

Riga, February 28, 2025

**Hestio AS**

Reg. No. 40003972121;  
Kleistu street 18A-2, Riga, LV-1067

**Consolidated unaudited annual report for year 2024**

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**CONCERN INFORMATION**

Name of the Concern	Hestio AS		
Legal status of the Concern	Limited liability company		
Registration No., place and date	40003972121, Riga, 22.11.2007		
Registered office	Kleistu street 18A-2, Riga, LV-1067		
Major shareholders	"Bastions ZS" JSC (66.69 %), Reg. No. 40003218044, Legal address: Zemgalu street 8, Riga, LV-1006  "Uzņēmumu vadība" Ltd (33.31%), Reg. No. 50103799391, Legal address: Vienibas street 186A-19, Riga, LV-1058		
Members of the Board	From 25.10.2023 - at the moment of approval of the financial statement	Ivars Muzikants	Chairman of the Board
	From 06.06.2024 -at the moment of approval of the financial statement	Toms Bergs	Member of the Board
	From 11.07.2023 - at the moment of approval of the financial statement	Gustavs Dreimanis	Member of the Board
	From 15.02.2022 - 28.02.2025.	Reinis Tutāns	Member of the Board
Council members	From 25.10.2023 - at the moment of approval of the financial statement		
		Andris Laizāns	Chairman of the Board
		Artūrs Dombrovskis	Deputy Chairman of Council
		Andris Ūpmiņš	Council member
		Māra Zepa	Council member
		Atis Zvidriņš	Council member
Annual report drawn up by	Kristine Korpa	–	Chief Accountant
Reporting year	from 01.01.2024	to	31.12.2024
Previous reporting year	from 01.01.2023	to	31.12.2023
Type of company's activity	Retail of office items and coffee machine rental		
NACE classification code	47.91; 53.20; 56.10; 77.33		
Auditors	KPMG Baltics SIA Roberta Hirša str. 1 Riga, LV - 1045 License No. 55		Certified Auditor Rihards Grasis Certificate No. 227

## **CONCERN MANAGEMENT REPORT**

### **Type of activity**

Biroja preču mazumtirdzniecība un kafijas automātu noma.

### **Performance and Financial Situation of the Company**

In the past year, the Company continued its strategic development by implementing the previously initiated changes in Hestio's sales strategy. As a result of these measures, the Company successfully maintained stable unaudited revenue of EUR 12.9 million.

At the same time, the Company's sales costs have significantly increased due to substantial investments in the development of the facility cleaning business line and improvements in the quality of other services. A major impact on Hestio's consolidated financial performance was also caused by the sharp rise in coffee bean prices, which surged by approximately 80% in the global market compared to December 2023. Although the price increase has been passed on to end consumers, part of the cost increase has nevertheless affected Auron Coffee Roastery's profitability. Additionally, Auron Coffee Roastery entered the HORECA market, requiring further financial investments. As a result, Hestio's consolidated EBITDA for 2024 declined by 8% to EUR 0.8 million.

As part of the Company's growth strategy, a new subsidiary, SIA Printero, was established in 2024, specialising in textile and other product printing, manufacturing, and customisation. Leveraging Hestio's extensive customer base and synergies, the new company is expected to become an additional profit source within the group starting from Q4 2025.

### **Financial risk management**

The main financial risks arising from the Company's financial instruments are interest rate risk, liquidity risk, and credit risk.

#### *Foreign currency risk*

The Company have not Foreign currency risk, all deals are in euro

#### *Interest rate risk*

The Company is exposed to interest rate risk mainly through its current borrowings. The Company's policy is to ensure that the majority of its borrowings are at a fixed rate.

#### *Liquidity risk*

The Company manages its liquidity risk by maintaining an adequate level of cash and cash equivalents or by arranging an adequate amount of committed credit facilities with banks.

#### *Credit risk*

The Company is exposed to credit risk through its trade receivables, issued current loans, as well as cash and cash equivalents. The Company manages its credit risk by continuously assessing the credit history of customers and assigning credit terms on an individual basis. In addition, receivable balances are monitored on an ongoing basis to ensure that the Company's exposure to bad debts is minimised.

### **Future Development Plans**

The Company's strategic focus moving forward is increasing e-commerce sales volumes and adapting operational processes to the specific requirements of the e-commerce business. These changes are aimed at improving profitability metrics and strengthening long-term competitiveness.

Ivars Muzikants

(Chairman of the Board)

*signature*

Toms Bergs

(Member of the Board)

*signature*

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**CONSOLIDATED INCOME STATEMENT**

(classified per function of expenditure)

	Note number	2024 EUR	2023 EUR
Net turnover:	2	12 978 983	12 898 708
<i>a) from other main activity types.</i>		12 978 983	12 898 708
Production cost of goods sold, acquisition cost of goods sold or services provided	3	(7 205 983)	(7 435 059)
<b>Gross profit or loss</b>		<b>5 773 000</b>	<b>5 463 649</b>
Selling expenses	4	(5 084 551)	(4 723 180)
Administrative expenses	5	(676 419)	(628 867)
Other operating income	6	88 928	55 089
Other operating expenses	7	(87 936)	(42 924)
Other interest and similar income:		4 125	22
<i>b) from other persons.</i>		4 125	22
Interest payments and similar expenses:		(157 937)	(152 624)
<i>b) to other persons.</i>		(157 937)	(152 624)
<b>Profit or loss before the corporate income tax</b>		<b>(140 790)</b>	<b>(28 835)</b>
Corporate income tax for the reporting year		(5 417)	(427)
<b>Profit or loss of the reporting year</b>		<b>(146 207)</b>	<b>(29 262)</b>

Ivars Muzikants  
(Chairman of the Board)

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Toms Bergs  
(Member of the Board)

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**Annual report drawn up by:**

Kristine Korpa  
(Chief Accountant)

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**CONSOLIDATED BALANCE SHEET**

ASSETS	Note number	31.12.2024 EUR	31.12.2023 EUR
<b>Long-term investments</b>			
<b>Intangible assets</b>			
Concessions, patents, licences, trademarks and		52 976	38 549
Other intangible assets		111 222	115 340
Goodwill		115 871	168 625
<b>Total intangible assets</b>	8	<b>280 069</b>	<b>322 514</b>
<b>Fixed assets</b>			
Long-term investment in leased fixed assets		97 433	133 281
Technology devices and equipment		241 243	233 233
Other fixed assets and inventory		1 905 483	1 915 733
<b>Total fixed assets</b>	9	<b>2 244 159</b>	<b>2 282 247</b>
Deferred tax assets	11		-
<b>Total long-term financial investments</b>		-	-
<b>Total long-term investments</b>		<b>2 524 228</b>	<b>2 604 761</b>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials, direct materials and auxiliary materia		231 584	82 153
Finished products and goods for sale		969 022	964 711
Advance payments for inventories		13 409	17 573
<b>Total inventories</b>		<b>1 214 015</b>	<b>1 064 437</b>
<b>Receivables</b>			
Trade receivables	10	1 004 793	918 614
Other receivables	11	37 833	44 394
Prepaid expenses	0	63 577	18 387
Accrued income		14 287	15 268
<b>Total receivables</b>		<b>1 120 490</b>	<b>996 663</b>
<b>Cash and cash equivalents</b>	0	<b>366 796</b>	<b>561 303</b>
<b>Total current assets</b>		<b>2 701 301</b>	<b>2 622 403</b>
<b>TOTAL ASSETS</b>		<b>5 225 529</b>	<b>5 227 164</b>

**CONSOLIDATED BALANCE SHEET**

<b>LIABILITIES</b>	Note number	<b>31.12.2024</b> EUR	<b>31.12.2023</b> EUR
<b>Equity capital</b>			
Share capital (equity capital)	12	1 380 000	1 380 000
Reserves:		28 676	29 726
a) other reserves		28 676	29 726
Retained earnings or uncovered losses of previous years		31 131	60 394
Profit or loss of the reporting year		(146 207)	(29 262)
<b>Total equity capital</b>		<b>1 293 600</b>	<b>1 440 858</b>
<b>Creditors</b>			
<b>Long-term liabilities</b>			
Loans to bonds	13	1 051 765	1 020 795
Borrowings from credit institutions		63 189	89 460
Other borrowings	15	374 097	335 930
Amounts owed to associated companies	37	-	-
Taxes and mandatory state social insurance contributions	0	-	-
<b>Total long-term liabilities</b>		<b>1 489 051</b>	<b>1 446 185</b>
<b>Short-term liabilities</b>			
Borrowings from credit institutions	14	170 270	168 876
Other borrowings	15	367 262	364 629
Advance payments from customers		1 332	-
Trade payables		1 261 292	1 209 165
Taxes and mandatory state social insurance contributions		281 000	287 839
Other liabilities	16	161 699	157 832
Accrued liabilities	17	200 023	151 780
<b>Total short-term liabilities</b>		<b>2 442 878</b>	<b>2 340 121</b>
<b>Total liabilities</b>		<b>3 931 929</b>	<b>3 786 306</b>
<b>TOTAL LIABILITIES</b>		<b>5 225 529</b>	<b>5 227 164</b>

Ivars Muzikants  
(Chairman of the Board)

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Toms Bergs  
(Member of the Board)

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*signature*

**Annual report drawn up by:**

Kristine Korpa  
(Chief Accountant)

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*signature*

**CONSOLIDATED CASH FLOW STATEMENT**

(indirect method)

	Note number	2024	2023
		EUR	EUR
<b>Cash flow of principal activity</b>			
Profit or loss before enterprise income tax		(140 790)	(28 835)
<b>Corrections:</b>			
Corrections of decrease in value of fixed assets		748 393	719 566
Corrections of decrease in value of intangible assets		85 202	73 445
Revenue from participation in fixed capital of related		(15 738)	(11 633)
Interest payments and similar costs		82 102	132 181
<b>Profit or loss before corrections of influence of changes in balances of current assets and short-term creditors</b>		<b>759 169</b>	<b>884 724</b>
<b>Corrections:</b>			
Increase or decrease in balances of debts of debtors		(122 495)	131 017
Increase or decrease in balances of stocks		(144 418)	242 851
Increase or decrease in balances of debts to be paid to suppliers, contract		210 789	(253 928)
<b>Gross cash flow of principal activity</b>		<b>703 045</b>	<b>1 004 664</b>
<b>Expenses for interest payments</b>		(82 102)	(132 181)
<b>Expenses for enterprise income tax payments</b>		(4 760)	(16 487)
<b>Net cash flow of principal activity</b>		<b>616 183</b>	<b>855 996</b>
<b>Investment activity cash flow</b>			
Acquisition of fixed assets and intangible assets		(200 397)	(395 840)
Revenue from sale of fixed assets and intangible investments		57 819	21 300
<b>Investment activity cash flow</b>		<b>(142 577)</b>	<b>(374 540)</b>
<b>Financing activity cash flow</b>			
Loans received		30 970	30 795
Expenses for repayment of loans		(674 206)	(490 456)
Expenses for purchase of leased fixed asset		(24 877)	(243 785)
<b>Financing activity cash flow</b>		<b>(668 113)</b>	<b>(703 446)</b>
<b>Net cash flow of the reporting year</b>		<b>(194 507)</b>	<b>(221 990)</b>
<b>Balance of cash and its equivalents at the beginning of the reporting year</b>		<b>561 303</b>	<b>783 293</b>
<b>Balance of cash and its equivalents at the end of the reporting</b>	0	<b>366 796</b>	<b>561 303</b>

Ivars Muzikants  
(Chairman of the Board) *signature*

February 28, 2025

Toms Bergs  
(Board member) *signature*

Annual report drawn up by:  
Kristine Korpa  
(Accountant) *signature*

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**STATEMENT OF CHANGES IN EQUITY**

	Share capital	Share premium	Revaluation reserve of financial instruments	Revaluation reserve of long-term investments	Reserves	Retained earnings	Total equity
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>As at 31.12.2022</b>	<b>1 380 000</b>	-	-	-	<b>30 775</b>	<b>60 394</b>	<b>1 471 169</b>
Increase / decrease in reserve balance	-	-	-	-	(1 049)	-	(1 049)
Profit for the financial year	-	-	-	-	-	(29 262)	(29 262)
<b>As at 31.12.2023</b>	<b>1 380 000</b>	-	-	-	<b>29 726</b>	<b>31 132</b>	<b>1 440 858</b>
Increase / decrease in reserve balance	-	-	-	-	(1 050)	-	(1 050)
Profit for the financial year	-	-	-	-	-	(146 208)	(146 208)
<b>As at 31.12.2024</b>	<b>1 380 000</b>	-	-	-	<b>28 676</b>	<b>(115 076)</b>	<b>1 293 600</b>

Ivars Muzikants  
(Chairman of the Board)

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*signature*

Toms Bergs  
(Member of the Board)

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**Annual report drawn up by:**

Kristine Korpa  
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## NOTES TO THE FINANCIAL STATEMENTS

### (1) Significant accounting principles

#### Principles of preparation of financial statements

The Annual Report has been prepared in accordance with the laws "On Accounting" and "Law On the Annual Financial Statements and Consolidated Financial Statements".

The income statement has been classified using function of expenditure method.

#### Consolidation

The consolidated financial statements of the Group include:

Company name	Registration number	Country of incorporation	Principal activities	Controlled since
HESTIO, AS	40003972121	Latvia	Holding company	-
AURON COFFEE ROASTERY SIA; Rīga Mellužu iela 13-11A, LV-1067*	40103391496	Latvia	Coffee production	15.11.2021
PRINTERO SIA; Rīga, Mellužu iela 13-11A, LV-1067**	40203597497	Latvija	Printing services	16.10.2024

\*The concern owns 100% - SIA AURON COFFEE shares.

\*\*The concern owns 85% - SIA PRINTERO shares.

Subsidiaries are the entities controlled by the Parent Company. Control is achieved when the Parent Company:

- Has the power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee;
- Has the ability to use its power to affect its returns.

The Parent Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### Reporting period

The reporting period is 12 months      01.01.2024    to    31.12.2024

The previous period is 12 months from    01.01.2023    to    31.12.2023

#### Accounting principles

The financial statement has been drawn up assuming that the company will continue its operations in the future, The components of assets and liabilities were assessed separately. Set-off between the asset and liability items

### **Transactions in foreign currencies**

Financial reports are prepared in the single currency of the European Union, euro (EUR).

All transactions in foreign currencies are converted into euro according to the official currency exchange rate set by the European Central Bank on the respective day of transaction. All monetary assets and liabilities are converted into euro according to the exchange rate set by the European Central Bank on the last day of the Profit or loss gained as a result of currency exchange rate fluctuations have been recognized in the income statement for the respective period.

### **Related parties**

A related party is a person or an entity that is related to the reporting Company.

A person or a close member of that person's family is related to the reporting Company if that person has control, joint control or significant influence over the reporting Company or is a member of the key management personnel of the reporting Company or of a parent of the reporting Company.

An entity is related to the reporting Company if they are members of the same group. Also an entity is related to the reporting Company if the entity is controlled, jointly controlled or significantly influenced by a related person of the reporting Company or this related person of the reporting Company is a member of the key management personnel of that entity or of a parent of that entity.

### **Intangible assets and fixed assets**

Fixed assets are displayed in their acquisition value less depreciation. The acquisition value of fixed assets consists of purchase price, import duties and non-refundable purchase taxes, other costs directly attributable to delivery of the assets to their location and getting in the working condition pursuant to the suggested use. Depreciation and amortisation is calculated over the useful life of the asset according to the linear method applying the following depreciation rates as the basis of calculation:

Office equipment	30%
Computer hardware	33%
Motor vehicles	16%
Other fixed assets	14-50%

If it is established that the fixed asset is no longer functional or is partially functional, it is liquidated or its accounting value is reduced, according to its actual market value and degree of depreciation.

Intangible assets are displayed in their acquisition value less depreciation. Depreciation has been calculated within the period of useful life of an asset according to the linear method, applying the following rates:

Licenses	10-20%
Other intangible investments	30%

Gains or losses from sales of fixed assets are displayed in the income statement of the respective period. Repair or renovation expenses that increase the useful life of fixed assets or their value are capitalised and written off within the period of useful life of assets. Other repair or renovation expenses are recognised as the loss of the accounting period.

Expenses related to leasehold improvements are capitalised and displayed in the fixed assets. Depreciation is calculated over the lease period using the linear method. Loan issue expenses that are directly related to formation of fixed assets and construction in progress are capitalised, if such expenses are reasonably attributable and directly related. Loan issue expenses are capitalised before putting the fixed assets into

Research costs are recognized as losses of the reporting year at the moment when they are incurred. The Company's development costs are capitalized if their recoverability in the future may be substantially proved. Amortization is calculated during the whole recovery period of development costs.

### **Intangible value**

Intangible value reflects the excess of the cost resulting from the business combination over the net identifiable assets acquired by the Group and the fair value of possible liabilities on the acquisition date. Initially, intangible value is measured at the fair value of the consideration received, including the recognized amount of non-controlling interests in the acquired entity, less the recognized sum of acquired identifiable assets and assumed liabilities (usually at fair value) on the acquisition date. Intangible value is included in the composition of intangible investments. Intangible value is attributed to cash-generating units and, after initial recognition, is shown at the initial cost value, less accumulated impairment losses. Possible impairment tests for intangible values are conducted annually or more frequently if events or changes in circumstances indicate that its value may have decreased. The Company's intangible value is written off over 10 years. Negative intangible value arising from acquisition is recognized in the profit or loss calculation at the moment of its occurrence.

Intangible value is attributed to cash-generating units and, after initial recognition, is shown at the initial cost value, less accumulated impairment losses. Possible impairment tests for intangible values are conducted annually or more frequently if events or changes in circumstances indicate that its value may have decreased. The Company's intangible value is written off over 10 years. Negative intangible value arising from acquisition is recognized in the profit or loss calculation at the moment of its occurrence.

### **Evaluation of inventories**

Cost price of inventories is determined using FIFO method. Inventories are evaluated according to the cost price or the lowest market values on the balance date.

If inventory units are damaged, have become partly or totally obsolete, or the expenses of production completion or selling increase substantially - corresponding inventory units has to be valued at the net sales price. (Net sales price is the forecasted sales price in ordinary business, less the calculated products completion and selling expenses).

### **Receivables**

Receivables are recognized according to the amount of initial invoices, less accruals for doubtful debts. Accruals are made if receipt of full amount of the debt is doubtful. Debts are written off if their recovery is considered as impossible.

#### *Provisions for bad and doubtful debtors*

Provisions for bad and doubtful debtors are estimated over the whole year based on expected budget created as for proportional income and expense flows. Accounts receivables can be written off from the provisions if their recovery is considered to be impossible. At the end of the year the Company evaluates all account receivables - bad debts are written off, but doubtful debts are assigned to Provisions for doubtful debts.

### **Cash**

Cash is cash in hand and non-cash in payment accounts and deposit accounts.

### **Financial leasing liabilities**

Lease is classified as a financial lease if in fact all risks and remunerations that are a characteristic of ownership are transferred to a tenant and if it corresponds to at least one of the following conditions:

- a) ownership to the leased asset will be transferred to the tenant upon expiration of the leasing term;
- b) the lease term includes the majority of the asset's time of useful use;
- c) the leased assets are so specific that only the tenant is entitled to use them without a significant

The assets for financial lease are initially recognised as the Company's assets after their true value or after the current value of the minimum leasing payments if it is lower than the true value. Each of these values are determined on the date of acquiring the lease asset. Lease liabilities are included in the balance sheet as long-term and short-term liabilities of financial lease. Financial expenditure are reflected in the income statement on the relevant period so that a regular and periodic cost rate from the liability surplus would be provided for each

### **Operative lease**

Costs of operating lease are charged to the income statement on a linear method basis over the period of the

### **Loans and borrowings**

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in the income statement as interest income/ expense when the liabilities are derecognised through the amortisation process.

### **Lea**

Leaseback transactions have been booked in the Company. They are not included in the profit and loss account. Leaseback transactions are related to the sale of fixed assets owned by the Company and their subsequent usage under a

### **Accrued liabilities**

#### *Provisions for unused vacation compensation*

The provision sum is established by multiplying the average wage for the last six months of the reporting period with the number of days of unused annual leaves on the end date of the reporting period, including also the mandatory state social insurance contributions made by the employer.

#### *Provision for not received expense invoices*

Accrued liabilities for unreceived invoices are clearly known trade liability sums for the goods or services received within the reporting year when a relevant payment document (an invoice) has failed to be received on the date of drawing up the balance sheet. The liability sums are calculated, based on the price, which is defined in the relevant agreement, and on the documents that approve actual receipt of the goods or services.

### **Recognition of income**

Revenue recognition from the sale of goods is recognised as soon as a significant portion of ownership and risks of goods are transferred to the customer, and the reward can be measured reliably. Revenue from rendering of services is recognised in proportion to the stage of completion of the order. Dividend income is recognised when the shareholder's right to receive payment is established. Interest income is recognised in the

### **Corporate income tax**

As of taxation year of 2018, corporate income tax will be calculated for distributed profit (dividends) and conditionally distributed profit by applying the rate of 20%. Corporate income tax will be recognised at the moment when the participants of the Company will make a decision on distribution of profit, or when the costs not promoting further development of the Company (conditionally distributed profit) will be recorded.

### **Application of assumptions**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as income and expenses. The management has assessed its income statement and concluded that the financial statements give a true and fair view of the financial position of the Company, based on all the information currently available.

**Subsequent events**

Post-year-end events that provide additional information about the Company's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

**(2) Net turnover:**

Net turnover - proceeds from company's major activity - rendering of services without value added tax.

Type of activity	2024	2023
	EUR	EUR
Revenue from sales and services	12 978 983	12 898 708
<b>Total</b>	<b>12 978 983</b>	<b>12 898 708</b>

**(3) Production cost of goods sold, acquisition cost of goods sold or services provided**

	2024	2023
	EUR	EUR
Cost of goods purchased	6 669 824	6 786 980
Costs of raw materials and supplies	529 798	585 276
Excise duties	122 939	139 617
Cost of goods after inventory	-	15 342
Item value changes	1 958	(26 709)
Received discounts	(118 536)	(65 447)
Other cost of sales		-
Expenses A		-
<b>Total</b>	<b>7 205 983</b>	<b>7 435 059</b>

**(4) Selling expenses**

	2024	2023
	EUR	EUR
Staff costs	2 373 237	2 064 308
Depreciation of fixed and intangible assets	819 598	781 070
Transport costs	537 071	528 271
Mandatory social insurance contributions	500 645	450 304
Communication costs, IT costs	253 375	222 465
Rentals	172 294	179 510
Office expenses	147 312	158 866
Advertising and marketing expenses	84 187	103 302
Employee Engagement and Sustainability	81 426	102 112
Staff meals	42 877	39 490
Packing material	29 395	36 788
Disposal of low-value inventory	8 608	10 498
Business trip expenses	6 587	2 629
Other selling expenses	27 939	43 567
<b>Total</b>	<b>5 084 551</b>	<b>4 723 180</b>

**(5) Administrative expenses**

	2024	2023
	EUR	EUR
Personnel expenses	393 337	409 866
Professional services expenses	89 417	32 221
Mandatory social insurance contributions	89 774	96 687
Communication expenses	35 787	41 698
Other administration expenses	68 104	48 395
<b>Total</b>	<b>676 419</b>	<b>628 867</b>

**(6) Other operating income**

	<b>2024</b>	<b>2023</b>
	EUR	EUR
Incomes from disposal of long-term investment objects	48 826	18 696
Proceeds from sale of fixed assets	8 539	7 372
Revenue from rent		11 633
Other income	31 563	17 388
<b>Total</b>	<b>88 928</b>	<b>55 089</b>

**(7) Other operating expenses**

	<b>2024</b>	<b>2023</b>
	EUR	EUR
Incomes from disposal of long-term investment objects	33 088	-
Non-business costs	21 282	1 563
Cost of goods for own consumption	17 276	24 924
Provisions for bad and doubtful debts	3 478	4 923
Nature conservation expenses	1 473	987
Paid fines and penalties	240	4 815
Other expenses	11 099	5 712
<b>Total</b>	<b>87 936</b>	<b>42 924</b>

**(8) Information on profit or loss from disposal of long-term investment objects**

<b>Long-term investment object</b>	<b>Balance</b>	<b>Alienation</b>	<b>Alienation</b>	<b>Gross</b>	<b>Profit or</b>
	<b>value at the</b>	<b>income</b>	<b>expenses</b>	<b>income or</b>	<b>loss from the</b>
	<b>moment of</b>			<b>profit</b>	<b>object's</b>
	<b>exclusion</b>			<b>loss from the</b>	<b>alienation</b>
	EUR	EUR	EUR	EUR	EUR
Other fixed assets and inventory	33 088	48 826	-	15 738	15 738
<b>Total</b>	<b>33 088</b>	<b>48 826</b>	<b>-</b>	<b>15 738</b>	<b>15 738</b>



**(8) Intangible assets**

		<b>Research and development costs</b>	<b>Concessions, patents, licenses, trade marks and similar rights</b>	<b>Other intangibl e assets</b>	<b>Goodwill</b>	<b>Advances for intangible assets</b>
		EUR	EUR	EUR	EUR	EUR
<b>Acquisition value</b>	<b>31.12.2023</b>	-	<b>78 601</b>	<b>172 460</b>	<b>263 770</b>	-
Additions		-	16 757	26 000	-	-
Disposal		-	(2 539)	-	-	-
<b>Acquisition value</b>	<b>31.12.2024</b>	-	<b>92 819</b>	<b>198 460</b>	<b>263 770</b>	-
<b>Accumulated amortization</b>	<b>31.12.2023</b>	-	<b>(40 052)</b>	<b>(57 120)</b>	<b>(95 145)</b>	-
Amortization charge		-	(2 330)	(30 118)	(52 754)	-
Amortization of intangible assets that have been liquidated or reclassified		-	2 539	-	-	-
<b>Accumulated amortization</b>	<b>31.12.2024</b>	-	<b>(39 843)</b>	<b>(87 238)</b>	<b>(147 899)</b>	-
<b>Net book value</b>	<b>31.12.2023</b>	-	<b>38 549</b>	<b>115 340</b>	<b>168 625</b>	-
<b>Net book value</b>	<b>31.12.2024</b>	-	<b>52 976</b>	<b>111 222</b>	<b>115 871</b>	-

**(9) Fixed assets**

		Investments in Machinery		Other fixed	Advances	Total
		leasehold	and	assets and	for fixed	fixed assets
		improvements	equipment	inventory	assets	
		EUR	EUR	EUR	EUR	EUR
<b>Acquisition value</b>	<b>31.12.2023</b>	<b>324 947</b>	<b>244 272</b>	<b>3 962 939</b>	<b>-</b>	<b>4 532 158</b>
Additions		23 164	19 962	710 892	41 966	795 984
Reclassified					(41 966)	(41 966)
Disposal		-	-	(234 730)		(234 730)
Transfer to another		-		(43 713)	-	(43 713)
<b>Acquisition value</b>	<b>31.12.2024</b>	<b>348 111</b>	<b>264 234</b>	<b>4 395 388</b>	<b>-</b>	<b>5 007 733</b>
<b>Accumulated depreci</b>	<b>31.12.2023</b>	<b>(191 666)</b>	<b>(11 039)</b>	<b>(2 047 206)</b>	<b>-</b>	<b>(2 249 911)</b>
Calculated depreciation		(59 012)	(11 952)	(677 429)	-	(748 393)
Amortization of intangible assets		-	-	234 730	-	234 730
that						
<b>Accumulated depreci</b>	<b>31.12.2024</b>	<b>(250 678)</b>	<b>(22 991)</b>	<b>(2 489 905)</b>	<b>-</b>	<b>(2 763 574)</b>
<b>Net book value</b>	<b>31.12.2023</b>	<b>133 281</b>	<b>233 233</b>	<b>1 915 733</b>	<b>-</b>	<b>2 282 247</b>
	<b>31.12.2024</b>	<b>97 433</b>	<b>241 243</b>	<b>1 905 483</b>	<b>-</b>	<b>2 244 159</b>

**(10) Trade receivables**

	<b>31.12.2024</b>	<b>31.12.2023</b>
	EUR	EUR
Trade receivables carrying amount	1 021 533	934 463
Provisions for bad and doubtful debtors	(16 740)	(15 849)
<b>Total</b>	<b>1 004 793</b>	<b>918 614</b>

**(11) Other receivables**

	<b>31.12.2024</b>	<b>31.12.2023</b>
	EUR	EUR
Security deposits	32 146	35 676
Supplier surplus	5 687	8 549
Corporate income tax advance payment	-	169
<b>Total</b>	<b>37 833</b>	<b>44 394</b>

**(12) Share capital (equity capital)**

As of 31 December 2024 and 2023, the share capital is fully paid up. It consists of 1,380,000 capital shares with a nominal

	<b>31.12.2024</b>	<b>31.12.2023</b>
	EUR	EUR
	1 380 000	1 380 000

**(13) Loans to bonds**

On December 20, 2022, Hestio AS issued bonds with a maturity date of September 1, 2027, yearly interest rate 4.5%, interest rate per period 1.125 %the nominal value of one bond is EUR 0.01, the total value is EUR 990,000.00, the coupon payment frequency is 4 times a year. ISIN: LV0000802650. The terms of the bonds provide for the fulfillment of certain financial covenants in 2023 - Net Debt/ Equity. DSCR indicators.

	<b>31.12.2024</b>	<b>31.12.2023</b>
	EUR	EUR
Loans to be paid in 1 to 5 years	1 051 765	1 020 795
<b>Total</b>	<b>1 051 765</b>	<b>1 020 795</b>

**(14) Borrowings from credit institutions**

	<b>Date of payment</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
		EUR	EUR
<b>Long-term borrowings (more than 5 years)</b> (see note 20 for collateral information)			
Attīstības finanšu institūcija ALTUM JSC	15.05.2028	63 189	89 460
<b>Total</b>		<b>63 189</b>	<b>89 460</b>

	<b>Date of payment</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
		EUR	EUR
<b>Short-term borrowings</b>			
Attīstības finanšu institūcija ALTUM JSC	15.05.2028	26 270	26 270
Swedbank JSC	03.06.2025	144 000	142 606
<b>Total short-term borrowings</b>		<b>170 270</b>	<b>168 876</b>

**(15) Other borrowings**

	<b>31.12.2024</b>	<b>31.12.2023</b>
	EUR	EUR
<b>Long-term borrowings (more than 1 year)</b>		
Swedbank Lizings Ltd.	374 097	335 930
<b>Total</b>	<b>374 097</b>	<b>335 930</b>

	<b>31.12.2024</b>	<b>31.12.2023</b>
	EUR	EUR
<b>Short-term borrowings (up to 1 year)</b>		
Swedbank Lizings Ltd.	367 262	364 629
<b>Total</b>	<b>367 262</b>	<b>364 629</b>

*As of December 31, 2024 the company has 18 financial lease agreements for car leases for 5 years and 11 financial lease agreements for coffee machines and water equipment leases for 3 years.*

**(16) Other liabilities**

	<b>31.12.2024</b>	<b>31.12.2023</b>
	EUR	EUR
<b>Short-term other creditors</b>		
Payments for wages	156 552	146 977
Overpayments made by customers	-	3 191
Security fee received from debtors	4 736	7 434
Settlement of claims against staff and short-term loans	411	230
<b>Total long-term other creditors</b>	<b>161 699</b>	<b>157 832</b>

**(17) Accrued liabilities**

	<b>31.12.2024</b>	<b>31.12.2023</b>
	EUR	EUR
Provisions for unused leave	156 234	131 454
Accrued commitments for services received and others	43 789	20 326
<b>Total</b>	<b>200 023</b>	<b>151 780</b>

**(18) Average number of employees**

	<b>2024</b>	<b>2023</b>
Members of the Board	7	2
Members of the Supervisory Board	3	3
Other employees	155	146
<b>Average number of employees of reporting year</b>	<b>165</b>	<b>151</b>

**(19) Information on lease and rent agreements, that have important influence on company's activity**

Premises lease agreement No. Ī-22 from 30.05.2016 with ABAVA Ltd. until 31.12.2029.

**(20) Information on issued guarantees, warranties, and other possible liabilities and pledged assets**

In connection with the received loan (see note No. 14), the objects of the commercial pledge are the fixed assets of Hestio AS and their accessories, intangible investments, stocks worth EUR 2,500,000.00

**(21) Reverse lease**

In 2024, the Company recorded Leaseback transactions for a total amount of EUR 545 047, which are not included in the profit and loss account. The leaseback is related to the sale of fixed assets owned by the Company to Swedbank Lizings Ltd. and their return. The return is presented in the balance sheet as Finance lease, in 2023 the Company had Leaseback transactions for a total amount of EUR 362 253.

**(22) Important events after the end of the report year**

There have been no other significant events between the last day of the reporting year and the date of signing these financial statements that would have a material impact on the Company's financial position as of 31 December 2024.

**(23) Financial risk management**

The Company's financial assets primarily consist of trade receivables and demand deposits with credit institutions. Its financial liabilities are mainly comprised of debts to suppliers for goods and services. Cash is predominantly held with well-established Latvian financial institutions. The Company's financial creditors are Latvian credit institutions, which provide both long-term and short-term financing for the Company's financial activities. As a result, the Company is exposed to interest rate risk, which may have a significant impact on its operating results. There are no significant differences between the carrying amounts of the Company's financial assets and liabilities and their fair values. The Company did not use any derivative financial instruments during the reporting year.

**(24) Personnel expenses**

	<b>2024</b>	<b>2023</b>
	EUR	EUR
Wages	2 278 450	2 151 376
Mandatory state social insurance contributions	537 067	507 469
<b>Other personnel expenses</b>	<b>2 815 517</b>	<b>2 658 845</b>

**(25) Proposal for Distribution of Profit or Covering of Loss**

Losses in year 2024, are covered from profits of previous years.

Ivars Muzikants  
(Chairman of the Board) \_\_\_\_\_  
*signature*

Toms Bergs  
(Board member) \_\_\_\_\_  
*signature*

**Annual report drawn up by:**

Kristine Korpa  
(Chief Accountant) \_\_\_\_\_  
*signature*

THIS DOCUMENT IS SIGNED ELECTRONICALLY WITH A SECURE ELECTRONIC  
SIGNATURE AND CONTAINS A TIME STAMP