

Riga, 30th September 2024

Hestio AS

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

Consolidated interim 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		
	From 25.10.2023 - present	Ivars Muzikants	Chairman of the Board
	From 11.07.2023 - present	Reinis Tutāns	Member of the Board
	From 11.07.2023 - present	Gustavs Dreimanis	Member of the Board
	From 25.10.2023 - present	Andris Laizāns Artūrs Dombrovskis	Chairman of the Council Deputy Chairman of Council
		Andris Upmiņš Māra Zepa Atis Zvidriņš	Council member Council member Council member
Interim report drawn up by	Kristine Korpa	–	Chief Accountant
Reporting period	from 01.01.2024	to	30.06.2024
Previous reporting period	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		

MANAGEMENT REPORT

Type of activity

Retail of office items and coffee machine rental

Performance and Financial Situation of the Company

Sales volumes have remained steady compared to the previous year, while both gross profit and EBITDA have increased by 7% and 8% respectively relative to H1 2023. We continue to focus on executing changes in our sales strategy, introduced last year, aimed at driving higher profitability and operational efficiency across all business segments. The ongoing process contributes to the net losses during the reporting period.

In addition to refining our sales approach, we have invested over 300 000 EUR in the first half of the year to enhance our rental equipment services. To further support this growth, we have strengthened our management team by onboarding a supply chain manager and improved quality control systems.

Hestio subsidiary Auron Coffee Roastery has made significant progress in expanding its business by preparing to enter new market segments, strengthening brand recognition, and acquiring new clients. This growth aligns with our broader strategy of diversification, as Hestio continues to support the subsidiary's expansion into complementary markets.

As part of our long-term vision, we remain committed to exploring and pursuing strategic expansion opportunities within the Baltic states.

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

Looking ahead, we are confident that the strategic initiatives we have implemented will drive sustained growth, improve profitability, and enhance our market position across all operating sectors.

Ivars Muzikants
(Chairman of the Board)

Reinis Tutāns
(Board member)

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CONSOLIDATED INCOME STATEMENT
(classified per function of expenditure)

	Note number	30.06.2024	2023
		EUR Total	EUR Total
Net turnover:	2	6 007 952	12 898 708
<i>c) from other main activity types.</i>		<i>6 007 952</i>	<i>12 898 708</i>
Production cost of goods sold, acquisition cost of goods sold or services provided	3	(3 226 407)	(7 435 059)
Gross profit or loss		2 781 545	5 463 649
Selling expenses	4	(2 417 994)	(4 723 180)
Administrative expenses	5	(369 749)	(628 867)
Other operating income	6	43 905	55 089
Other operating expenses	7	(59 838)	(42 924)
Other interest and similar income:		1 835	22
<i>a) from subsidiary companies,</i>		-	-
<i>b) from other persons.</i>		1 835	22
Interest payments and similar expenses:		(76 978)	(152 624)
<i>b) to other persons.</i>		-	-
		<i>(76 978)</i>	<i>(152 624)</i>
Profit or loss before the corporate income tax		(97 274)	(28 835)
Corporate income tax for the reporting year		(2 882)	(427)
Profit or loss of the reporting period		(100 156)	(29 262)

Notes on pages 10 to 21 form an integral part of these financial statements.

Ivars Muzikants
(Chairman of the Board)

Reinis Tutāns
(Board member)

Interim report drawn up by:

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(Chief Accountant)

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CONSOLIDATED BALANCE SHEET

ASSETS

	Note number	30.06.2024	31.12.2023
		EUR	EUR
		Total	Total
Long-term investments			
Intangible assets			
Concessions, patents, licences, trademarks and similar rights		52 056	12 308
Other intangible assets		128 153	141 582
Goodwill		142 247	168 624
Total intangible assets	8	322 456	322 514
Fixed assets			
Long-term investment in leased fixed assets		121 134	133 281
Technology devices and equipment		225 320	233 233
Other fixed assets and inventory		1 972 387	1 915 733
Advance payments for fixed assets		-	-
Total fixed assets	9	2 318 841	2 282 247
		-	-
Total long-term investments		2 641 297	2 604 761
Current assets			
Inventories			
Raw materials, direct materials and auxiliary materials		114 514	82 153
Finished products and goods for sale		958 051	964 711
Advance payments for inventories		43 389	17 573
Total inventories		1 115 954	1 064 437
Receivables			
Trade receivables	10	1 081 731	918 614
Other receivables	11	33 646	44 394
Prepaid expenses		17 469	18 387
Accrued income		992	15 268
Total receivables		1 133 838	996 663
Cash and cash equivalents		362 148	561 303
Total current assets		2 611 940	2 622 403
TOTAL ASSETS		5 253 237	5 227 164

CONSOLIDATED BALANCE SHEET

LIABILITIES

	Note number	30.06.2024 EUR Total	31.12.2023 EUR Total
Equity capital			
Share capital (equity capital)	12	1 380 000	1 380 000
Reserves:		29 201	29 726
f) other reserves		29 201	29 726
Retained earnings or uncovered losses of previous years		31 132	60 394
Profit or loss of the reporting period		(100 156)	(29 262)
Total equity capital		1 340 177	1 440 858
Creditors			
Long-term liabilities			
Issued bonds	13	1 036 164	1 020 795
Borrowings from credit institutions	14	76 327	89 460
Other borrowings	15	343 656	335 930
Amounts owed to subsidiary companies		-	-
Total long-term liabilities		1 456 147	1 446 185
Short-term liabilities			
Borrowings from credit institutions	14	175 211	168 876
Other borrowings	15	377 078	364 629
Trade payables		1 376 622	1 209 165
Amounts owed to subsidiary companies		-	-
Taxes and mandatory state social insurance contributions		227 137	287 839
Other liabilities	16	165 243	157 832
Accrued liabilities	17	135 623	151 780
Total short-term liabilities		2 456 914	2 340 121
Total liabilities		3 913 061	3 786 306
TOTAL LIABILITIES		5 253 238	5 227 164

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Ivars Muzikants
(Chairman of the Board)

Reinis Tutāns
(Board member)

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CONSOLIDATED CASH FLOW STATEMENT

(indirect method)

	Note number	30.06.2024 EUR	2023 EUR
Cash flow of principal activity			
Profit or loss before enterprise income tax		(97 274)	(28 835)
Corrections:		-	-
Corrections of decrease in value of fixed assets		371 886	719 566
Corrections of decrease in value of intangible assets		40 579	73 445
Revenue from participation in fixed capital of related		(1 532)	(11 633)
Other revenue from interest and similar revenue		(1 835)	-
Interest payments and similar costs		(76 978)	132 181
Profit or loss before corrections of influence of changes in balances of current assets and short-term creditors		234 846	884 724
Corrections:		-	-
Increase or decrease in balances of debts of debtors		(137 175)	131 017
Increase or decrease in balances of stocks		(45 029)	242 851
Increase or decrease in balances of debts to be paid to suppliers, contract		147 488	(253 928)
Gross cash flow of principal activity		200 129	1 004 664
Expenses for interest payments		76 978	(132 181)
Expenses for enterprise income tax payments		(2 199)	(16 487)
Net cash flow of principal activity		274 908	855 996
Investment activity cash flow		-	-
Acquisition of fixed assets and intangible assets		(215 617)	(395 840)
Revenue from sale of fixed assets and intangible investments		25 988	21 300
Interest received		1 835	-
Investment activity cash flow		(187 794)	(374 540)
Financing activity cash flow		-	-
Loans received		15 369	30 795
Expenses for repayment of loans		(6 798)	(490 456)
Expenses for purchase of leased fixed assets		(294 841)	(243 785)
Financing activity cash flow		(286 270)	(703 446)
Result of fluctuations of foreign currency exchange rates		-	-
Net cash flow of the reporting year		(199 155)	(221 990)
Balance of cash and its equivalents at the beginning of the reporting year		561 303	783 293
Balance of cash and its equivalents at the end of the reporting year		362 148	561 303

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(Accountant)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserves	Retained earnings	Total equity
	EUR	EUR	EUR	EUR
As at 31.12.2022	1 380 000	30 775	60 394	1 471 169
Increase / decrease in share capital	-	-	-	-
Increase / decrease in reserve balance	-	(1 049)	-	(1 049)
Increase / decrease in share capital	-	-	(29 262)	(29 262)
As at 31.12.2023	1 380 000	29 726	31 132	1 440 858
Increase / decrease in reserve balance	-	(525)	-	(525)
Profit for the financial period	-	-	(100 156)	(100 156)
As at 30.06.2024	1 380 000	29 201	(69 024)	1 340 177

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Reinis Tutāns
(Member of the Board)

Interim report drawn up by:

Kristine Korpa
(Chief Accountant)

NOTES TO THE FINANCIAL STATEMENTS

(1) Significant accounting principles

Principles of preparation of financial statements

The Interim 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.

The cash flow statement is prepared using the indirect 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

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

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

- 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 6 months from 01.01.2024 to 30.06.2024

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 recording and assessment methods are applied consistently compared with the previous financial period and assessments are performed with due caution.

- a) only the profit acquired till the balance sheet date has been included in the report;
- b) or all expected risk amounts and losses incurred in the reporting year, or in the previous years have been included, even if they have become known during the time period between the balance sheet date and the day when the annual report has been signed;
- c) all depreciation and amortisation amounts have been calculated and taken into account.

The amounts of Balance and Profit or Loss statement items are provided on an accrual basis, namely, income and expense items are provided taking into consideration their time of occurrence, and not the time of cash receipt or issue. The expenses are reconciled with the revenue in the respective reporting periods. Amounts indicated on balance sheet items at the beginning of each reporting period (opening balances) correspond to amounts on the same balance sheet items in the prior reporting year (closing balances) (except for in cases when error corrections are made).

The components of assets and liabilities were assessed separately. Set-off between the asset and liability items of the balance sheet, or between the income and expense items of the profit and loss statement is prohibited (except for excluding long-term investments). In the Balance Sheet and Profit or Loss Account items the amounts are provided taking into account the content and nature of the operating transactions, not just their legal form. The Balance Sheet and Profit and Loss Account items are assessed in accordance with the purchase costs or production costs. Acquisition cost is the purchase price of a good or service (including the received discounts), plus the additional costs related to the purchase. Production cost is the cost of acquiring raw materials, basic materials and auxiliary materials and other expenses directly related to the production of the relevant item. The production cost price may also include such parts of costs, that are indirectly related to the production of the object, if these costs can be referred to the same time period.

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 financial year.

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 operation.

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.

Evaluation of inventories

Cost price of inventories is determined using the 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 period 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 the Company and if it corresponds to at least one of the following conditions:

- a) ownership to the leased asset will be transferred to the Company 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 modification.

The assets for financial lease are initially recognised as the Company's assets at their true value or at the current value of the minimum lease payments if it is lower than the true value. Each of these values are determined on the date of acquiring the leased asset. Lease liabilities are included in the balance sheet as long-term and short-term liabilities of financial leases.

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 reporting period.

Operating lease

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

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.

Leaseback

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 leasing

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 period 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 corresponding period of time.

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-reporting period-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-reporting period-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	30.06.2024	2023
	EUR	EUR
Revenue from sales and services	6 007 952	12 898 708
Total	6 007 952	12 898 708

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

	30.06.2024	2023
	EUR	EUR
Cost of goods purchased	2 940 045	6 786 980
Costs of raw materials and supplies	276 395	585 276
Excise tax	70 165	139 617
Cost of goods after inventory	5 713	15 342
Item value changes	(23 311)	(26 709)
Received discounts	(42 600)	(65 447)
Total	3 226 407	7 435 059

(4) Selling expenses

	30.06.2024	2023
	EUR	EUR
Staff costs	1 081 491	2 076 313
Depreciation of fixed and intangible assets	400 986	781 070
Transport costs	250 553	528 271
Mandatory social insurance contributions	244 865	450 304
Communication costs, IT costs	126 161	222 465
Rentals	94 174	179 510
Office expenses	73 873	158 866
Advertising and marketing expenses	35 258	103 302
Employee Engagement and Sustainability	42 522	102 112
Staff meals	32 607	39 490
Packing material	13 597	36 788
Disposal of low-value inventory	4 487	10 498
Business trip expenses	2 961	2 629
Vacation reserves	(4 668)	(12 005)
Other selling expenses	19 127	43 567
Total	2 417 994	4 723 180

(5) Administrative expenses

	30.06.2024	2023
	EUR	EUR
Personnel expenses	237 866	409 866
Mandatory social insurance contributions	56 114	96 687
Communication expenses	17 944	41 698
Professional services expenses	32 013	32 221
Bank service expenses	2 156	4 449
Other administration expenses	23 656	43 946
Total	369 749	628 867

(6) Other operating income

	30.06.2024	2023
	EUR	EUR
Proceeds from sale of fixed assets	-	18 410
Income from fixed asset sales	-	1 640
Other income*	43 905	72 608
Total	43 905	92 658

(7) Other operating expenses

	30.06.2024	2023
	EUR	EUR
Cost of goods for own consumption	8 339	24 924
Provisions for bad and doubtful debts	(448)	4 923
Paid fines and penalties	40	4 815
Non-business costs	11 486	1 563
Nature conservation expenses	396	987
Loss from exchange rate fluctuations	-	-
Other expenses	40 025	5 712
Total	59 838	42 924

(8) Intangible assets

		Concessions, patents, licenses, trade marks and similar rights	Other Intangible asset intangible assets	Intangible asset	Total intangible assets
		EUR	EUR	EUR	EUR
Acquisition value	31.12.2023	82 035	169 025	263 770	514 830
Additions		40 522	-	-	40 522
Acquisition value	30.06.2024	122 557	169 025	263 770	555 352
Accumulated amortization	31.12.2023	(69 728)	(27 443)	(95 146)	(192 317)
Amortization charge		(773)	(13 429)	(26 377)	(40 579)
Accumulated amortization	30.06.2024	(70 501)	(40 872)	(121 523)	(232 896)
Net book value	31.12.2023	12 307	141 582	168 624	322 514
Net book value	30.06.2024	52 056	128 153	142 247	322 456

(9) Fixed assets

		Investments in leasehold improvements	Machinery and equipment	Other fixed assets and inventory	Total fixed assets
		EUR	EUR	EUR	EUR
Acquisition value	31.12.2023	324 947	244 272	3 962 939	4 532 158
Additions		21 321	3 515	410 603	435 439
Transferred fixed assets		-	-	-	-
Disposal		-	-	(155 475)	(155 475)
Transfer to another item (to stock)		-	-	(26 434)	(26 434)
Acquisition value	30.06.2024	346 268	247 787	4 191 633	4 785 688
		-	-	-	-
Accumulated depreciation	31.12.2023	(191 666)	(11 039)	(2 047 206)	(2 249 911)
Depreciation charge		(34 933)	(5 768)	(333 175)	(373 876)
Amortization of intangible assets that have been liquidated or reclassified		1 465	-	155 475	156 940
Transfer to another item		-	(5 660)	5 660	-
Accumulated depreciation	30.06.2024	(225 134)	(22 467)	(2 219 246)	(2 466 847)
		-	-	-	-
Net book value	31.12.2023	133 281	233 233	1 915 733	2 282 247
Net book value	30.06.2024	121 134	225 320	1 972 387	2 318 841

(10) Trade receivables

	30.06.2024	31.12.2023
	EUR	EUR
Trade receivables carrying amount	1 097 132	934 463
Provisions for bad and doubtful debtors	(15 401)	(15 849)
Total	1 081 731	918 614

(11) Other creditors

	30.06.2024	31.12.2023
	EUR	EUR
Security deposits	33 646	35 676
Supplier surplus	-	8 549
Corporate income tax advance payment	-	168
Total	33 646	44 393

(12) Share capital (equity capital)

On December 31, 2023 and 2022, the share capital is fully paid. It consists of 1,380,000 capital shares with a nominal value of EUR 1.00.

	30.06.2024	31.12.2022
	EUR	EUR
	1 380 000	1 380 000

(13) Issued bonds

On December 20, 2022, Hestio AS issued bonds with a maturity date of September 1, 2027, and an annual interest rate of 4.5%. The nominal value of one bond is 0.01 EUR, with a total value of 990,000.00 EUR. Coupon payments are made 4 times a year. The ISIN code for these bonds is LV0000802650.

The bond terms stipulate certain financial covenants to be met in each year, including the Net Net Debt/ EBITDA ratio and Debt Service Coverage Ratio (DSCR) indicators.

	30.06.2024	31.12.2023
	EUR	EUR
Loans to be paid in 1 to 5 years	1 036 164	1 020 795
Total	1 036 164	1 020 795

(14) Borrowings from credit institutions

	30.06.2024	31.12.2023
	EUR	EUR
Long-term borrowings (from 1 to 5 years)		
(see note 20 for information of		
Attīstības finanšu institūcija	76 327	89 460
Total	76 327	89 460
Short-term borrowings		
Swedbank, AS (creditline)	148 943	142 606
Attīstības finanšu institūcija ALTUM JSC	26 270	26 270
Total short-term borrowings	175 213	168 876

(15) Other borrowings

	30.06.2024	31.12.2023
	EUR	EUR
Long-term borrowings (1 - 5 year)		
Swedbank Līzings SIA	343 656	335 930
Total	343 656	335 930
	30.06.2024	31.12.2023
	EUR	EUR
Short-term borrowings (up to 1 year)		
Swedbank Līzings Ltd.	377 078	364 629
Total	377 078	364 629

The company has 17 financial leasing agreements for cars and 17 for other fixed assets with Ltd. "Swedbank līzings".

(16) Other liabilities

	30.06.2024	31.12.2023
	EUR	EUR
Short-term other creditors		
Salary	158 552	146 977
Overpayments made by customers	-	3 191
Security fee received from debtors	6 015	7 434
Settlement of claims against staff and short-term loans	676	230
Total long-term other creditors	165 243	157 832

(17) Accrued liabilities

	30.06.2024	31.12.2023
	EUR	EUR
Provisions for unused leave	131 454	131 454
Accrued commitments for services received	4 169	10 625
Total	135 623	142 079

(18) Average number of employees

	30.06.2024	2023
Members of the Board	3	2
Members of the Council	3	3
Other employees	146	146
Average number of employees of reporting year	152	151

(19) 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

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

Premises lease agreement No. Ī-22 no 30.05.2016, concluded with ABAVA Ltd

(21) Reverse lease

In 2024, the Group has posted Leaseback transactions for a total amount of EUR 238 030, which are not included in the profit and loss statement. The return lease is related to the sale of fixed assets owned by the Group to SIA "Swedbank Līzings" and their return. The return is presented in the balance sheet as Finance Lease, in 2023 the Group had Leaseback transactions for the total amount of EUR 362 253.

(22) Important events after the end of the reportperiod

In the period between the last day of the reporting year and the signing date of these financial statements, there have been no other significant events that would materially impact the Company's financial position as of June 30, 2024.

(23) Financial risk management

The financial assets of the group mainly consist of debts of buyers and customers, as well as demand deposits in credit institutions. The majority of financial liabilities consist of debts owed to suppliers for goods and services. Funds are mainly placed in well-known Latvian financial institutions. The group's financial creditors are Latvian credit institutions that lend to the group's long-term and short-term financial transactions. Consequently, the concern is exposed to the risk of changes in interest rates, and this may significantly affect its performance. There is no significant difference between the balance sheet value of financial assets and liabilities and their fair value. In the reporting period, the Group did not use derivative financial instruments.

(24) Information on the payments for members of the council and the board

The remuneration of members of the Supervisory Council and Management Board for fulfilment of their duties at the Supervisory Council and Management Board, as well as for performance of their work obligations is as follows:

Type of costs	2024	2023
	EUR	EUR
Wages	110 768	164 792
Mandatory state social insurance contributions	26 130	38 874
Total	136 898	203 666

(25) Personnel expenses

	2024	2023
	EUR	EUR
Wages	1 155 483	2 151 376
Mandatory state social insurance contributions	272 341	507 469
Other personnel expenses	1 427 824	2 658 845

(26) Proposal for Distribution of Profit or Covering of Loss

The losses of 2024 will be covered from the accumulated profits of previous years.

Ivars Muzikants
(Chairman of the Board)

Reinis Tutāns
(Board member)

Interim report drawn up by:

Kristine Korpa
(Chief Accountant)

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