

## 1. SUMMARY

### 1.1. Summary in English

#### 1.1.1 Introduction and warnings

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

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

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

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

##### ***Identity and contact details of the competent authority approving the Prospectus***

This Prospectus has been approved by the Latvian Financial and Capital Market Commission of Latvia, as the competent authority, with its address at Kungu iela 1, Rīga, LV-1050, e-mail: [fktk@fktk.lv](mailto:fktk@fktk.lv), telephone number: +371 67774800, in accordance with Regulation (EU) 2017/1129.

##### ***Date of approval of the Prospectus***

This Prospectus was approved on 21 June 2022.

##### ***Warnings***

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

#### 1.1.2 Key information on the Company

##### ***Who is the issuer of the securities?***

##### **Domicile, legal form, LEI, jurisdiction of incorporation, and country of operation**

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

##### **Principal activities**

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

##### **Strengths**

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

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

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

##### **Strategy**

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

### Major shareholders

As of the date of this Prospectus, INDEXO has 57 shareholders. The list of INDEXO individual shareholders and beneficial owners (private individuals) is provided in the table below.

Aldis Paiders	Gints Ozoliņš	Rauls Viktorovs	Kristīne Mūrmane
Aleksandre Davitashvili	Gundars Ruža	Atis Rektiņš	Druvis Mūrmanis
Aleksandrs Kalinovskis	Ieva Jāgere	Renārs Krūgaļaužs	Elmārs Priekšāns
Aleksejs Prokofjevs	Imants Jansons	Sandu Huban	Anna Lokomete
Alfs Janevics	Jānis Austriņš	Alexander Kuznetsov	Jānis Buks
Edvīns Tankelsons	Jānis Rozenbergs	Kārlis Kiršteins	Henrik Karmo
Andrey Maltsev	Jonas Izirkevicius	Aigars Kesenfelds	Deniss Kairāns
Artūrs Roze	Kaspars Feldmanis	Mārtiņš Baumanis	Valdis Lejnieks
Valdis Karols	Lauris Stefans Lambergis	Marks Edidovičs	Kārlis Lejnieks
Indrek Gusev	Aivars Abromavičus	Jekaterina Nikuļina	Valdis Siksnis
Roberts Bušs	Mārcis Martinsons	Svens Dinsdorfs	Tīna Kukka
Otto Tamme	Ain Lausmaa	Ilze Jaunarāja	Valdis Turlais
Elmārs Gengers	Enn Parel	Spodra Garkāne	Valdis Vancovičs
Erik Alf Wigertz	Peter Elam Hakansson	Roberts Stūģis	
Filips Klāvs Kļaviņš	Raimonds Slaidiņš	Toms Kreicbergs	

The largest shareholder of INDEXO is SIA DVH, reg. no. 50203040781, owning approximately 22.31% of INDEXO Shares. The ultimate beneficial owners of SIA "DVH" are Valdis Siksnis and Henrik Karmo.

INDEXO and the biggest Shareholder SIA DVH have entered into the Shareholders' Agreement to which other INDEXO Shareholders have acceded to.

The purpose of the Shareholders' Agreement is to specify the overall business and management strategy of INDEXO and the fundamental principles of INDEXO's business activities with the aim of promoting good and compliant governance of INDEXO and to facilitate the development of INDEXO's business pursuant to applicable laws and regulations.

In accordance with the Shareholder Agreement with regard to INDEXO, the said Agreement will become invalid as of admission of the Shares for trading on Nasdaq Riga.

### Key management officers

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

Name	Position	Appointment date	Expiration of the Term in Office
<b>Supervisory Board</b>			
<b>Valdis Vancovičs</b>	Chairman of the Supervisory Board	14 June 2022	13 June 2027
<b>Svens Dinsdorfs</b>	Deputy Chairman of the Supervisory Board	14 June 2022	13 June 2027
<b>Renāts Lokomets</b>	Member of the Supervisory Board	14 June 2022	13 June 2027

<b>Toms Kreicbergs</b>	Member of the Supervisory Board	14 June 2022	13 June 2027
<b>Tina Kukka</b>	Member of the Supervisory Board	14 June 2022	13 June 2027
<b>Management Board</b>			
<b>Valdis Siksnis</b>	Head of the Management Board	25 April 2022	24 April 2027
<b>Henrik Karmo</b>	Member of the Management Board	16 August 2018	15 August 2023
<b>Ieva Margeviča</b>	Member of the Management Board	1 June 2022	31 May 2027
<b>Audit Committee</b>			
<b>Svens Dinsdorfs</b>	Member of the Audit Committee	24 March 2022	23 March 2027
<b>Renāts Lokomets</b>	Member of the Audit Committee	24 March 2022	23 March 2027
<b>Ieva Jāgere</b>	Member of the Audit Committee	24 March 2022	23 March 2027
<b>Key Officers</b>			
<b>Artūrs Roze</b>	Financial Manager	2021	-
<b>Līga Katrīna Kļaviņa</b>	Senior Operational Risk Manager	2021	-
<b>Mārtiņš Strautiņš</b>	Senior Investment Manager	2021	-

#### Identity of statutory auditors

SIA KPMG Baltics, registration number: 40003235171, legal address: Vesetas Street 7, Riga, LV-1013, Latvia was INDEXO auditor for the accounting period covering the period 10.01.2017 to 31.12.2019.

PricewaterhouseCoopers SIA, registration number: 40003142793, legal address: Kr. Valdemāra Street 21-21, Riga, LV-1010, Latvia was INDEXO's auditor for the accounting period covering the period 01.01.2020. to 31.12.2021.

#### What is the key financial information regarding the issuer?

Audited Financial Statements are enclosed to the Prospectus. The Audited Financial Statements have been prepared according to International Accounting Standards issued by the International Accounting Standards Council, International Financial Reporting Standards, and standard interpretations by the IFRS Interpretations Committee, as approved by the European Union. In the year ended 31 December 2021 INDEXO started to produce consolidated financial statements as the subsidiary AS "Indexo Atklātais Pensiju Fonds" began to offer 3<sup>rd</sup> pension pillar products to customers and started operations. INDEXO managed to grow income very significantly from fees, resulting in 64.7% y-o-y growth from the year ended 31 December 2020 amount of EUR 972 thousand to the amount of EUR 1.6 million for the year ended 31 December 2021.

#### Consolidated and separate statement of comprehensive income

	Year ended 31 December				
	2019	2020	2021	2020	2021
	Stand-alone	Stand-alone	Stand-alone	Consolidated	Consolidated
Commission income	583,474	972,467	1,598,445	972,467	1,602,021
Other income	1,984	-	-	-	-
Administrative expenses	(1,232,458)	(979,002)	(1,372,791)	(1,007,218)	(1,581,787)
Interest expense	(643)	(643)	(1,386)	(643)	(1,386)
Other operating expenses	(6,259)	(3,557)	(3,557)	(3,557)	(9,947)
<b>Profit/(loss) before corporate income tax</b>	<b>(653,902)</b>	<b>(10,735)</b>	<b>220,711</b>	<b>(38,951)</b>	<b>8,901</b>
<b>Profit/(loss) for the year</b>	<b>(653,902)</b>	<b>(10,735)</b>	<b>220,711</b>	<b>(38,951)</b>	<b>8,901</b>
<b>Total comprehensive profit/(loss) for the year, attributable to shareholders</b>	<b>(653,902)</b>	<b>(10,735)</b>	<b>220,711</b>	<b>(38,951)</b>	<b>8,901</b>

Selected consolidated and separate statement of financial position information

Assets	Year ended 31 December				
	2019	2020	2021	2020	2021
	Stand-alone	Stand-alone	Stand-alone	Consolidated	Consolidated
<b>Total Assets</b>	1,092,239	1,820,288	2,199,871	1,793,153	2,041,656
<b>Total Equity</b>	855,152	1,673,579	1,894,290	1,645,362	1,654,263
<b>Total Equity and Liabilities</b>	1,092,239	1,820,288	2,199,871	1,793,153	2,041,656

Consolidated and separate statement of cash flow information

	Year ended 31 December				
	2019	2020	2021	2020	2021
	Stand-alone	Stand-alone	Stand-alone	Consolidated	Consolidated
<b>Cash flows from operating activities</b>					
Profit/(loss) before corporate income tax	(653,902)	(10,735)	220,711	(38,951)	8,901
Depreciation of PPE and amortisation of right-of-use assets	15,350	17,450	17,803	17,450	28,662
Amortisation of contract acquisition costs	-	19,949	65,977	19,949	65,977
Interest expenses	643	643	1,386	643	1,386
Loss on written-off fixed assets	290	-	-	-	-
Costs of share payments	5,436	-	-	-	-
<b>(Decrease)/increase in cash and cash equivalents from operating activities before changes in assets and liabilities</b>	<b>(632,183)</b>	<b>27,307</b>	<b>305,877</b>	<b>(909)</b>	<b>104,926</b>
Increase in receivables, prepayments, and other assets	(35,291)	(393,947)	(348,542)	(311,321)	(400,266)
(Increase) / Decrease of reserves	71,941	-	-	-	-
Increase/(Decrease) in accrued liabilities	30,265	(88,672)	51,811	(88,672)	60,419
Increase/(Decrease) in trade payables and other liabilities	11,690	(7,871)	82,429	567	154,548
<b>Increase/(Decrease) in cash and cash equivalents from operating activities</b>	<b>(553,578)</b>	<b>(463,183)</b>	<b>91,575</b>	<b>(400,335)</b>	<b>(80,373)</b>
<b>Cash flows from investing activities</b>					
PPE purchases	(18,668)	(1,525)	(7,836)	(67,596)	(60,737)
Investments in subsidiary undertakings	-	(400,000)	(200,000)	-	-
Other securities and investments	-	-	(11,663)	-	(11,663)
<b>Decrease in cash and cash equivalents from investing activities</b>	<b>(18,668)</b>	<b>(401,525)</b>	<b>(219,499)</b>	<b>(67,596)</b>	<b>(72,400)</b>
<b>Cash flows from financing activities</b>					
Share issue	-	829,162	-	829,162	-
Lease payments	-	(13,807)	(13,429)	(13,897)	(13,429)
Interest on lease	-	(643)	(1,386)	(643)	(1,386)
<b>(Decrease)/increase in cash and cash equivalents from financing activities</b>	<b>-</b>	<b>814,712</b>	<b>(14,815)</b>	<b>814,712</b>	<b>(14,815)</b>
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(572,246)</b>	<b>(42,638)</b>	<b>(142,739)</b>	<b>346,781</b>	<b>(167,588)</b>
Cash and cash equivalents at the beginning of the reporting year	1,555,894	983,648	941,010	983,648	1,330,429
<b>Cash and cash equivalents at the end of the reporting year</b>	<b>983,648</b>	<b>941,010</b>	<b>798,271</b>	<b>1,330,429</b>	<b>1,162,841</b>

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

Force majeure risk. Force majeure risk is related to events/situations out of INEXO Group's reasonable control and therefore affects the business and operations of INEXO Group in a manner which is unpredictable. During recent years

and up until today Covid-19 pandemic and geo-political tension are potential risks to the INDEXO Group's marketing and sales strategy.

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

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

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

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

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

Risk related to key strategies. Future development of asset management business may be affected by macro-economic risks, competition risk in the pension management segment and risks factors related to unsuccessful development of new products and services. Obtaining the banking licence and establishment of INDEXO Bank may mainly be affected by unavailability of necessary financial resources as the result of insufficient interest of prospective investors within the initial public offering as well as with failure to accurately fulfil all of the regulatory requirements in order to receive approval from the regulator.

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

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

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

Foreign currency risks. INDEXO Group is not exposed to direct currency risk which may arise from fluctuation in exchange rates of various currencies. INDEXO Group has no foreign currency positions and they are not planned in the near future, except for the AUM within INDEXO's managed pension plans. The AUM within the pension plans managed by INDEXO are invested in index funds, many of which further invest in various currency nominated assets, therefore the value of AUM

within pension plans is heavily exposed to indirect currency risk. However, according to the passive management philosophy described in the plan's prospectus, does not actively interfere in the composition of the plan portfolio for currency risk reasons.

### **1.1.3 Information on the securities**

#### ***What are the main features of the securities?***

##### **Type, class and ISIN**

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

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

As of the date of this Prospectus, the number of INDEXO Shares is **3,033,511**. The number of the Offer Shares is up to 535,000. Therefore, the number of INDEXO Shares after successful registration of the increase in the share capital of INDEXO will be up to 3,568,511, provided, however, that the number of the Offer Shares is not changed in accordance with the terms and conditions. Therefore, shareholdings in INDEXO existing immediately prior to the Offering will be diluted by up to 15% as a result of the Offering. The Shares are denominated in Euro and governed by the law of Latvia and the currency of the Offer will be the Euro. All existing Shares grant equal rights (including one share, one vote) to shareholders.

##### **Rights attached to the Shares**

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

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

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

##### **Restrictions on free transferability of the Shares**

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

##### **Dividend Policy**

On 24 March 2022 the Shareholders' meeting approved INDEXO's Dividend policy. Dividends are paid to a Shareholder in proportion to the total number of shares in INDEXO held by the Shareholder. Dividends can only be calculated and paid out for fully paid-up shares. Dividends are paid in cash by bank transfer to Shareholders' accounts on the day of payment. Annual dividends can be paid out once a year in accordance with the payment schedule after the Shareholders' Meeting in which the financial report for the previous financial year has been approved. Under Latvian law extraordinary dividends may be paid only if provided for in the Articles of Association. Extraordinary dividends are not provided for in INDEXO's Articles of Association. INDEXO has not declared dividend payments on net profit since the date of its incorporation.

##### ***Where will the Shares be traded?***

In the event of a successful Offering the Shares will be traded on the Baltic Main List of Nasdaq Riga. No application has been or will be submitted to trading of the Shares on any other stock exchange. Trading with INDEXO Shares on Nasdaq Riga is expected on or about 15 July 2022.

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

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



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

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

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

#### **1.1.4 Information on the offer of securities to the public and admission to trading on a regulated market**

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

The Offering is directed to Existing Shareholders via the Shareholder Offering and to retail investors in Latvia and Estonia via the Retail Offering that do not qualify as Existing Shareholders within the Shareholder Offering.

Trading with INDE XO Shares is expected to commence on Nasdaq Riga on or about 15 July 2022. The Offer Period is the period during which persons who have a right to participate in the Shareholder Offering and Retail Offering may submit Subscription Undertakings for the Shares. The Offer Period commences on 28 June 2022 at 10:00 local time in Latvia and Estonia and terminates on 11 July 2022 at 15:30 local time in Latvia and Estonia unless shortened or extended. The indicative timetable of the Offering is the following:

Start of the Offer Period	28 June 2022
End of the Offer Period	11 July 2022
Announcement of results of the Offering and Allocation	On or about 12 July 2022
Settlement of the Offering	On or about 14 July 2022
First trading day on Nasdaq Riga	On or about 15 July 2022

An investor participating in the Offering may apply for the Offer Shares for the Offer Price only. The minimum investment amount is EUR 14 for which an investor can subscribe for one share. All investors participating in the Offering may submit Subscription Undertakings in Euro only. An investor will bear all costs and fees charged in connection with the submission, cancellation or amendment of a Subscription Undertaking pursuant to the price list of the respective financial institution that is a member of Nasdaq Riga accepting the Subscription Undertaking.

##### ***Why is this prospectus being produced?***

The key reason for the Offering is to raise capital for establishment of INDE XO Bank. If a subsidiary or related company of INDE XO has not received a license to operate as a crediting institution in Latvia within 24 months after admission to trading of INDE XO's Shares on the Baltic Main List of Nasdaq Riga, the Share Buy-Back Program will be initiated.