having 1 vote per share.

In 2024, the Company's share capital was increased by EUR 43 149 (in 2023 by EUR 226 896) after employee stock options were exercised (see Note 5) and by EUR 171 070 (in 2023 by EUR 0) after private placement and by EUR 750 923 (in 2023 by EUR 0) after public placement.

In 2024, the Company's share premium was increased by EUR 32 225 (in 2023 by EUR 31 426) after employee stock options were exercised (see Note 5) and by EUR 2 138 375 (in 2023 by EUR 0) after private placement and by EUR 8 260 153 (in 2023 by EUR 0) after public placement.

Shareholders	Share capital subscribed EUR	Share %	Paid-up share capital EUR
Legal entities - residents with shareholding in the share capital up to 10%	1 726 221	36.26%	1 726 221
Legal entities - non-residents with shareholding in the share capital up to 10%	1 140 917	23.97%	1 140 917
Natural persons - residents with shareholding in the share capital up to 10%	1 603 871	33.69%	1 603 871
Natural persons - non-residents with shareholding in the share capital up to 10%	289 540	6.08%	289 540
Total	**4 760 549**	**100.00%**	**4 760 549**

Shares and share options directly owned by the Management Board and Supervisory Board members of the Company on 31 December 2024.

Member	Position	Number of shares directly owned	Number of share options allocated	Number of unvested share options
Henrik Karmo	Chairman of the Management Board	100 000	100 000	-
Artūrs Roze	Member of the Management Board	6 823	5 500	8 000
Marija Černoštana	Member of the Management Board	50	500	5 000
Total for Management Board		**106 873**	**106 000**	**13 000**
Valdis Vancovičs	Chairman of the Supervisory Board	63 743	-	-
Svens Dinsdorfs	Deputy Chairman of the Suervisory Board	-	-	-
Renāts Lokomets	Member of the Supervisory Board	-	-	-
Ramona Miglāne	Member of the Supervisory Board	-	-	-
Total for Supervisory Board		**63 743**	**-**	**-**

31. Related party transactions

Related parties include shareholders who have significant influence over the Group and the Company, members of the companies they control, Supervisory Board and the Management Board, as well as other related parties, i.e., executives, their close relatives and companies controlled by them, and affiliated companies. In the period from 1 January 2024 to 31 December 2024, all transactions with related parties were conducted in accordance with free-market principles.

		Dec 2024	Dec 2023	Dec 2024	Dec 2023
		Group	Group	Company	Company
Subsidary - AS INDEXO Banka (till May 2024 AS "IDX1R")	**Description**	**EUR**	**EUR**	**EUR**	**EUR**
Balance	Payables	-	-	1 050	1 558
Balance	Loan to a subsidiary	-	-	-	700 000
Balance	Accrued interest	-	-	4 586	345
Balance	Short-term deposits in INDEXO Banka AS	-	-	670 000	-
Balance	Creditor liabilities	-	-	-	16 887
Comprehensive income	Reclaimed expenses	-	-	34 630	141 210
Comprehensive income	Reclaimed invoices	-	-	31 862	(827)
Comprehensive income	Services received	-	-	-	17 714
Subsidary - AS "Indexo Atklātais Pensiju Fonds"	**Description**	**EUR**	**EUR**	**EUR**	**EUR**
Balance	Payables	-	-	-	-
Comprehensive income	Services provided	-	-	-	-
Associated company - SIA Provendi asset management AIFP	**Description**	**EUR**	**EUR**	**EUR**	**EUR**
Balance	Loan to an associate	78 264	53 900	78 264	53 900
Balance	Allowance for expected credit losses	(4 575)	(3 497)	(4 575)	(3 497)
Balance	Accrued interest	154	3 541	154	3 541
Comprehensive income	Interest income	4 394	3 541	4 394	3 541
SIA "Callidus Capital"*	**Description**	**EUR**	**EUR**	**EUR**	**EUR**
Comprehensive income	Services received	-	972	-	-
Management and Supervisory Board	**Description**	**EUR**	**EUR**	**EUR**	**EUR**
Comprehensive income	Renumeration	762 912	623 233	121 817	139 948
Comprehensive income	National social insurance mandatory contributions	179 971	147 021	28 737	33 014

**SIA "Callidus Capital"* controlled by the members of the Management Board.

32. Maturity analysis of financial assets and financial liabilities

The table below shows the undiscounted maturity analysis of the Group's and the Company's financial assets and liabilities, considering the remaining term from the end of the reporting period to the contractual maturity date.
Maturity analysis of discounted financial assets and undiscounted financial liabilities:

Group 31.12.2024., EUR	Total	On demand	Up to 1 month	1 to 3 months	From 3 months to 1 year	From 1 to 5 years
Financial assets						
Cash and cash equivalents	36 647 025	36 647 025	-	-	-	-
Loans and advances to customers	987 786	1 649	452	4 544	38 569	942 572
Receivables	460 869	-	460 869	-	-	-
Other assets	534 963	-	274 576	-	-	260 387*
Loans to associate companies	73 843	-	-	-	-	73 843
Investments in equity securities	61 583	-	-	-	-	61 583
Total financial assets	**38 766 069**	**36 648 674**	**735 897**	**4 544**	**38 569**	**1 338 385**
Financial liabilities						
Deposits from customers	(32 760 653)	(21 592 490)	(25 607)	(51 233)	(10 619 660)	(471 663)
Accrued liabilities	(123 802)	-	(123 802)			
Payables to suppliers and contractors	(429 656)	-	(429 659)	-	-	-
Total financial liabilities	**(33 314 111)**	**(21 592 490)**	**(579 065)**	**(51 233)**	**(10 619 660)**	**(471 663)**
Net position	**5 451 958**	**15 056 184**	**156 832**	**(46 689)**	**(10 581 091)**	**866 722**

*-Security deposits

Group 31.12.2023., EUR	Total	On demand	Up to 1 month	1 to 3 months	From 3 months to 1 year	From 1 to 5 years
Financial assets						
Cash and cash equivalents	2 707 396	2 707 396	-	-	-	-
Receivables	321 489	-	321 489	-	-	-
Other assets	81 990	-	81 990	-	-	-
Loans to associate companies	53 944	-	-	-	-	53 944
Investments in equity securities	61 583	-	-	-	-	61 583
Total financial assets	3 226 402	2 707 396	403 479	-	-	115 527
Financial liabilities						
Accrued liabilities	(73 155)	-	(73 155)	-	-	-
Payables to suppliers and contractors	(608 361)	-	(608 361)	-	-	-
Total financial liabilities	(681 516)	-	(681 516)	-	-	-
Net position	2 544 886	2 707 396	(278 037)	-	-	115 527

*-Security deposits

Company 31.12.2024., EUR	Total	On demand	Up to 1 month	1 to 3 months	From 3 months to 1 year	From 1 to 5 years
Financial assets						
Cash and cash equivalents	1 468 245	1 468 245	-	-		-
Loans and advances to customers	-	-	-	-	-	-
Receivables	452 249	-	452 249	-	-	-
Other assets	35 030	-	35 030	-	-	-
Loans to associate companies	73 843	-	-	-	-	73 843
Investments in equity securities	61 583	-	-	-	-	61 583
Total financial assets	**2 090 950**	1 468 245	**487 279**	**-**	**-**	**135 426**
Financial liabilities						
Accrued liabilities	(104 730)	-	(104 730)	-	-	**-**
Payables to suppliers and contractors	3 002	-	3 002	-	-	-
Total financial liabilities	**(101 728)**	**-**	**(101 728)**	**-**	**-**	**-**
Net position	**1 989 222**	**1 468 245**	**385 551**	**-**	**-**	**135 426**

Company 31.12.2023., EUR	Total	On demand	Up to 1 month	1 to 3 months	From 3 months to 1 year	From 1 to 5 years
Financial assets						
Cash and cash equivalents	982 789	982 789	-	-	-	-
Receivables	317 911	-	317 911	-	-	-
Other assets	5 120	-	5 120	-	-	-
Loans to associate companies	753 944				700 000	53 944
Investments in equity securities	61 583	-	-	-	-	61 583
Total financial assets	**2 121 347**	**982 789**	**323 031**	**-**	**700 000**	**115 527**
Financial liabilities						
Accrued liabilities	**(59 278)**	-	-	(59 278)		
Payables to suppliers and contractors	**(114 127)**	-	(114 127)	-	-	-
Total financial liabilities	**(173 405)**	**-**	**(114 127)**	**(59 278)**	**-**	**-**
Net position	**1 947 942**	**982 789**	**208 904**	**(59 278)**	**700 000**	**115 527**

Undiscounted cash flow of lease liabilities

Company 31.12.2024, EUR	Total	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years
Lease liabilities	76 504	4 027	8 053	36 239	28 186
Group 31.12.2024, EUR	**Total**	**Up to 1 month**	**From 1 to 3 months**	**From 3 months to 1 year**	**From 1 year to 5 years**
Lease liabilities	1 938 318	35 583	71 165	320 245	1 511 326

Company 31.12.2023, EUR	Total	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years
Lease liabilities	48 556	3 735	11 205	29 881	3 735
Group 31.12.2023, EUR	**Total**	**Up to 1 month**	**From 1 to 3 months**	**From 3 months to 1 year**	**From 1 year to 5 years**
Lease liabilities	48 556	3 735	11 205	29 881	3 735

33. Remuneration to a commercial company of sworn auditors

	Jan – Dec 2024	Jan – Dec 2023	Jan – Dec 2024	Jan – Dec 2023
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
Audit of financial statements	124 873	51 183	40 959	36 542
Non-audit assurance services	17 545	9 680	7 260	5 445
Total	142 418	60 863	48 219	41 987

For the reporting year, in addition to the statutory audit, PricewaterhouseCoopers SIA have provided the following non-audit services to the Bank and the Group:

Reasonable assurance engagement and reporting on the IPAS "INDEXO" 2024 consolidated financial statements, prepared in accordance with the European Single Electronic Reporting Format (ESEF).

Limited assurance on compliance with the criteria and requirements of Articles 24.1 and 24.2 of the Private Pension Fund Law for the calculation and accounting of the accumulated supplementary pension capital for the members of "Indexo Atklātais Pensiju Fonds" AS and pension plans for the year ended 31 December 2024.

Limited assurance on compliance with the monetary resources of AS INDEXO Bank and its clients and the requirements of the Deposit Guarantee Law on preparation of the report on guaranteed deposits and payments into deposit guarantee fund.

34. Earnings per share

	Jan – Dec 2024	Jan – Dec 2023	Jan – Dec 2024	Jan – Dec 2023
	Group	Group	Company	Company
	EUR	EUR	EUR	EUR
Basic earnings per share				
Profit/(loss) from continuing operations attributable to the ordinary equity holders of the Company	(5 382 330)	(2 898 201)	873 235	(242 391)
Total basic earnings per share attributable to the ordinary equity holders of the Company	(1.18)	(0.79)	0.19	(0.07)
Diluted earnings per share				
Profit/(loss) from continuing operations attributable to the ordinary equity holders of the Company	(5 382 330)	(2 898 201)	873 235	(242 391)
Total basic earnings per share attributable to the ordinary equity holders of the Company	(1.18)	(0.79)	0.19	(0.07)
Weighted average number of shares used as denominator				
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	4 546 330	3 646 959	4 546 330	3 646 959
Adjustments for calculation of diluted earnings per share:				
Options	88 527	61 621	88 527	61 621
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**4 634 857**	**3 708 580**	**4 634 857**	**3 708 580**

Options granted to employees under the option schemes are considered to be potential ordinary shares. They have been included in the determination of diluted earnings per share, if the required TSR hurdles would have been met based on the Company's performance up to the reporting date, and to the extent to which they are dilutive.

35. Fair value

Fair value of financial assets and liabilities based on fair value hierarchy levels (Group):

31.12.2024.	Level 1: EUR	Level 2: EUR	Level 3: EUR	Total fair value EUR	Carrying amount EUR
Financial assets					
Cash and cash equivalents	-	36 647 025	-	36 647 025	36 647 025
Loans and advances to customers	-	-	987 306	987 306	987 306
Receivables	-	-	460 869	460 869	460 869
Other assets	-	-	534 963	534 963	534 963
Loans to associate companies	-	-	73 843	73 843	73 843
Investments in equity securities	-	-	61 583	61 583	61 583
Financial liabilities					
Deposits from customers	-	32 423 162	-	32 423 162	32 423 162
Accrued liabilities	-	-	123 802	123 802	123 802
Payables to suppliers and contractors	-	429 656	-	429 656	429 656

31.12.2023.	Level 1: EUR	Level 2: EUR	Level 3: EUR	Total fair value EUR	Carrying amount EUR
Financial assets					
Cash and cash equivalents	-	2 707 396	-	2 707 396	2 707 396
Receivables	-	-	321 489	321 489	321 489
Other assets	-	-	81 990	81 990	81 990
Loans to associate companies	-	-	53 944	53 944	53 944
Investments in equity securities	-	-	61 583	61 583	61 583
Financial liabilities					
Trade payables	-	608 361	-	608 361	608 361
Other financial liabilities	-	-	73 155	73 155	73 155

Fair value of financial assets and liabilities based on fair value hierarchy levels (Company):

31.12.2024.	Level 1: EUR	Level 2: EUR	Level 3: EUR	Total fair value EUR	Carrying amount EUR
Financial assets					
Cash and cash equivalents	-	1 468 245	-	1 468 245	1 468 245
Loans and advances to customers	-	-	-	-	-
Receivables	-	-	452 249	452 249	452 249
Other assets	-	-	35 030	35 030	35 030
Loans to associate companies	-	-	73 843	73 843	73 843
Investments in equity securities	-	-	61 583	61 583	61 583
Financial liabilities					
Deposits from customers	-	-	-	-	-
Accrued liabilities	-	-	104 730	104 730	104 730
Payables to suppliers and contractors	-	(3 002)	-	(3 002)	(3 002)

31.12.2023.	Level 1: EUR	Level 2: EUR	Level 3: EUR	Total fair value EUR	Carrying amount EUR
Financial assets					
Cash and cash equivalents	-	982 789	-	982 789	982 789
Receivables	-	-	317 911	317 911	317 911
Other assets	-	-	5 120	5 120	5 120
Investments in equity securities	-	-	61 583	61 583	61 583
Financial liabilities					
Trade payables	-	113 903	-	113 903	113 903
Other financial liabilities	-	-	59 278	59 278	59 278

During 2024 and 2023 there were no reclassifications between fair value hierarchy levels.

Cash and demand deposits with the Central banks are EUR currency, cash and deposits with the Bank of Latvia whose carrying amount represents the fair value.

Other financial assets consist of credit card guarantee deposits, money in transit and office premises lease deposit, thus the carrying amount is equal to their fair value.

Loans and advances due from customers are financial assets that are measured using a valuation technique based on discounted cash flows.

All the rates align with the industries average rates. The methodology for determining fair value is disclosed in Main accounting policies.

36. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person or the Group that allocates resources to and assesses the performance of the operating segments of the Group. The Management Board of the Group's parent company IPAS "Indexo" is the chief operating decision maker. The Group distinguishes two separate segments (i) asset management, and (ii) Banking activities. Operating activities of both segments are in Latvia.

1) Asset management
   Includes management of the assets of state-funded pension scheme investment plans and private pension scheme investment plans.

2) Bank development
   Includes all the revenues, costs and main balance sheet items for the Banking activities.

Segment results (Jan – Dec 2024)

		Asset management	Bank development	Total
Commission income	EUR	4 445 049	29 766	4 474 815
Interest income and other income	EUR	72 741	614 606	687 347
Administrative and other expenses allocation	EUR	(1 485 523)	(6 775 148)	(8 260 671)
Operating income before client acquisition and other business project expenses	**EUR**	**3 032 267**	**(6 160 542)**	**(3 128 275)**
Client acquisition cost allocation	EUR	(1 971 956)	-	(1 971 956)
Income after client acquisition and other business project expenses	EUR	**1 060 311**	**(6 160 542)**	**(5 100 231)**
Non-cash personnel option expenses	EUR	(238 949)	-	
Corporate income tax	EUR	(7 388)	(2 073)	(9 461)
Comprehensive profit / (losses) for the reporting period	**EUR**	**813 974**	**(6 162 615)**	**(5 383 532)**

Segment assets and liabilities (2024)

Assets		Asset management	Bank development	Total
Cash and cash equivalents	EUR	1 939 035	34 707 990	36 647 025
Loans to customers		-	987 306	987 306
Contract acquisition costs	EUR	1 566 969	-	1 566 969
Intangible assets, property, plant and equipment, and right-of-use assets	EUR	178 873	6 974 194	7 153 067
Other assets	EUR	872 389	1 246 965	2 119 354
Total assets	**EUR**	**4 557 266**	**43 916 455**	**48 473 721**

Liabilities		Asset management	Bank development	Total
Deposits from customers		-	32 423 162	32 423 162
Taxes and national social insurance mandatory contributions	EUR	38 700	161 377	200 077
Other liabilities	EUR	836 971	2 855 127	3 692 098
Total liabilities	**EUR**	**875 671**	**35 439 666**	**36 315 337**

Segment results (Jan – Dec 2023)

		Asset management	Bank development	Total
Commission income	EUR	3 123 426	-	3 123 426
Interest income and other income	EUR	25 012	21 741	46 753
Administrative and other expenses allocation	EUR	(1 272 371)	(2 587 345)	(3 859 716)
Operating income before client acquisition and other business project expenses	**EUR**	**1 876 067**	**(2 565 604)**	**(689 537)**
Client acquisitions cost allocation	EUR	(1 781 549)	-	(1 781 549)
Income after client acquisition and other business project expenses	EUR	**94 518**	**(2 565 604)**	**(2 471 086)**
Non-cash personnel option expenses	EUR	(420 819)	-	(420 819)
Corporate income tax	EUR	(5 226)	(1 070)	(6 296)
Comprehensive losses for the reporting period	**EUR**	**(331 527)**	**(2 566 674)**	**(2 898 201)**

Segment assets and liabilities (2023)

Assets		Asset management	Bank development	Total
Cash and cash equivalents	EUR	1 363 831	1 343 565	2 707 396
Contract acquisition costs	EUR	1 389 048	-	1 389 048
Intangible assets, property, plant and equipment, and right-of-use assets	EUR	123 728	1 900 939	2 024 667
Other assets	EUR	601 910	592 502	1 194 412
Total assets	**EUR**	**3 478 517**	**3 837 006**	**7 315 523**

Liabilities		Asset management	Bank development	Total
Taxes and national social insurance mandatory contributions	EUR	54 134	153 828	207 962
Other liabilities	EUR	566 309	669 071	1 235 380
Total liabilities	**EUR**	**620 443**	**822 899**	**1 443 342**

37. Capital adequacy calculation

The amount of required own funds is determined in accordance with Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013. The Company is required to maintain a minimum level of own funds that (i) exceeds the minimum initial capital (EUR 125 000), (ii) minimum initial capital and additional capital, calculated based on assets under management, and (iii) 25% of fixed overheads of the preceding year. The Company's own funds exceeded capital requirements at all times during the reporting period.

		Dec 2024	Dec 2023
		EUR	EUR
1	**Total own funds (1.1 + 1.2)**	**1 617 310**	**1 694 389**
1.1	**Tier 1 capital (1.1.1 + 1.1.2)**	**1 617 310**	**1 694 389**
+	Share capital	4 760 549	3 795 407
+	Reserves	618 004	379 055
+	Share premium	17 525 087	7 094 334
+	Accumulated deficit	(2 246 376)	(2 003 985)
+	Profit/(loss) for the period	873 235	(242 392)
-	Contract acquisition costs	1 566 969	1 389 048
-	Intangible assets	1 742	-
-	Investments in subsidiaries	18 084 445	5 750 000
-	Investments in share capital of associated companies	198 450	127 400
-	Investments in equity securities	61 583	61 583
1.1.1	**Total Tier 1 capital**	**1 617 310**	**1 694 389**
1.1.2	**Additional Tier 1 capital**	**-**	**-**
1.2	**Tier 2 capital**	**-**	**-**
2	**Minimum capital requirement**		
2.1	Company fixed overheads of the preceding year	2 466 598	3 345 691
2.2	Minimum initial capital	125 000	125 000
2.3.	Assets under management	1 339 223 684	917 192 699
2.4.	Assets under management limit for additional capital requirement	250 000 000	250 000 000
2.5	Maximum limit for own fund requirement	10 000 000	10 000 000
2.6	Additional capital requirement ((2.3-2.4) x 0.02%)	217 845	133 439
3	**Company capital adequacy calculation**		
3.1	Excess own funds relative to minimum initial capital (1. - 2.2.)	1 492 310	1 569 389
3.2	Excess own funds relative to 25% of fixed overheads of the preceding year (1. - 2.1.x25%)	**1 000 661**	**857 967**
3.3	Excess own funds relative to minimum initial capital and additional capital requirement (1. - 2.2 - 2.6.)	1 274 466	1 435 951
4	**Minimum own funds for capital requirement compliance**		
4.1	**Minimum own funds relative to minimum initial capital and additional capital requirement (2.2 + 2.6)**	**342 845**	**258 439**
4.2	**Minimum own funds relative to 25% of fixed overheads of the preceding year (2.1 x 25%)**	**616 650**	**836 423**

On the 10th of January 2024, and 9th of September 2024, share issuances were made for the SPO & private placement, resulting in an overall increase of 965 142 EUR in the share capital of IPAS "Indexo".

The capital adequacy calculation is based on internal reports of the Company, provided to key management of the Company.

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

INDEXO managed state-funded pension scheme and private pension scheme plan assets under management	Registration date	Net asset value of plans, EUR Dec 2024	Dec 2023
State-funded pension scheme investment plan "INDEXO Jauda 16-55"	18.01.2018.	996 465 557	662 157 513
State-funded pension scheme investment plan "INDEXO Izaugsme 55-62"	21.06.2017.	267 778 537	199 575 464
State-funded pension scheme investment plan "INDEXO Konservatīvais 62+"	04.04.2018.	37 343 837	34 315 362
Private pension scheme pension plan "INDEXO AKCIJU PLĀNS"	25.03.2021.	34 820 591	19 555 902
Private pension scheme pension plan "INDEXO OBLIGĀCIJU PLĀNS"	25.03.2021.	2 815 159	1 588 458
Total		**1 301 587 933**	**917 192 699**

39. Interest rate risk

The Group's exposure to interest rate risk is characterised by the maturity of financial assets and financial liabilities subject to interest rate risk based on the shorter of the remaining maturity dates of financial instruments subject to interest rate risk and the interest rate review dates.
The table below summarises the Group's exposure to interest rate risks. The table presents the aggregated amounts of the Group`s financial assets and liabilities at carrying amounts, categorised by the earlier of contractual interest repricing or maturity dates.
To assess interest rate risk, the Group uses the simplified standardized methodology as specified in Regulation (EU) 2024/857, which defines the core deposit base (stable non-maturity deposits that are unlikely to be repriced significantly in changing interest rate environments and market conditions) and their allocation across time buckets. The Group does not perform customer behavior modeling for accounts without specific repricing dates or accounts with an indefinite maturity, taking into consideration the characteristics of both depositors and client accounts.
The Group identifies financial instruments that are sensitive to interest rate changes, including financial instruments with embedded options (such as transactions with early withdrawal or early redemption features), and performs customer behavior assumption modeling by determining the term deposit early redemption rate and the conditional prepayment rate for fixed-rate loans, based on historical observations, provided by data which are consistent over the time. The loan prepayment rate reflects the expected annual prepayment amounts, and the term deposit early redemption rate represents the cumulative expected redemption amounts over the life of the term deposit.
During the early operational period, when the Group does not have sufficient historical data, it determines the rates by using available historical information, the Group's expert opinions, professional experience, and accessible information on market conditions and competitor practices. Additionally, the Group considers the potential impact on the current and future loan prepayment rates, driven by factors such as the economic environment, contractual terms, interest rate change scenarios, and other variables which are influencing customer behaviors.

The repricing undiscounted maturity analysis of financial assets and financial liabilities of the Group as at 31 December 2024 was as follows:

31.12.2024., EUR	Total	On demand	Up to 1 month	1 to 3 months	From 3 months to 1 year	From 1 to 5 years	Interest free
Financial assets							
Cash and cash equivalents	35 947 025	35 947 025	-	-	-	-	-
Loans	2 048 710	865 196	41 356	83 833	340 722	717 604	-
Other assets	3 063 287	3 063287	-	-	-	-	-
Total financial assets	**41 059 022**	**39 875 508**	**41 356**	**83 833**	**340 722**	**717 604**	-
Financial liabilities							
Deposits from customers	(33 191 187)	(15 552 417)	(117 441)	(235 877)	(11 519 994)	(5 765 459)	-
Other liabilities	(3 085 092)	(3 085 092)	-	-	-	-	-
Total financial liabilities	**(36 276 278)**	**(18 637 508)**	**(117 411)**	**(235 877)**	**(11 519 994)**	**(5 765 459)**	-
Interest rate risk	**4 782 744**	**21238 000**	**(76 085)**	**(152 044)**	**(11 179 272)**	**(5 047 855)**	-

The interest risk calculation is based on internal reports of the Group, provided to key management of the Group.

Interest rate risk calculation requirement for the Group become effective since the banking license were obtained. Therefore, interest rate risk calculation was not applicable for the year of 2023. Interest rate risk calculation not applicable for the Company.

40. Events after the end of the reporting period

1. Ongoing Cost Figure Reduction

We are happy to report further reduction in our indirect fund costs and fund management fees for our clients. In January 2025, they have been reduced by 2 basis points from 0.47% to **0.45% for the equity funds** (Jauda and Izaugsme). Reducing indirect costs means better returns for our customers and higher investment growth in the long term.

2. Employee Stock Option Exercise

On January 20, 2025, IPAS "Indexo" increased its share capital by EUR 13 568 due to employee stock option exercises.

3. Provendi Asset Management AIFP deal

Provendi Asset Management AIFP has recently made a significant stride in its investment portfolio by acquiring the retail shopping centre "Olimpia" for over EUR 40 million. This acquisition brings the total gross investments managed by Provendi to an impressive EUR 110 million. We are thrilled about this development and the potential it holds for the future. The acquisition aligns with our strategic vision of enhancing our presence in the Baltic real estate market and providing sustainable growth for our investors.

4. Mārtiņš Jaunarājs as the newest Supervisory Board member

New INDEXO Bank's Supervisory Board member Mārtiņš Jaunarājs was appointed by the Supervisory Board following the approval of the candidate by the Bank of Latvia. The appointment of new Supervisory Board member and the new composition of the Supervisory Board was registered in the Commercial Register on 10.01.2025.

The financial statements were authorised for issue on 27 February 2024 and signed for and on behalf of the Management Board of the Company by:

Henrik Karmo, Chairman of the Management Board

Marija Černoštana, Member of the Management Board

Artūrs Roze, Member of the Management Board

THIS DOCUMENT IS SIGNED WITH A SECURE DIGITAL SIGNATURE AND CONTAINS A TIMESTAMP

The financial statements were authorised for issue on 27 February 2024 and signed for and on behalf of

Independent Auditor's Report

To the Shareholders of IPAS "Indexo"

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of IPAS "Indexo" (the "Company") and its subsidiaries (together the "Group") as at 31 December 2024, and of the Group's consolidated and the Company's separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union (EU).

Our opinion is consistent with our additional report to the Audit Committee dated 25 February 2025.

What we have audited

The Group's consolidated and the Company's separate financial statements (together "the financial statements") comprise:

- the consolidated and separate statements of comprehensive income for the year ended 31 December 2024;
- the consolidated and separate statements of financial position as at 31 December 2024;
- the consolidated and separate statements of changes in equity for the year ended 31 December 2024;
- the consolidated and separate statements of cash flows for the year ended 31 December 2024; and
- the notes to the consolidated and separate financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Law on Audit Services that are relevant to our audit of the financial statements in the Republic of Latvia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Law on Audit Services.

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the Company and its controlled entities within the European Union are in accordance with the applicable law and regulations in the Republic of Latvia and that we have not provided non-audit services that are prohibited under Article 37.6 of the Law on Audit Services of the Republic of Latvia.

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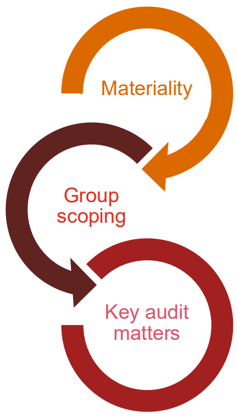
The non-audit services that we have provided to the Company and its controlled entities within the European Union in the period from 1 January 2024 to 31 December 2024 are disclosed in Note 33 to the financial statements.

Our audit approach

Overview



- Overall Group materiality: EUR 265 thousand, which represents approximately 5% of loss before corporate income tax.
- Overall Company materiality: EUR 210 thousand, which represents approximately 1% of net assets.

- We have audited the separate financial statements of the Company.
- We have audited the Company's subsidiary AS INDEXO Banka.
- We have performed selected audit procedures over the significant balances and transactions of other subsidiaries.
- Our audit scope addressed 98% of the Group's revenues and 100% of the Group's total assets.

- Commission and fee income from the management of the state funded pension scheme investment plans and private pension plans (the Group and the Company)
- Expected credit losses on loans and advances due from customers (the Group)
- Recoverable amount of investment in subsidiary (the Company)

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group and Company materiality separately for the consolidated and separate financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the financial statements as a whole.

Overall materiality	Overall materiality applied to the Group was EUR 265 thousand and to the Company was EUR 210 thousand.
How we determined it	Approximately 5% of the Group's loss before corporate income tax for year 2024 and approximately 1% of the Company's net assets as at 31 December 2024.
Rationale for the materiality benchmark applied	We chose the Group's loss before corporate income tax because, in our view, it is the benchmark which is most appropriate in the circumstances where the Group's established subsidiary has recently commenced banking operations and not yet generating substantial income from economic activity but concluding the year with a loss before corporate income tax of EUR 6,161 thousand, which represents approximately 88% of the Group's absolute value of underlying loss before corporate income tax. We chose the Company's net assets because, in our view, it is the benchmark which is the most appropriate for an asset management business where sufficiency of regulatory capital is of most importance while assets under management reach the volumes to generate sufficient income. We chose 5% for loss before corporate income tax and 1% for net assets, which is within the range of accepted quantitative materiality thresholds for a public interest entity.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above EUR 13 thousand for the Group and EUR 10 thousand for the Company, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Commission and fee income from the management of the state funded pension scheme investment plans and private pension plans (the Group and the Company) Refer to Note 3 *"Commission and fee income"* of the financial statements. Commission and fee income is the main source of external revenue for the Group and the Company, therefore verification of the	We assessed that the Group's and the Company's accounting policies in relation to commission and fee income recognition are based on IFRS Accounting Standards as adopted by the EU. We selected a sample of the transactions and verified the accuracy of commission and fee calculation by multiplying the net assets of the plan with the percentages specified in the prospectus of the respective plan. We reconciled the results of our testing with those recognised by the Group and the Company.

occurrence and accuracy of commission and fee income was the main focus area of our audit. Remuneration for the management of the state funded pension scheme (SFPS) investment plans and private pension plans is calculated by multiplying the percentage specified in the plans' prospectuses by the average net asset value per year. The management fee is calculated and accumulated daily, but settlement is made once a month. The prospectus of the state funded pension scheme investment plans and private pension plans do not foresee performance fee income. For the year ended 31 December 2024 commission and fee income from the management of the state funded pension scheme investment plans and private pension plans amounted to EUR 4,445 thousand for the Group and EUR 4,359 thousand for the Company.	We also performed substantive testing over completeness and accuracy of the net assets of the plans to ensure the underlying data used in calculation of the commission and fee income is reliable. We also verified supporting documents to confirm the occurrence of the transactions and that the commission and fee income was recorded in the correct service period. We also verified that the Group's and the Company's managed state funded pension scheme investment plans' and private pension plans' performance fee as determined in the prospectus is nil. We tested the disclosures in the financial statements in respect of commission and fee income.
Expected credit losses on loans and advances due from customers (the Group) Refer to Note 13 *"Loans and advances due from customers"* of the financial statements. We focused on this area because application of IFRS 9 "Financial instruments" expected credit loss (ECL) model for loans requires complex and subjective judgements over both timing of recognition of expected credit losses and their extent. The key features of the ECL model include classification of loans to 3 stages and assessment of credit risk parameters. The amount of ECL for the Group's loans is based on the model calculations taking into consideration the exposure at default (EAD), probability of default (PD), changes in customer credit risk and estimated future cash flows from the loan repayments (loss given default) (LGD). For all loans to customers the expected credit losses are calculated using the ECL model. As at 31 December 2024 the credit loss allowance amounted to EUR 83 thousand for the Group.	We assessed whether the Group's accounting policies in relation to the ECL of loans to customers comply with the requirements of IFRS 9 by assessing each significant model component: exposure at default, probability of default and loss given default, definition of default and significant increase in credit risk. We assessed the design and operating effectiveness of the controls over relevant loan data and ECL calculations. These controls included controls over recording of loans data in the system, credit analysis and approval before issuing loans, loan disbursement allocation to correct customer and accuracy of overdue days calculation. Further, we performed testing for accuracy and completeness of loan data, including contract dates, interest rates, maturity and other inputs used in ECL calculation. For a sample of loans, we evaluated reasonableness of staging as at 31 December 2024. We checked that ECL model key parameters were calculated consistent in accordance with the Group's ECL methodology and by using up to date data. We involved our expert to assess the ECL model and recalculate the credit loss allowance for loans to customers. We also tested the accuracy of input information used in the ECL model.

	Finally, we assessed the adequacy of the credit risk disclosures relating to loans and allowances for expected credit loss.
Recoverable amount of investment in subsidiary (the Company) Refer to Note 15 *"Investments in subsidiaries"* of the financial statements. As at 31 December 2024 the Company's balance sheet line item "Investments in subsidiaries" include investment in AS INDEXO Banka (the "Bank") of EUR 17,309,445. Management has performed impairment test of investment in the Bank based on the value in use determined by discounting the future cash flows of the Bank and calculating the terminal value using third year's discounted cash flow. No impairment was recognised for the year ended 31 December 2024. Taking into account number of significant assumptions regarding the growth of the Bank's operations and magnitude of the amounts involved, we considered this to be a key audit matter.	We assessed the design and implementation of relevant internal controls. We involved valuation experts and checked the appropriateness of the methodology applied by the Company and independently recalculated the weighted average cost of capital based on the use of market data and verified the long-term growth rate to market data. We agreed the forecasted cash flows used for the calculation of the value in use for recoverable amount of investment in the Bank to three-years budget as approved by the management. We evaluated and challenged key assumptions used by the management in recoverable amount calculations. We performed sensitivity analysis of the model to changes in the key assumption. We considered the appropriateness of the disclosures in the financial statements.

How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls and the industry in which the Group operates.

The Group engagement team carried out audit work on the Company's financial statements and performed selected audit procedures over the significant balances and transactions of other subsidiaries.

Reporting on other information including the Management Report

Management is responsible for the other information. The other information comprises:

- information on the Group, as set out on page 3 of the consolidated and separate Annual Report;
- the Management Report, as set out on pages 4 to 16 of the consolidated and separate Annual Report;
- the Statement of responsibility of the management board, as set out on page 17 of the consolidated and separate Annual Report;
- the Corporate governance report, set out in a separate statement prepared by the Company's management and available on the Company's website https://indexo.lv as at the date of this audit report; and
- the Remuneration report, set out in a separate statement prepared by the Company's management and available on the Company's website https://indexo.lv as at the date of this audit report;

but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information identified above.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Management Report, we also performed the procedures required by Law on Audit Services. Those procedures include considering whether the Management Report is prepared in accordance with the requirements of the applicable legislation.

In accordance with the Law on Audit Services of the Republic of Latvia with respect to the Corporate governance report, our responsibility is to consider whether the Corporate governance report includes the information required by Article 56.1, section 1, clauses 3., 4., 6., 8. and 9., as well as Article 56.2, section 2, clause 5 of the Financial Instruments Market Law and whether it includes the information stipulated in Article 56.2, section 2, clauses 1., 2., 3., 4., 7. and 8. of the Financial Instruments Market Law.

Furthermore, in accordance with the Law on Audit Services of the Republic of Latvia with respect to the Remuneration report, our responsibility is to consider whether the Remuneration report includes the information required by Article 59.4 of the Financial Instruments Market Law and whether we have identified material inconsistencies with the financial information included in the consolidated and separate Annual Report.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the other information identified above for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the Management Report has been prepared in accordance with the requirements of the Bank of Latvia Regulation No 326 “Regulation of the annual report and consolidated annual report of credit institutions, investment brokerage companies, investment management companies and private pension funds”;
- the Corporate Governance report, available on the Company's website https://indexo.lv as at the date of this audit report, includes the information required by Article 56.1, section 1, clauses 3., 4., 6., 8. and 9., as well as Article 56.2, section 2, clause 5 of the Financial Instruments Market Law and the information stipulated in Article 56.2, section 2, clauses 1., 2., 3., 4., 7. and 8. of the Financial Instruments Market Law; and
- the Remuneration report, available on the Company's website https://indexo.lv as at the date of this audit report, includes the information in accordance with Article 59.4 of the Financial Instruments Market Law and we have not identified material inconsistencies with the financial information included in the consolidated and separate Annual Report.

In addition, in light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Management Report and the other information that we obtained prior to the date of this auditor’s report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group’s and the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Report on the compliance of the presentation of the consolidated financial statements with the requirements of the European Single Electronic Format ("ESEF")

We have been engaged based on our agreement of 20 November 2024 by the Management Board of the Company to conduct a reasonable assurance engagement for the verification of compliance with the applicable requirements of the presentation of the consolidated financial statements of IPAS "Indexo" Group for the year ended 31 December 2024 (the "Presentation of the Consolidated Financial Statements").

Description of a subject matter and applicable criteria

The Presentation of the Consolidated Financial Statements has been applied by the Management Board of the Company to comply with the requirements of art. 3 and 4 of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation"). The applicable requirements regarding the Presentation of the Consolidated Financial Statements are contained in the ESEF Regulation.

The requirements described in the preceding sentence determine the basis for application of the Presentation of the Consolidated Financial Statements and, in our view, constitute appropriate criteria to form a reasonable assurance conclusion.

Responsibility of the Management Board and those charged with governance

The Management Board of the Company is responsible for the Presentation of the Consolidated Financial Statements that complies with the requirements of the ESEF Regulation.

This responsibility includes the selection and application of appropriate markups in iXBRL using ESEF taxonomy and designing, implementing and maintaining internal controls relevant for the preparation of the Presentation of the Consolidated Financial Statements which is free from material non-compliance with the requirements of the ESEF Regulation.

Those charged with governance are responsible for overseeing the financial reporting process, which should also be understood as the preparation of consolidated financial statements in accordance with the format resulting from the ESEF Regulation.

Our responsibility

Our responsibility was to express a reasonable assurance conclusion whether the Presentation of the Consolidated Financial Statements complies, in all material respects, with the ESEF Regulation.

We conducted our engagement in accordance with the International Standard on Assurance Engagements 3000 (R) - 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (ISAE 3000(R)). This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Presentation of the Consolidated Financial Statements complies, in all material aspects, with the applicable requirements.

Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance with ISAE 3000 (R) will always detect an existing material misstatement (significant non-compliance with the requirements).

Quality management requirements and professional ethics

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Summary of the work performed

Our planned and performed procedures were aimed at obtaining reasonable assurance that the Presentation of the Consolidated Financial Statements complies, in all material aspects, with the applicable requirements and such compliance is free from material errors or omissions. Our procedures included in particular:

- obtaining an understanding of the internal control system and processes relevant to the application of the Electronic Reporting Format of the Consolidated Financial Statements, including the preparation of the XHTML format and marking up the consolidated financial statements;
- verification whether the XHTML format was applied properly;
- evaluating the completeness of marking up the consolidated financial statements using the iXBRL markup language according to the requirements of the implementation of electronic format as described in the ESEF Regulation;
- evaluating the appropriateness of the Group's' use of XBRL markups selected from the ESEF taxonomy and the creation of extension markups where no suitable element in the ESEF taxonomy has been identified; and
- evaluating the appropriateness of anchoring of the extension elements to the ESEF taxonomy.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, based on the procedures performed, the Presentation of the Consolidated Financial Statements complies, in all material respects, with the ESEF Regulation.

Appointment and period of our audit engagement

We were first appointed as auditors of the Company and the Group on 15 July 2020. Our appointment has been renewed annually by shareholder's resolution representing a total period of uninterrupted engagement appointment of 5 years. Our appointment for the year ended 31 December 2024 was approved by the shareholder's resolution on 25 March 2024.

The engagement partner on the audit resulting in this independent auditor’s report is Ilandra Lejiņa.

PricewaterhouseCoopers SIA
Certified audit company
Licence No. 5

/signed digitally/

Ilandra Lejiņa
Certified auditor in charge
Certificate No. 168

Member of the Board

Riga, Latvia
27 February 2025

This is a translation of the original independent auditor's report prepared in Latvian and issued on the financial statements of Investment management joint-stock company “Indexo”, which were prepared in accordance with the requirements of the European Single Electronic Format. This translated version of independent auditor's report does not relate to the English version of the financial statements prepared in a pdf format and is prepared to satisfy the needs of English speaking stakeholders of the issuer. The original financial statements in machine-readable .xhtml format together with original independent auditor's report are submitted to the Nasdaq Riga Stock Exchange (Link: https://nasdaqbaltic.com).