INDEXO

Unaudited Interim Report

January - June 2026

AS INDEXO Banka

Information on the Bank

Name of the Company	AS INDEXO Banka
Legal status of the Company	Credit institution (bank)
Registered and office address	Roberta Hirsa 1, Riga, LV-1045, Latvia
Number, place, and date of registration in the Register of Enterprises	40203448611 Riga, 19 December 2022
Share capital	EUR 31 555 752
Licence number	27-55/2024/2
Date of issue of the licence	16.05.2024.
Shareholders	30.06.2026:
Shareholder	IPAS INDEXO - 100%

Members of the Supervisory Board and their position	
	Valdis Vancovičs - Chairman
	Svens Dinsdorfs - Deputy Chairman
	Zlata Elksniņa-Zaščirinska - Member
	Renāts Lokomets - Member
	Mārtiņš Jaunarājs - Member
Members of the Management Board and their position	**Valdis Siksnis - Chairman**
	Jānis Mūrnieks - Member
	Evija Stūrmane - Member
	Ieva Bauma - Member
	Gints Ozoliņš - Member
	Ivita Asare - Member
	Toms Grīnbergs - Member
Reporting period	1 January 2026 - 30 June 2026
Comparative period	1 January 2025 - 30 June 2025

Management report

Valdis Siksnis,
INDEXO Banka Chairman of the Board

Bank Development

During the first half of 2026 we continued implementation of the INDEXO Banka's chosen strategy - focusing on scaling our core business and developing new products that support our growth. Total revenue grew more than nine times year-on-year to EUR 2.57 million, and the second quarter was our strongest since launch at EUR 1.53 million, up 47% on the first quarter.

New loans issued during the first half reached almost EUR 60 million, of which EUR 33.5 million in the second quarter alone, with consumer loans accounting for approximately 64%. The loan portfolio passed EUR 100 million and reached EUR 104 million. Deposits reached EUR 130 million and the customer base grew 70% over the year, confirming that free everyday banking for customers receiving regular income into their INDEXO account continues to attract and activate clients. And on 30 June we became the custodian bank for the IPAS INDEXO 2nd pillar pension plans, a capability few banks of our size build in their second year.

Q2 2026 highlights

TOTAL REVENUE, EUR **1.53m** ▲ +47% QoQ ▲ +629% YoY	LOAN PORTFOLIO (GROSS), EUR **104.2m** ▲ +36% QoQ ▲ +742% YoY	NEW LOANS ISSUED, EUR **33.5m**	NET INTEREST INCOME, EUR **1.39m**
CUSTOMER DEPOSITS, EUR **130.0m** ▲ +44% QoQ ▲ +169% YoY	BANK CUSTOMERS **63.3t** ▲ +11% QoQ ▲ +70% YoY	NET INTEREST MARGIN **4.50%**	ANNUALISED NII, EUR **5.8m**

Highlights of the first half of 2026:

- Total first-half revenue grew more than nine times compared with the corresponding period of the last year, reaching EUR 2.57 million and bringing INDEXO Bank closer to breakeven.

- Second-quarter total revenue grew by 47% compared with the first quarter of this year, reaching EUR 1.53 million.

- Revenue growth was driven primarily by the record amount of new loans issued in the second quarter – EUR 33.5 million – increasing the loan portfolio to EUR 104 million before expected credit losses at the end of the second quarter. In the first half the Bank issued almost EUR 60 million in new loans.

- Loan portfolio growth drove an increase in net interest income, which reached EUR 2.39 million in the first half; in the second quarter net interest income grew by 39% compared with the first quarter.

- Competitive deposit interest rates supported deposit growth, with total deposits exceeding EUR 130 million. In the first half the Bank increased its deposit volume by more than EUR 56 million.

- Our unique offering – free everyday banking services for customers who regularly receive their income into an INDEXO account – is proving its effectiveness: the number of customers grew by 70% year on year, with transaction activity showing a significant increase.

- Continuing targeted investment in product development, business volume growth and customer acquisition, first-half expenses increased by 17% compared with the first half of 2025.

- In April the Bank issued subordinated bonds of EUR 5 million, with demand exceeding supply by 3.6 times.

- Compared with the corresponding period last year, operating losses decreased by 33% to EUR 2.94 million.

- The net loss for the first half was EUR 4.47 million, an 11% decrease compared with the corresponding period last year. It was affected by the level of provisions for expected credit losses – a direct consequence of the strong volume of lending in the first half.

Financial results

Financial results, EURm	Q2 2026	Q1 2026	%Δ QoQ	H1 2026	H1 2025	%Δ YoY
Net interest income	1.39	**1.00**	**39%**	**2.39**	**0.27**	**785%**
Net commission income	**0.11**	**0.02**	**435%**	**0.13**	**-0.10**	**n/m**
Total revenue	1.53	**1.04**	**47%**	**2.57**	**0.27**	**852%**
Administrative expenses	-1.41	-1.23	15%	-2.64	-2.00	33%
Total expenses	**-2.91**	**-2.60**	**12%**	**-5.51**	**-4.69**	**17%**
Operating profit	-1.38	-1.56	**12%**	-2.94	-4.42	33%
Provisions for expected credit losses	-0.83	-0.69	**20%**	-1.52	-0.64	138%
Net profit/ loss	**-2.22**	**-2.25**	**2%**	**-4.47**	**-5.05**	**11%**
Business volumes						
New loans, EURm	**33.5**	**25.5**	**31%**	**59.0**	**12.5**	**372%**
Net deposit growth, EURm	**39.5**	**16.9**	**134%**	**56.4**	**15.3**	**269%**
Customers, t	63.3	57.1	11%	63.3	37.3	70%

Business overview

The first half of 2026 confirmed that INDEXO Banka's chosen strategy – to be the most efficient bank in Latvia with a digitally driven business model and strict cost discipline – continues to deliver results. This is evidenced by the sustained high pace of customer acquisition, the growth in deposit volumes and, in particular, the rapidly growing loan portfolio and total revenue.

In the first half the Bank continued to make significant investments in the development of new products and in strengthening its technology platform. Customers were offered a home equity loan, the consumer loan distribution network was expanded through new brokers, and new payment card features were introduced, offering a virtual payment card also to customers who choose the Bank's Silver plan. Work was completed on the introduction of the custody service and on improvements to the payment infrastructure. On 21 April 2026 the Bank announced that it plans to begin offering core services to legal entities by the end of this year, having started feasibility work and analysis during the second quarter to provide the IT infrastructure for the service.

The volume of new loans issued in the first half reached almost EUR 60 million, of which consumer loans accounted for approximately 64%. In a short time INDEXO Banka has captured around 12% market share of newly issued consumer loans (excluding non-bank lenders). The growth in lending volumes was also supported by the launch of the home equity loan, continuous product improvements and the start of cooperation with new partners, which will continue in the upcoming quarters.

Business overview (continued)

Growth in the total volume of new mortgage transactions was supported by the Home Equity product which was launched in February, attracting an increasing number of customers who value our digital experience and competitive rates. Until now this product has not been widely used in Latvia, and INDEXO has now made it conveniently and quickly available in the INDEXO Banka mobile app, offering the simplest and most convenient way to unlock the value of customer home.

Mortgage refinancing activity in the market overall has declined by ~5% compared with the first quarter of this year, yet approximately 45 transactions each month are still refinanced to another bank. INDEXO Banka remains the most active mortgage refinancer and one of the first choices for mortgage borrowers, reaching approximately 64% market share of transactions refinanced to another bank.

INDEXO's unique proposition - free everyday banking services for customers who regularly receive income into their INDEXO account alongside with our lending and deposit offer drove 27.4% growth in the customer base during the first half of the year. As customer numbers and activity increased, with higher payment and card transaction volumes, the customer deposit portfolio grew by 76.4% during the first half of the year, reaching EUR 130 million.

On 30 June INDEXO Banka became the custodian bank for IPAS INDEXO's 2nd pillar pension plans, taking into custody assets of EUR 1.53 billion. The impact on revenue in the reporting period is immaterial, but in future periods it will provide additional net commission income of approximately EUR 60 thousand per month.

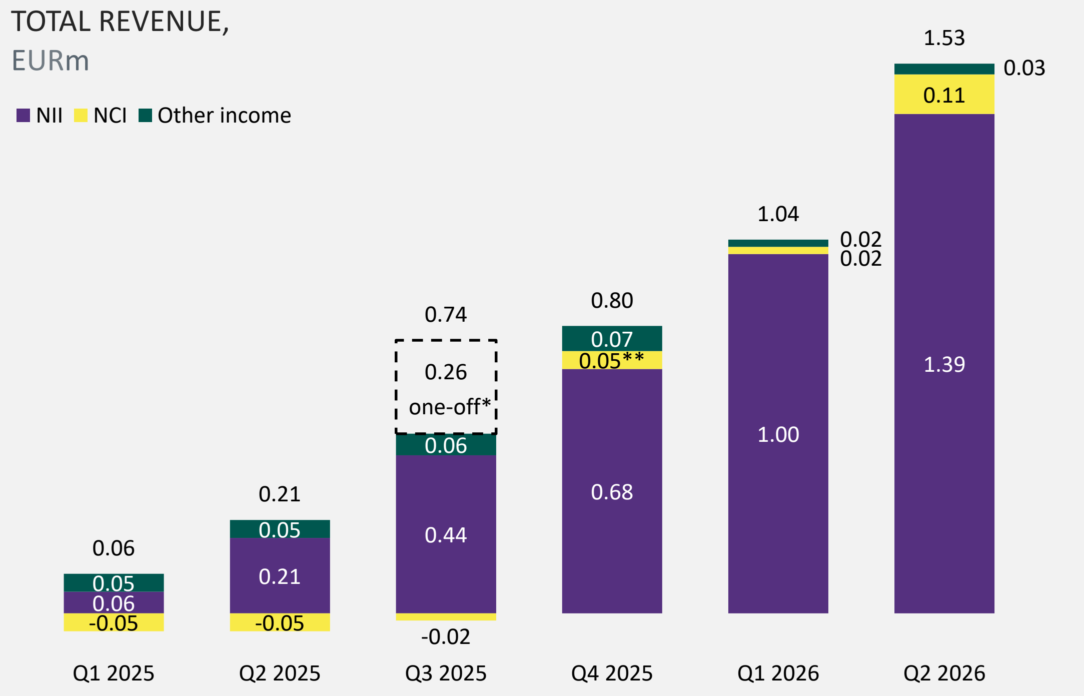
The first half of the year showed the Bank able to advance customer-facing product innovation while reinforcing the security, capacity and stability of the platform beneath it. Delivering both at once means neither always moves as quickly as we would like, and some planned developments have shifted into the second half of the year.

Financial results overview

In the first half of 2026 the growth in INDEXO Banka's loan portfolio and total revenue that began in the second half of 2025 continued. At the end of the first half the Bank's loan portfolio before expected credit losses reached EUR 104 million (36% growth during the quarter and 88% growth versus the end of 2025), and its total revenue during the first half increased more than nine times compared with the first half of 2025, reaching EUR 2.57 million.

Net interest income grew almost eight times compared with the first half of 2025, reaching EUR 2.39 million. The net interest margin decreased to 4.50% in the second quarter of 2026, compared with 4.79% in the first quarter, yet remained above the 4.24% reached in the fourth quarter of 2025. The margin dynamics were driven by an increase in funding costs. The subordinated bond issue raised average liability costs, while deposit interest rates were increased in line with market rate dynamics. The liability side reprices to rate changes faster than the loan portfolio, so the increase in costs was reflected in the margin before the corresponding rise in asset yields — although the average yield of the loan portfolio also increased during the first half, from 8.6% at the end of 2025 to 9.3% at the end of June.

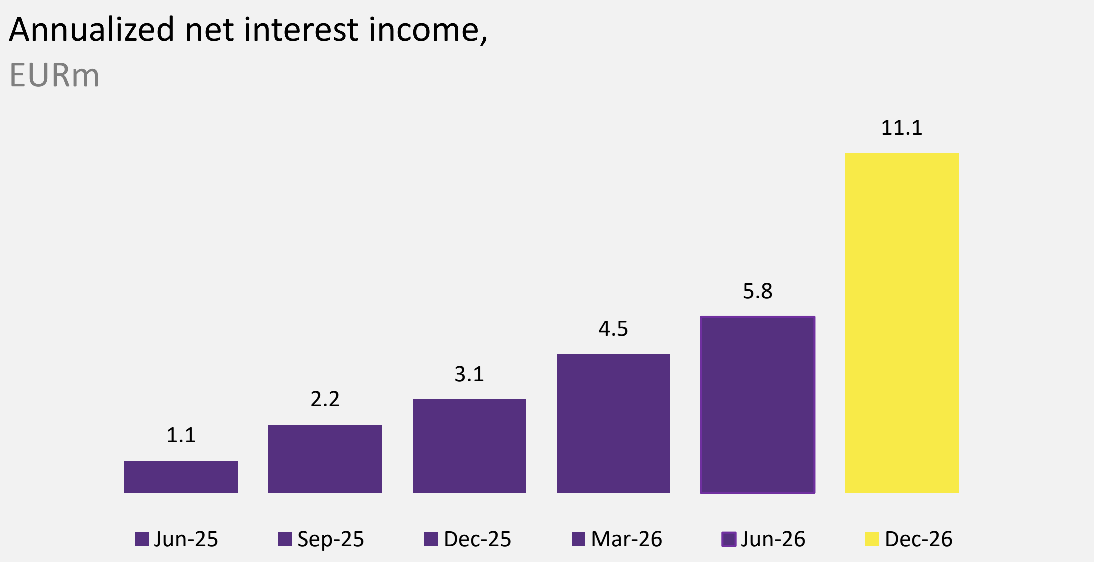
Financial results overview (continued)



* Excluding one-off VAT tax reverse for the period 2023-2025 (EUR 262.5t, recognised in Q3 2025)
** Includes positive impact from one-off items total EUR 87.3t

In the first half of 2026 net commission income reached EUR 130.8 thousand, of which EUR 108.6 thousand was earned in the second quarter of this year alone. By comparison, net commission income in the second half of 2025 was EUR 34.3 thousand. The growth in net commission income was driven by two factors: rising commission income from lending transactions and increasing customer transaction activity.

Changes in commission income were also driven by the Bank's unique offering – free everyday banking services for customers who regularly receive their income into an INDEXO account. At the same time, this same offering partly limits monthly commission income from everyday banking services, while investments in customer acquisition and activation generate additional commission expenses. The Bank views this trade-off as a deliberate strategic choice – building a long-term customer base takes priority over maximising short-term commission income.



*- Annualised net interest income is calculated by multiplying the net interest income of the respective month by 12, in order to reflect the annual equivalent at the revenue level at that time.

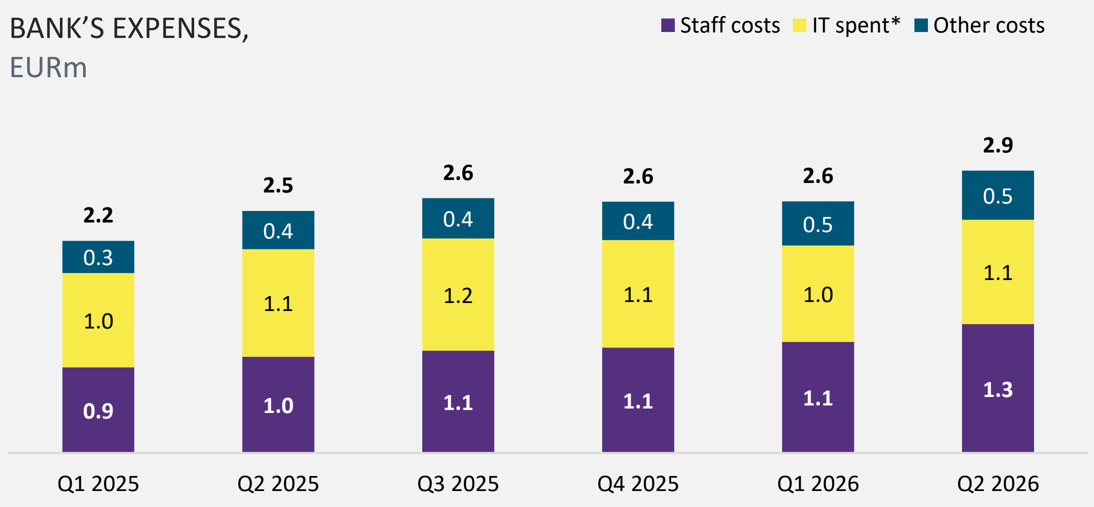
Financial results overview (continued)

The Bank's revenue growth is driven by by the increase in the loan portfolio — a sustainable and predictable source of revenue, as every loan issued guarantees a flow of interest income over several years. This dynamic is clearly reflected in the trend of net interest income: the annualised figure has grown from EUR 1.1 million in June 2025 to EUR 5.8 million at the end of the second quarter of 2026 – more than a five time increase over the year. Upon reaching the planned loan portfolio volume at the end of 2026, the Bank forecasts that annual net interest income will exceed EUR 11 million, which confirms the scalability of the business model and the Bank's ability to build a sustainable revenue base.

The Bank's core operational infrastructure has been built to support all services currently available to customers. Controlled cost growth is unavoidable for a rapidly growing bank, as we continue to invest purposefully in product development, in driving business volume growth and in customer acquisition. The increase in costs is concentrated precisely in these business development functions. During the first half INDEXO Banka's total costs reached EUR 5.51 million, an increase of 17% year on year. Cost growth accelerated in the second quarter in particular, when costs rose by EUR 300 thousand, or 12%, compared with the first quarter of this year, while total revenue grew by almost EUR 500 thousand, or 47%.

IT costs have stabilised following the major product rollouts of 2025. INDEXO Banka continues to review its IT expenditure, taking over several functions from outsourcing providers and consolidating the remaining outsourced services. The steps taken will improve the efficiency of future IT investments.

The largest cost increase item in the second quarter was employee remuneration, affected both by the increase in headcount from 75 full-time employees at the end of 2025 to 107 at the end of June, and by the increase in remuneration levels to ensure competitive pay for the Bank's employees.



*- IT costs includes IT running costs, amortization part of IT investments. Change in cost allocation: starting from Q2 2026, personnel costs related to IT functions are presented under Staff costs instead of IT expenses. Comparative figures for prior periods have been restated accordingly to ensure comparability. This reclassification has no impact on total operating expenses.

Thanks to the rapid growth in total revenue and the controlled increase in total expenses, the Bank continues to improve its operating results convincingly, and first-half operating losses before provisions for expected credit losses decreased by 33% to EUR 2.94 million compared with the first half of 2025, when they reached EUR 4.42 million.

Financial results overview (continued)

The Bank's operating result improves every quarter; in the second quarter of this year the Bank's operating losses before provisions for expected credit losses decreased to EUR 1.38 million, which was 12% less than in the first quarter of this year, when operating losses reached EUR 1.56 million.

Despite the rapid growth of the loan portfolio, its quality remains high. Provisions for expected credit losses in the first half reached EUR 1.52 million. This was mainly driven by the record volume of new consumer loans issued (three times more than in the first half of 2025, and a 25% increase versus the first quarter of this year) rather than by a deterioration in portfolio quality. In accordance with IFRS 9 requirements, the Bank recognises provisions at the moment a loan is issued, so a higher issuance rate directly increases the volume of provisions. Model-based provisions for expected credit losses in the first half represent 2.5% of the total loan portfolio, which confirms a conservative and prudent risk appetite.

Accordingly, despite the 33% year-on-year reduction in operating losses in the first half, total net losses for the first half of 2026 reached EUR 4.47 million, a decrease of 11% compared with the first half of 2025.

Capital position and liquidity

At the end of June 2026, INDEXO Banka's total assets were EUR 149.9 million, having grown by 71% during the first half compared with the end of 2025. Alongside the growth in total assets, the Bank's total risk-weighted assets also increased, rising to EUR 72.1 million at the end of June (end of 2025: EUR 43.5 million).

In the first half of 2026 the parent company IPAS INDEXO increased the Bank's share capital by EUR 4.23 million, of which EUR 2.95 million was invested in the first quarter. On 21 April 2026, IPAS INDEXO, as the Bank's sole shareholder, publicly confirmed its commitment — as far as possible and in line with IPAS INDEXO's strategic objectives, available financial resources and applicable regulatory requirements — to provide the Bank with the necessary financial support to facilitate the Bank's next stage of growth, its continuity of operations, and compliance with regulatory requirements. In addition, in the second quarter the Bank raised EUR 5 million through a subordinated bond issue. The total capital adequacy ratio at the end of the second quarter was 20%, and the CET1 ratio reached 10%. The Liquidity Coverage Ratio (LCR) was 244% and the Net Stable Funding Ratio (NSFR) was 158%.

At the same time, in order to achieve the Bank's strategic objectives in 2026 — including continuing to grow the Bank's loan portfolio and total revenue, successfully launching the planned products such as the consumer loan consolidation product and family accounts, and beginning to serve corporate customers — the Bank's management recognises that additional external capital will be required to deliver these plans.

The first-half results show that INDEXO Banka is successfully executing its strategy and is moving purposefully towards reaching its planned business volumes and breakeven by the end of 2026.

The history, values, mission and vision of the INDEXO group can be found here:
Indexo.lv/en/Values-and-history

Significant events after the reporting period

- Reflecting the growth of the INDEXO financial services group across its various business lines, the shareholders' meeting of the Bank's parent company, IPAS INDEXO, held on 1 July this year, elected new members to the IPAS INDEXO Supervisory Board to strengthen the company's governance: Svens Dinsdorfs, Druvis Mūrmanis, Mārtiņš Jaunarājs, Jānis Pizičs and Madis Toomsalu. In turn, Henrik Karmo, Zlata Elksniņa-Zaščirinska, Druvis Mūrmanis, Mārtiņš Jaunarājs, Jānis Pizičs and Madis Toomsalu were elected to the Supervisory Board of INDEXO Banka. The decision on the election of the INDEXO Banka Supervisory Board was adopted at the INDEXO Bank shareholders' meeting on 1 July 2026.

- On 29 July 2026, IPAS INDEXO increased the share capital of INDEXO Banka by EUR 1.85 million. Following the increase, the total share capital of INDEXO Banka is EUR 33.4 million.

- Both Bank of Latvia and the German supervisory authority BaFin have confirmed that INDEXO Bank may begin accepting deposits from German residents. Deposit-taking is planned to start once the technical integration is complete and all necessary preparatory work has been carried out. Tentatively in October this year, INDEXO Banka will begin attracting retail deposits in Germany through the deposit platform CHECK24. This step will allow the Bank to diversify its funding sources and secure resources for the continued growth of its rapidly expanding loan portfolio in Latvia.

- At the end of July 2026, the number of INDEXO Banka clients had grown to 65.3 thousand, deposits had increased to EUR 143.1 million, and the loan portfolio before expected credit losses had reached EUR 114.7 million.

Signed on behalf of the Management Board
of AS INDEXO Banka:

Valdis Siksnis, Chairman of the Management Board

Ivita Asare, Member of the Management Board

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Financial Statements

Profit and loss statement

EUR'000	Q2 2026 Unaudited	Q1 2026 Unaudited	Jan-Jun 2026 Unaudited	Jan-Jun 2025 Unaudited
Interest income	2 254	1 550	3 804	882
Interest expense	(867)	(550)	(1 417)	(611)
Commission income	464	281	745	151
Commission expense	(355)	(259)	(614)	(255)
Other operating income	34	23	57	102
Other operating expenses	(278)	(228)	(506)	(333)
Administrative expenses	(2 060)	(1 824)	(3 884)	(3 517)
Depreciation and amortisation	(575)	(545)	(1 120)	(837)
Impairment (expected credit losses)	(831)	(695)	(1 526)	(633)
Profit / (loss) before corporate income tax	**(2 214)**	**(2 247)**	**(4 461)**	**(5 052)**
Corporate income tax	(1)	(2)	(3)	(2)
Profit / (loss) for the period	**(2 215)**	**(2 249)**	**(4 464)**	**(5 054)**
Return on equity (ROE), %	(24.57)	(22.60)	(49.52)	(69.88)
Return on assets (ROA), %	(1.48)	(2.12)	(2.98)	(8.63)

The data has been calculated for supervisory purposes under Article 19(2) of Regulation (EU) No 575/2013.

The financial statements were approved for issuance on 11 August 2026 and signed on behalf of the Management Board of AS INDEXO Banka by:

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Ivita Asare, Member of the Management Board

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Balance sheet statement

Assets, EUR'000	30.06.2026 Unaudited	30.06.2025 Unaudited	31.12.2025 Audited
Cash and demand deposits with central banks	34 422	27 262	19 734
Demand deposits with credit institutions	9	5	1
Financial assets at amortised cost	104 495	22 328	58 326
incl. debt securities	2 420	10 342	3 397
incl. loans	102 075	11 986	54 929
Tangible assets	1 948	2 484	2 175
Intangible assets	5 876	5 438	5 803
Tax assets	3	-	4
Other assets	3 133	1 009	1 749
Total assets	**149 887**	**58 526**	**87 792**

Equity and liabilities, EUR'000	30.06.2026 Unaudited	30.06.2025 Unaudited	31.12.2025 Audited
Financial liabilities at amortised cost	132 925	48 400	75 588
incl. customer deposits	130 294	48 400	73 786
incl. subordinated loans	2 631	-	1 802
Provisions	293	194	169
Tax liabilities	272	222	215
Bonds issued	5 088	-	-
Other liabilities	2 295	2 479	2 573
Total liabilities	**140 872**	**51 294**	**78 545**
Capital and reserves	9 015	7 232	9 247
Total equity and liabilities	**149 887**	**58 526**	**87 792**

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Capital adequacy and minimum capital requirements

Capital adequacy, EUR'000	30.06.2026	30.06.2025
Own funds	**14 729**	**5 797**
Tier 1 capital (CET1)	7 139	5 797
Tier 2 capital	7 590	-
Total risk exposure amount	**72 090**	**21 639**
Credit risk	66 410	16 675
Operational risk	5 680	4 964
CET1 capital ratio, %	9.90	26.79
Tier 1 capital ratio, %	9.90	26.79
Total capital ratio, %	**20.43**	**26.79**
Combined buffer requirement	2 535	755

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Liquidity coverage ratio

Liquidity coverage ratio, EUR'000	30.06.2026	30.06.2025
Liquidity buffer	36 019	37 232
Net liquidity outflows	14 788	4 534
Liquidity coverage ratio, %	**243.58**	**821.25**

Risk management information is available in the AS INDEXO Banka Annual Report for 2025, in the Notes to the Financial Statements (Note 4, Risk Management).

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