



Hestio AS

Reg. No. 40003972121

Kleistu street 18A-2, Riga, LV-1067

Consolidated annual report for year 2025

Prepared in accordance with IFRS Accounting Standards as adopted by the
European Union and the Independent Auditors' Report

This report is an English translation of the original Latvian

Riga, May 5, 2026

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Information on the Group

Name of the Concern	Hestio AS	
Legal status of the Concern	Public 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" AS (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 – present Ivars Muzikants Chairman of the Board From 06.06.2024 – present Toms Bergs Member of the Board From 11.07.2022 – 02.04.2026 Gustavs Dreimanis Member of the Board From 15.02.2022–28.02.2025 Reinis Tutāns Member of the Board From 20.08.2025 – present Inga Zobena Member of the Board From 28.04.2026 – present Kaspars Grenevics Member of the Board	
Council members	From 25.10.2023 – present Andris Laizāns Chairman of Council Artūrs Dombrovskis Deputy Chairman of Council Andris Upmiņš Council member Māra Zepa Council member Atis Zvidriņš Council member	
Annual report drawn up by	Kristīne Korpa – Chief Accountant	
Reporting year	from 01.01.2025 to 31.12.2025	
Previous reporting year	from 01.01.2024 to 31.12.2024	
Type of company's activity	Retail of office items and coffee machine rental	
NACE classification code	47.12; 46.49; 47.91; 46.4; 46.39; 46.37; 46.36; 46.34	
Auditors	KPMG Baltics SIA	Certified Auditor
	Roberta Hirša str. 1	Rihards Grasis
	License Nr. 55	Certificate Nr. 227

MANAGEMENT REPORT

Type of activity

Retail of office items and coffee machine rental

Performance and Financial Situation of the Company

In 2025, the Concern actively continued the development of the E-commerce segment and the implementation of changes to the previously developed sales strategy, which are planned to be completed in early 2026.

Market conditions were influenced by a decrease in customer purchasing power across the industry, which was not fully reflected in the Concern's initial 2025 plans. In response to the weaker performance observed in the early months of the year, the Concern introduced an extensive cost-optimisation programme starting from the second quarter, including a significant reduction of administrative expenses and a reassessment of growth and expansion priorities.

A strategic review of the subsidiary Printero revealed a persistent shortfall in both sales volumes and development pace compared with expectations. To prevent further negative impact on Concern performance, a decision was taken in May to divest the Company's 85% shareholding. The transaction had a one-off adverse effect of EUR 33 180 on the Concern's annual results – EBITDA and Net Profit.

The cost-control and efficiency measures implemented have had a positive impact.

In 2025, the Concern increased turnover by 3.8% year-on-year and achieved consolidated EBITDA of EUR 1 265 265, representing an increase of 27% compared to the previous year.

Improvements were also achieved in all key financial indicators summarised in Table No. 1.

	Liquidity – Current Ratio (x)	Equity Ratio	EBITDA Margin
2025	1.23	21.5%	9.40%
2024	0.76	23.5%	7.68%

Table No.1

The current ratio has improved and exceeds the 1.2x threshold generally considered optimal, demonstrating the Concern's ability to meet its short-term obligations.

Analyzing the capital structure, the equity ratio has decreased, which is primarily explained by the increase in total assets, driven by a significant rise in lease liabilities following the extension of the premises lease agreement.

The improvement in EBITDA margin reflects enhanced operational efficiency, as also confirmed by the positive net result.

Financial risk management

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

Foreign currency risk

The Concern does not have Foreign currency risk, all transactions are in euro.

Interest rate risk

The Concern 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 Concern 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 Concern is exposed to credit risk through its trade receivables, issued current loans, as well as cash and cash equivalents. The Concern 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 Concern's exposure to bad debts is minimised.



Future Development Plans

As the Concern continues implementing the changes to its sales strategy, its primary focus will be on further improving profitability, while secondarily working toward increasing operational volumes. As a result, the Hestio anticipates to generate sustainable growth in future periods.

AS HESTIO Management Board:

Chairman of the Board	Ivars Muzikants
Member of the Board	Toms Bergs
Member of the Board	Inga Zobena
Member of the Board	Kaspars Grenevics

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SIGNATURE AND CONTAINS A TIME STAMP



STATEMENT OF MANAGEMENT RESPONSIBILITY

The Company's management is responsible for preparing the financial statements in accordance with the IFRS Accounting Standards as adopted by the European Union. These financial statements provide a fair representation of the Company's financial position as at the end of the reporting year, along with its operational results and cash flows for the reporting period.

Management confirms that appropriate accounting and valuation policies have been applied in the preparation of the financial statements presented on pages 8 to 49 and that all decisions and estimates have been made prudently and with due justification. Furthermore, management confirms that the financial statements have been prepared on a going concern basis.

It is the responsibility of management to maintain an appropriate accounting system, safeguard the Company's assets, and implement controls to detect and prevent fraud and other irregularities. Management also ensures compliance with the laws and regulations of the Republic of Latvia.

AS HESTIO Management Board:

Chairman of the Board	Ivars Muzikants
Member of the Board	Toms Bergs
Member of the Board	Inga Zobena
Member of the Board	Kaspars Grenevics

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (classified per function of expenditure)

	Notes	2025 EUR	2024 EUR
Net turnover	2	13 462 030	12 967 827
Production cost of goods sold, acquisition cost of goods sold or services provided	3	(9 806 501)	(9 259 519)
Gross profit or loss		3 655 529	3 708 308
Selling expenses	4	(2 863 449)	(3 023 211)
Administrative expenses	5	(496 823)	(663 979)
Other operating income	6	75 384	63 684
Other operating expenses	7	(84 818)	(71 928)
Other interest and similar income		1 308	4 177
Adjustments of decrease in value of long-term and short-term financial investments:	15	(33 180)	-
a) other adjustments of decrease in value.		(33 180)	-
Interest payments and similar expenses		(203 792)	(189 184)
Profit or loss before the corporate income tax		50 159	(172 133)
Corporate income tax for the reporting year		-	-
Profit or loss after calculating the corporate income tax		50 159	(172 133)
Profit or loss of the reporting year		50 159	(172 133)
Changes in revaluation reserve		(1 048)	(1 050)
Total comprehensive profit or loss of the reporting year		49 189	(173 183)

Notes on pages 14 to 49 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

	Notes	31.12.2025 EUR	31.12.2024 EUR
Long-term investments			
Intangible assets			
Concessions, patents, licences, trademarks and similar rights		50 206	52 976
Other intangible assets		140 959	227 093
Total intangible assets	8	191 165	280 069
Fixed assets			
Long-term investment in leased fixed assets		75 311	97 433
Technology devices and equipment		216 553	228 351
Other fixed assets and inventory		1 611 183	1 904 825
Total fixed assets	9	1 903 047	2 230 609
Rights to use assets	10	849 409	36 071
Total long-term investments		2 943 621	2 546 749
Current assets			
Inventories			
Raw materials, direct materials and auxiliary materials		248 707	231 584
Finished products and goods for sale	11	1 105 179	968 842
Advance payments for inventories		22 420	12 628
Total inventories		1 376 306	1 213 054
Account receivables			
Trade receivables	12	1 023 898	1 024 751
Amounts owed by related companies	13	-	183
Other receivables	14	18 724	36 333
Short-term loans to subsidiary companies	15	-	18 000
Prepaid expenses		32 312	32 978
Accrued income		8 356	14 287
Total receivables		1 083 290	1 126 532
Non-current assets held for sale			
Shareholding in the capital of subsidiary companies	15	-	2 380
Total non-current assets held for sale		-	2 380
Cash and cash equivalents	16	569 359	365 840
Total current assets		3 028 955	2 707 806
TOTAL ASSETS		5 972 576	5 254 555

CONSOLIDATED STATEMENT OF CASH FLOWS

EQUITY and LIABILITIES

	Notes	31.12.2025 EUR	31.12.2024 EUR
Equity capital			
Share capital (equity capital)	17	1 380 000	1 380 000
Long-term investment revaluation reserve	9	27 628	28 676
Retained earnings or accumulated losses of previous years		(174 433)	(2 300)
Profit or loss of the reporting year		50 159	(172 133)
Total equity capital		1 283 354	1 234 243
Liabilities			
Long-term liabilities			
Bonds	18	1 164 078	-
Borrowings from credit institutions	19	36 919	63 189
Lease liabilities	10	650 706	82 267
Other borrowings	20	374 508	310 232
Total long-term liabilities		2 226 211	455 688
Short-term liabilities			
Bonds	18	-	1 101 431
Borrowings from credit institutions	19	220 575	170 270
Lease obligations	10	266 782	68 609
Other borrowings	20	252 044	317 050
Trade payables		1 062 684	1 245 417
Amounts owed to subsidiary companies	21	19 299	23 646
Taxes and mandatory state social insurance contributions		294 966	279 836
Other liabilities	22	181 275	159 289
Accrued liabilities	23	165 386	199 076
Total short-term liabilities		2 463 011	3 564 624
Total liabilities		4 689 222	4 020 312
TOTAL EQUITY and LIABILITIES		5 972 576	5 254 555

Notes on pages 14 to 49 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(indirect method)

	Notes	2025 EUR	2024 EUR
Cash flows of principal activity			
Profit or loss before enterprise income tax		50 159	(172 133)
Corrections			
Depreciation of fixed assets and right-of-use assets	9, 10	918 079	907 191
Amortization of intangible assets	8	88 904	85 202
Losses from sale of subsidiary	15	33 180	-
Gain or loss on sale of fixed assets		(1 308)	(4 177)
Other revenue from interest and similar revenue		200 741	189 184
Profit or loss before corrections of influence of changes in balances of current assets and short-term creditors		1 289 755	994 994
Corrections:			
Increase or decrease in balances of debts of debtors		25 198	(134 325)
Increase or decrease in balances of stocks		(159 432)	(143 457)
Increase or decrease in balances of debts to be paid to suppliers, contractors, and other creditors		(183 574)	100 649
Gross cash flows of principal activity		971 947	817 861
Expenses for interest payments		(138 094)	(130 730)
Net cash flows of principal activity		833 853	687 131

CONSOLIDATED CASH FLOW STATEMENT (continuation) (indirect method)

	Notes	2025 EUR	2024 EUR
Investment activity cash flows			
Acquisition of stocks or shares of related undertakings, associated undertakings, or other undertakings	15	(35 800)	(2 380)
Revenue from alienation of stocks or shares of related undertakings, associated undertakings, or other undertakings		5 000	-
Acquisition of fixed assets and intangible assets	8, 9, 10	(437 467)	(727 598)
Revenue from sale of fixed assets and intangible investments	6	43 385	48 826
Loans issued	15	(13 000)	(18 000)
Revenue from repayment of loans	15	31 000	-
Interest received		1 352	4 132
Net cash flows of investment activity		(405 530)	(695 020)
Financing activity cash flows			
Loans received	19,20	441 203	660 900
Repayment of lease liabilities	10	(248 109)	(216 107)
Repayment of loans	19,20	(417 899)	(632 367)
Net cash flows of financing activity		(224 805)	(187 574)
Net cash flows of the reporting year		203 519	(195 463)
Balance of cash and its equivalents at the beginning of the reporting year		365 840	561 303
Balance of cash and its equivalents at the end of the reporting year	16	569 359	365 840

Notes on pages 14 to 49 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Revaluation reserve	Retained earnings / (accumulated losses)	Total equity
As at 31.12.2023	1 380 000	29 726	(2 300)	1 407 426
Pārskata gada visaptverošie zaudējumi	-	(1 050)	(172 133)	(173 183)
As at 31.12.2024	1 380 000	28 676	(174 433)	1 234 243
Pārskata gada visaptverošie zaudējumi	-	(1 048)	50 159	49 189
As at 31.12.2025	1 380 000	27 628	(124 274)	1 283 354

Notes on pages 14 to 49 form an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(1) Significant accounting principles

Financial reporting framework

The Group's consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union (EU) and interpretations issued by the International Financial Reporting Committee as adopted by the EU. The amounts presented in these consolidated financial statements have been derived from the Group's accounting records, reclassified accordingly for recognition, measurement and presentation in accordance with IFRS Accounting Standards as adopted by the EU.

The financial statements have been prepared under the historical cost convention. The financial statements are presented in the Euro, the official currency of the European Union. The financial statements cover the period from 1 January 2025 to 31 December 2025. These financial statements have been prepared on the basis of the accounting and valuation principles set out below.

Consolidation - Information about the Group and consolidation principles

The consolidated financial statements of the Group include:

Hestio AS, Reg. No. 40003972121, Latvia, Holding company

AURON COFFEE ROASTERY SIA, Reg. No. 40103391496, Latvia, Coffee production, Consolidated since 15.11.2021.

*The Group owns 100% of the shares of SIA AURON COFFEE. ROASTERY.

Subsidiaries are companies controlled by the parent company. Control is achieved when the parent company:

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

The parent company reassesses whether it controls the investee if facts and circumstances indicate that there have been changes in one or more of the three elements of control listed above.

Intercompany transactions, balances and unrealized profits from transactions between Group companies are eliminated. Unrealized losses are also eliminated but are considered an indicator of the impairment of the transferred asset. Where necessary, the accounting policies of subsidiaries have been changed to ensure consistency with the accounting policies adopted by the Group.

The separate financial statements of the parent company are prepared separately.

Use of estimates and judgments

The requirements of IFRS Accounting Standards as adopted by the EU require that, when preparing financial statements, the Group's management makes estimates and assumptions that affect the reported assets and liabilities on the financial statements at the date of preparation of the financial statements, as well as the reported income and expenses for the reporting period. Actual results may differ from these estimates.

The following are the critical judgments and key estimates concerning the future, and other key sources of estimation uncertainty, which exist at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities during the next reporting period.

Expected credit losses

The Group's management evaluates the carrying amount of receivables and assesses their recoverability. The Group applies the simplified approach provided for in IFRS 9 to trade receivables and records lifetime expected losses on receivables based on a historical analysis of credit losses and also taking into account the expected future development of conditions. When making these assumptions and selecting data for the impairment calculation, the Group takes into account its experience and current market conditions.

Credit losses are recognised in the statement of comprehensive income. As trade and other receivables are short-term, their carrying amount is expected to be equal to their fair value. The maximum credit risk is represented by the

carrying amount of trade and other receivables. Expected credit losses on receivables, loans and guarantees issued to related parties are assessed by management individually determining and applying the probability of default and the expected loss given default for each debtor.

An analysis of the maturity structure of receivables, information on impairment and credit losses is provided in Note 14.

The Group's management has assessed the receivables and believes that no significant additional allowances are necessary as of 31 December 2025 and 31 December 2024.

Amortization of acquired client contractual relationship asset

Amortization is calculated over the useful life of the asset using the straight-line method. The useful life of a contractual client relationship is assessed based on factors such as the expected duration of the client relationship and historical client retention rates. The Group reviews the assessment on an annual basis and adjusts it, if necessary. Taking into account the Group's historical experience, the useful life is set at 5 years.

Total amount to be repaid to settle bonds

To measure the issued bonds at amortized cost, the effective interest rate is determined based on the estimated future cash payments during the expected life of the financial instrument. The terms of the issued bonds include a set minimum total return to the lender as well as additional variable return fee to be made to the lender at maturity or early redemption of the bonds based on the Group's estimated share value, which is based on a multiplied EBITDA less net debt. Based on the Group's best estimate of future financial performance, the effective interest rate on initial recognition of the financial instrument has been determined in the amount of 10.2%. Since the initial recognition, the estimated future cash payments have not changed significantly.

Impairment of non-financial assets

At the end of each reporting period, the Group reviews its assets, i.e. intangible assets and property, plant and equipment for any indication of impairment.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Impairment losses are recognised in the statement of comprehensive income. At each balance sheet date, the Group assesses whether there is any indication that an impairment loss recognised in prior

periods may have decreased or may no longer exist. If such an indication exists, the Group estimates the recoverable amount of the asset. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If so, the carrying amount of the asset is increased to its recoverable amount. As a result of an increase in the value of an asset, its carrying amount may not exceed the carrying amount that would have been determined, net of depreciation, if the asset had not been impaired in previous years. Such an increase in value is recognised in the statement of comprehensive income.

Financial assets and financial liabilities

Financial assets

Recognition, classification and subsequent measurement

A financial asset is recognised in the statement of financial position when the Group becomes a party to a contract that is a financial instrument. On initial recognition, the Group classifies and measures a financial asset at amortised cost if it meets both of the following conditions and it is not classified as a financial asset at fair value through profit or loss:

- The financial asset is held within a business model whose objective is to hold the financial assets to collect contractual cash flows, and
- The contractual terms of the financial asset provide for cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

The Group classifies its financial assets as financial assets measured at amortized cost, in accordance with a business model whose objective is to hold the assets to collect contractual cash flows that consist solely of payments of principal or interest on the remaining principal amount. Assets in the statement of financial position classified in this category include loans to related parties, trade and other receivables, related party receivables and other receivables.

These assets are subsequently measured at amortized cost using the effective interest method. Amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognized in the statement of comprehensive income. Gains or losses on derecognition are recognized in the statement of comprehensive income.

A financial asset is derecognised if:

- The rights to receive cash flows from the financial asset have expired;
- The Group retains the intended rights to the cash flows from the financial asset, but undertakes an obligation to pay the cash flows from the financial asset to a third party without significant delay in accordance with a prior agreement, without earning any profit from it;
- The Group has transferred the intended rights to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of ownership of the financial asset to a third party, or (b) has neither transferred nor retained the risks and rewards of ownership of the financial asset, but has transferred control over the relevant financial asset.

Impairment of financial assets

- Trade and other receivables

The Group applies the simplified approach in accordance with IFRS 9. The Group always recognises expected credit losses over the life of trade and other receivables. Lifetime expected credit losses are the expected credit losses that arise from all possible default events during the life of a financial instrument. Expected credit losses for these trade and other receivables are estimated using an allowance matrix based on historical credit loss experience over the previous two years, adjusted for factors specific to the debtors. The Group considers a financial asset to be in default if the borrower is experiencing significant financial difficulties and it is unlikely that it will pay its credit obligations to the Group in full. Such defaulted financial assets are considered to be lost.

Losses on financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. Debts are written off when their recovery is considered impossible.

Financial liabilities

Recognition, classification and subsequent measurement

Financial liabilities are recognized in the statement of financial position when the Group becomes a party to a contract that is a financial instrument. All financial liabilities of the Group are classified as liabilities measured at amortized cost.

Borrowings are initially recognized at fair value less borrowing costs. These costs are an integral part of the effective interest rate of the borrowings and are accounted for as an adjustment to the effective interest rate.

Financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and gains or losses from foreign exchange rate fluctuations are recognized in the income statement. Gains or losses from derecognition are recognized in the statement of comprehensive income. Gains or losses from derecognition are recognized in the statement of comprehensive income. Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or expire. Upon derecognition of a financial liability, the difference between the carrying amount derecognized and the consideration paid (including all non-cash assets transferred and liabilities assumed) is recognized in the statement of comprehensive income.

Change in the terms of a financial liability

When the contractual terms of a financial liability change, such as the expected cash flow dates, it is assessed whether the changes are material and, accordingly, it is necessary to discontinue recognition of the liability. To determine whether the changes are material, the Group assesses qualitative factors, as well as whether the difference between the carrying amount and the discounted value of the changed expected future cash flows, applying the financial liability's original effective interest rate, is equal to or exceeds 10 percent. If such a change in the contractual terms is determined to be material, it results in the derecognition of the financial liability, the estimated fair value of the liability is considered to cover the existing financial liability, and the new liability is recognized at fair value plus transaction costs. However, if the contractual provision is not considered material, the liability is not derecognized, the Group recalculates the gross carrying amount of the financial liability and the gain or loss resulting from the modification is recognized in the income statement.

Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group has a currently legally enforceable right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and short-term deposits with original maturities of three months or less.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities and assets

Contingent liabilities are not recognised in these financial statements. They are recognised as liabilities only when it is probable that an outflow of resources will be required to settle the obligation. Contingent assets are not recognised in these financial statements, but are recognised only when it is probable that the economic benefits associated with the transaction will flow to the Group.

Leases

The Group as a lessee

When entering into a contract, the Group assesses whether the contract is a lease or contains a lease. The Group recognizes the right to use the asset and the corresponding lease obligations for all leases in which it is the lessee; exceptions are possible for short-term leases (with a lease term of 12 months or less) and leases of low-value assets (for example, tablet computers, personal computers, small office equipment and telephones). The term of the contract is assessed based on the following criteria: the total term of the contract, the non-cancellable term of the contract; after the end of the lease term specified in the contract, it is necessary to agree on a further extension of the contract with the cooperation partner by concluding additional agreements. The Group recognizes the lease payments related to these leases, which are subject to the above exceptions, as operating expenses on a straight-line basis over the lease term, unless another systematic method better reflects the time pattern in which the economic benefits of the leased asset are consumed.

At the lease commencement date, the Group measures the lease liability as the present value of the lease payments outstanding at that date.

Lease payments are discounted using the interest rate implicit in the lease. If this rate is not readily determinable, the Group uses its comparable borrowing rate.

Lease payments included in the measurement of lease liabilities include the following payments:

- Fixed lease payments (including lease payments that are fixed in substance), net of lease incentive payments receivable;
- Variable lease payments that are index- or rate-dependent and were initially measured using an index or rate at the commencement date;
- Amounts that the lessee would have to pay as residual value guarantees;
- The exercise price of a purchase option, if there is reasonable grounds to believe that the lessee will exercise this option; and
- Penalty payments for termination of the lease, if the lease term reflects the lessee will exercise the option to terminate the lease.

Lease liabilities are presented as a separate line item in the statement of financial position.

Lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and decreasing the carrying amount to reflect lease payments made.

The Group remeasures the lease liability (and adjusts the related right-of-use asset accordingly) whenever:

- The lease term has changed, or there is a significant event or change in circumstances that results in a change in the valuation of the purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using the revised discount rate;
- Lease payments change due to a change in an index or rate, or the expected payments change due to a guaranteed residual value; in such cases, the lease liability is remeasured by discounting the revised lease payments using the unchanged discount rate (unless the lease payments change due to a change in a variable interest rate, in which case the revised discount rate is used);
- A lease is modified and the modification is no longer accounted for as a separate lease, in which case the lease liability is remeasured based on the

term of the modified lease, discounting the revised lease payments using the revised discount rate at the date of modification.

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made on or before the commencement date, net of lease discounts received, and any initial direct costs. It is subsequently measured at acquisition cost less accumulated depreciation and impairment losses.

The right of use asset is amortized over the lease term or over the useful life of the asset, if after the end of the lease term it is expected to obtain ownership of the asset.

The Group as a lessor

Leases, for which the Group is a lessor, are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The Group, as a lessor, has not classified any lease as a financial lease as the lease does not transfer substantially all the risks and rewards of ownership to the lessee.

If the Group acts as an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as either a finance lease or an operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. The Group as a lessor, generally, concludes operating lease contracts with a term that exceeds 12 months that can be terminated with a one month notice.

Revenue recognition

The Group applies and recognizes revenue using a five-step model. The model consists of:

- Establishing the contractual relationship;
- Establishing the performance obligation;
- Determining the transaction price;

- Allocating the transaction price to the performance obligation;
- Recognizing revenue when the Group has satisfied the performance obligation.

The following criteria are used to establish the contractual relationship:

- The parties to the contract have approved the contract and are committed to performing their obligations;
- The Group can identify the rights of each party to the goods or services to be transferred;
- The Group can identify the terms of payment for the goods or services;
- The contract has commercial substance;
- It is probable that the Group will collect the consideration to which it is entitled in exchange for the goods or services that will be transferred to the customer.

A performance obligation exists when there is a separate good or service, or a series of separate goods or services that are substantially the same. The Group's performance obligations are specified in its contracts with goods and services recipients.

Determining the transaction price and attributing it to the performance obligation – generally, the contract with the customer includes a specified transaction price for each performance obligation. If applicable, the Group uses the adjusted market assessment method for determination of the market price. A discount is applied proportionally for each performance obligation, based on the relative goods or services sales prices. Any overall discount compared to the aggregate of standalone selling prices is allocated between performance obligations on a relative standalone selling price basis. In certain circumstances, it may be appropriate to allocate such a discount to some but not all of the performance obligations.

Revenue from contracts with customers - over time

Revenue from contracts with customers recognized over time includes provision of various services (e.g. cleaning, additional equipment maintenance). Invoices are usually issued once a month.

Revenue from contracts with customers – point in time

Revenue from the sale of goods is recognized at a point in time net of discounts, returns, value added tax, customs taxes and duties. Revenue from the sale of goods is recognized when control and ownership of the goods are transferred to the customer in accordance with the terms of the contract.

Typically, the performance obligation includes the delivery of goods to the customer's address, and it is not accounted for separately. Invoices are usually issued for each delivery made or for deliveries made over a period, which is no longer than one month.

Certain contracts with customers for the delivery of certain goods provide for discounts depending on the volume of goods purchased. For such contracts, the payment for the delivery of goods is considered variable consideration because its amount is determined based on the actual deliveries made during the month. The Group recognizes revenue from variable consideration only when it is highly probable that at the time when the uncertainty associated with the variable consideration will be resolved, and the amount of cumulative revenue recognized will not be significantly reduced. Price for goods is calculated, recognized and invoiced once a month, when actual deliveries are recorded and the uncertainty associated with the variable consideration is resolved. The Group does not have to make significant judgment in determining the transaction price or whether these performance obligations have been satisfied.

Financing component

The Group does not enter into contracts under which the period between the agreed delivery time of goods and customer payment is longer than one year. Accordingly, the Group does not adjust transaction prices for the time value of money.

Corporate income tax

Corporate income tax for the reporting period is included in the financial statements based on management estimates prepared in accordance with the legislation of the Republic of Latvia. Based on the "Corporate Income Tax Law" of the Republic of Latvia, starting from 1 January 2018, distributed profit and other expenses that are considered to be distributed profit are subject to corporate income tax. Corporate income tax is not applied to undistributed profit. The applicable corporate income tax rate is 20% of the taxable base. In

accordance with International Accounting Standard No. 12 "Income Taxes" requirements, income taxes include only taxes based on taxable profit, thus corporate income tax calculated from the taxable base consisting of the conditionally distributed profit is presented in the section Other operating expenses. In accordance with the requirements of the International Accounting Standard No. 12 "Income Taxes", if income taxes are paid at a higher or lower rate, depending on whether the profit is distributed, the reporting period and deferred tax assets and liabilities are valued at the tax rate that is applied to undistributed profit. In Latvia, the rate of undistributed profit is 0%. Thus, no deferred tax assets and liabilities arise.

Deferred income tax and profit distribution

Specific accounting for deferred tax due to tax regimes have been applied in the respect of the companies Latvia. According to legislation requirements in these countries corporate income tax is applicable to distributed profits. In case of reinvestment of profit, corporate income tax shall not be applied.

In accordance with International Accounting Standard No 12 "Income Taxes" requirements, in cases where income tax is payable at a higher or lower rate, depending on whether the profit is distributed, the current and deferred tax assets and liabilities are measured at the tax rate applicable to undistributed profits. In Latvia and Estonia, the applicable rate for undistributed profits is 0%.

Related party transactions

Related parties are legal and natural persons related to the Group, in accordance with the provisions set out below.

- a) A person or a close family member of such person is related to the Group if:
 - i. such person has control or joint control over the Group;;
 - ii. such person has significant influence over the Group; or
 - iii. such person is a member of the senior management of the Group or its parent Group.
- b) An undertaking is related to the Group if it meets the following conditions:
 - i. the Group and the Group belong to the same group of undertakings (meaning that the parent Group, subsidiaries and sister companies are related parties to each other);

- ii. one undertaking is an associate or joint venture of the other undertaking (or an associate or joint venture of a Group of the group to which the other undertaking belongs);
- iii. both undertakings are joint ventures of the same third party;
- iv. one entity is a joint venture of a third party and the other entity is an associate of the same third party;
- v. the entity is a post-employment benefit plan for employees of the Group or employees of an entity related to the Group; If the Group itself is such a plan, the related parties also include their sponsoring employers;
- vi. the entity is controlled or jointly controlled by a person identified in (a);
- vii. a person identified in (a)(i) has significant influence over the entity or is a member of the senior management of the entity (or its parent);
- viii. the entity or any member of the group to which it belongs provides senior management personnel services to the reporting entity or its parent.

New IFRS Accounting Standards

New standards, amendments to standards and interpretations effective for reporting periods beginning on or after 1 January 2025 have not had a material impact on these financial statements.

Standards and Amendments to Existing Standards Issued by the IASB but Not Yet Effective

A number of new standards are effective for annual periods beginning after 1 January 2025, with earlier application permitted; however, the Company has not early adopted the new or amended standards in preparing these separate financial statements.

The following standards and interpretations, which are effective for annual periods beginning after 1 January 2025, are not expected to have a significant impact on the Company's separate financial statements:

- Lack of Exchangeability (amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates).

- Amendments relating to the classification and measurement of financial instruments and related disclosures (IFRS 7 Financial Instruments: Disclosures and IFRS 9 Financial Instruments).
- Amendments to disclosures for financial instruments (IFRS 7 Financial Instruments: Disclosures).
- Disclosure requirements that an entity is permitted to apply instead of certain requirements in other IFRS Accounting Standards (IFRS 19 Subsidiaries without Public Accountability)

The impact of the following standard is currently being assessed:

- IFRS 18 Presentation and Disclosure in Financial Statements

At present, IFRS Accounting Standards as adopted by the European Union do not differ significantly from those issued by the International Accounting Standards Board (IASB), except for certain standards, amendments to existing standards, and interpretations noted above that, as of 31 December 2025, had not yet been endorsed by the EU for use (the effective dates stated above refer to IFRS as issued by the IASB).

The Company has elected not to early adopt any new standards or amendments to existing standards and interpretations prior to their effective dates. The Company does not expect that the adoption of these standards and amendments will have a material impact on its financial statements in the period of initial application.

Reporting period

The reporting period is 12 months from 01.01.2025 to 31.12.2025

The previous period is 12 months from 01.01.2024 to 31.12.2024

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	3 years
Computer hardware	3 years
Motor vehicles	5 years
Other fixed assets	3-5 years

If it is found that the fixed asset is no longer functional or is partially functional, it is disposed of, 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	5 years
Other intangible investments	3-5 years

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.

Business combinations

A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. A business combination is defined as a transaction or other event in which an acquirer (an investor entity) obtains control of one or more businesses. Identifying a business combination transaction requires the determination of whether what is acquired constitutes a 'business' as defined in IFRS 3, and control has been obtained. On business combination, identifiable assets and liabilities acquired are initially measured at fair value.

Acquired client contractual relationship asset

A customer contractual relationship asset refers to an intangible asset that arises from a formal, contractual agreement with customers, which is recognized separately from goodwill if it meets criteria for identifiability, such as the contractual-legal criterion. These relationships are valued because they are expected to generate future economic benefits to the Company.

A customer contractual relationship asset after initial recognition is stated at cost less amortization and accumulated impairment losses. Amortization is calculated over the useful life of the asset using the straight-line method, which has been determined as 5 years, considering the period over which economic benefits are expected to flow from the asset.

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 have 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).

Sale and leaseback transactions

The Concern has entered into sale and leaseback transactions involving the sale of fixed assets owned by the Concern, primarily new coffee machines, and their leaseback from a lessor company. The net result of these transactions is 0. Since, in accordance with IFRS 15, the Concern has not transferred control over these assets, their sale is not recognised, and the Concern continues to account for fixed assets, and the payment received for them is accounted for as other borrowings. Accordingly, these transactions are not included in the statement of comprehensive income.

Accrued liabilities

Accrued liabilities 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.

Accrued liabilities 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.

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:

Turnover is the revenue generated during the year from the Company's core business - the sale of goods and provision of services, excluding value added tax.

Type of activity	2025 EUR	2024 EUR
Revenue from sales and services	13 462 030	12 967 827
Total	13 462 030	12 967 827

Type of revenue	2025 EUR	2024 EUR
Revenue from contracts with customers - point in time	11 110 738	11 071 906
Revenue from contracts with customers - over time	833 207	523 437
Rental revenue	1 518 058	1 372 484
Total	13 462 030	12 967 827

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

	2025 EUR	2024 EUR
Cost of goods purchased	6 682 693	6 660 770
Staff costs	1 536 253	1 289 415
Depreciation of fixed and intangible assets	617 547	603 990
Costs of raw materials and supplies	759 487	529 798
Received discounts	(117 985)	(118 536)
Utilities and premises maintenance costs	78 001	62 704
Transport costs	134 635	108 439
Excise duties	115 870	122 939
Total	9 806 501	9 259 519

(4) Selling expenses

	2025 EUR	2024 EUR
Staff costs	1 186 061	1 584 467
Depreciation of fixed and intangible assets	393 689	375 457
Transport costs	406 872	413 712
Communication costs, IT costs	279 832	270 475
Office expenses	2 219	26 702
Premises rental expenses	72 691	71 997
Advertising and marketing expenses	106 401	83 638
Employee Engagement and Sustainability	47 359	81 426
Staff meals expenses	51 607	42 877
Packing material expenses	31 126	29 395
Disposal of low-value inventory	6 755	8 608
Business trip expenses	2 952	6 587
Other selling expenses	19 406	27 870
Total	2 863 449	3 023 211

(5) Administrative expenses

	2025 EUR	2024 EUR
Personnel expenses	313 259	380 896
Professional services expenses	43 018	89 417
Mandatory social insurance contributions	73 529	89 774
Communication expenses	16 194	35 787
Other administration expenses	50 823	68 105
Total	496 823	663 979

(6) Other operating income

	2025 EUR	2024 EUR
Incomes from disposal of long-term investment objects	29 554	15 738
Support from the State Employment Agency in the employment program	4 668	8 539
Other income	41 162	39 407
Total	75 384	63 684

(7) Other operating expenses

	2025 EUR	2024 EUR
Non-business expenses	16 566	21 282
Cost of goods for own consumption	16 206	17 276
Impairment loss on trade receivables	25 621	3 478
Nature protection expenses	2 243	1 473
Paid fines and penalties	295	240
Other expenses	23 809	28 179
Total	84 740	71 928

(8) Intangible assets

		Concessions, patents, licenses, trade marks and similar rights EUR	Other intangible assets EUR	Intangible assets arising from acquired customer relationships EUR	Total intangible assets EUR
Acquisition value	31.12.2023	78 601	172 460	263 770	514 831
Additions		4 234	-	-	42 757
Disposal		(2 539)	-	-	(2 539)
Reclassified		12 523	26 000	-	-
Acquisition value	31.12.2024	92 819	198 460	263 770	555 049
Acquisition value	31.12.2025	92 819	198 460	263 770	555 049
Accumulated amortization	31.12.2023	(39 843)	(87 238)	(147 899)	(274 980)
Amortization charge		(2 330)	(30 118)	(52 754)	(85 202)
Amortization of intangible assets that have been liquidated or reclassified		2 539	-	-	2 539
Accumulated amortization	31.12.2024	(39 843)	(87 238)	(147 899)	(274 980)
Amortization charge		(2 770)	(33 380)	(52 754)	(88 904)
Accumulated amortization	31.12.2025	(42 613)	(120 618)	(200 653)	(363 884)
Net book value	31.12.2024	52 976	111 222	115 871	280 069
Net book value	31.12.2025	50 206	77 842	63 117	191 165

(9) Fixed assets

		Long-term investments in leased assets	Machinery and equipment	Other fixed assets and inventory - own use	Other fixed assets and inventory - for lease	Advances for fixed assets	Total fixed assets"
Acquisition value	31.12.2023	324 947	244 272	855 791	3 107 148	-	4 532 158
Additions		23 164	6 962	49 007	619 242	41 966	740 341
Reclassified		-	-	41 966	-	(41 966)	-
Disposal		-	-	(267 089)	(11 354)	-	(278 443)
Acquisition value	31.12.2024	348 111	251 234	679 675	3 715 036	-	4 994 056
Additions		211	495	22 657	381 706	32 398	437 467
Reclassified		-	-	32 398	-	(32 398)	-
Disposal		-	(761)	(302 706)	(20 546)	-	(324 013)
Acquisition value	31.12.2025	348 322	250 968	432 024	4 076 196	-	5 107 510
Accumulated depreciation	31.12.2023	(191 666)	(11 039)	(441 523)	(1 605 683)	-	(2 249 911)
Calculated depreciation		(59 012)	(11 844)	(146 076)	(531 334)	-	(748 266)
Depreciation of disposed, liquidated or transferred fixed assets		-	-	234 730	-	-	234 730
Accumulated depreciation	31.12.2024	(250 678)	(22 883)	(352 869)	(2 137 017)	-	(2 763 447)
Calculated depreciation		(22 333)	(12 321)	(125 691)	(561 734)	-	(722 079)
Depreciation of disposed, liquidated or transferred fixed assets		-	789	280 274	-	-	281 063
Accumulated depreciation	31.12.2025	(273 011)	(34 415)	(198 286)	(2 698 751)	-	(3 204 463)
Net book value	31.12.2024	97 433	228 351	326 806	1 578 019	-	2 230 609
Net book value	31.12.2025	75 311	216 553	233 738	1 377 445	-	1 903 047

The Company leases mainly coffee machines and water filters. These leases are classified as operating leases because they do not transfer to the lessee substantially all the risks and rewards incidental to ownership of these assets. In 2025, rental income of EUR 1 518 085 was recognized (2024: EUR 1 372 484).

The following table sets out a maturity analysis of lease payments, showing undiscounted lease payments to be received after the reporting date

	31.12.2025 EUR	31.12.2024 EUR	31.12.2023 EUR
Within 1 year	491 517	546 629	520 441
Within 1-2 years	111 179	195 158	417 018
Within 2-3 years	32 423	22 765	113 184
Within 3-4 years	4 266	7 270	6 233
Within 4-5 years	-	647	1 752
Kopā	639 385	772 469	1 058 628

(10) Rights to use assets

		Other fixed assets and inventory**	Premises lease agreement	Car lease agreement	Total
Acquisition value	31.12.2023	129 366	168 030	14 036	311 432
Increase		50 101	-	14 864	64 965
Disposal		(3 143)	-	-	(3 143)
Depreciation		(53 175)	(145 762)	(14 198)	(213 135)
	31.12.2024	123 149	22 268	14 702	160 119
Increase		6 252	686 737	327 005	1 019 994
Disposal		(880)	-	-	(880)
Depreciation		(33 225)	(148 481)	(52 822)	(234 528)
	31.12.2025	95 296	560 524	288 885	944 705

**In the Statement of Financial Position included in the item Other fixed assets and inventory.

Amounts included in the profit and loss statement, EUR::

	2025	2024
Other fixed assets and inventory	33 225	53 175
Premises lease agreement	148 481	145 762
Car lease agreement	52 822	14 198
Right-of-use assets depreciation	234 528	213 135
Other fixed assets and inventory	4 321	9 576
Premises lease agreement	22 125	3 052
Car lease agreement	12 025	750
Interest expense on lease liabilities	38 481	13 378
Total	273 009	226 513

(10) Rights to use assets (continuation)

Lease liabilities

31.12.2025	Other fixed assets and inventory	Premises lease agreement	Car lease agreement	Total
Balance at the beginning of the year	114 077	22 878	14 898	151 853
Lease payments	(50 213)	(160 592)	(37 304)	(248 109)
Total changes from financing cash flows	(50 213)	(160 592)	(37 304)	(248 109)
New leases	-	686 737	327 005	1 013 742
Interest expenses accrued	4 321	22 135	12 021	38 477
Interest paid	(4 321)	(22 135)	(12 021)	(38 477)
Total liability-related other changes	-	686 737	327 005	1 013 742
Balance at the end of the year	63 865	549 024	304 599	917 488

31.12.2024	Other fixed assets and inventory	Premises lease agreement	Car lease agreement	Total
Balance at the beginning of the year	126 688	157 028	13 841	297 557
Lease payments	(68 111)	(134 150)	(13 807)	(216 068)
Total changes from financing cash flows	(68 111)	(134 150)	(13 807)	(216 068)
New leases	55 500	-	14 864	70 364
Interest expenses accrued	9 576	3 052	750	13 378
Interest paid	(9 576)	(3 052)	(750)	(13 378)
Total liability-related other changes	55 500	-	14 864	70 364
Balance at the end of the year	114 077	22 878	14 898	151 854

(11) Finished products and goods for sale

	31.12.2025 EUR	31.12.2024 EUR
Goods for sale	1 105 179	968 842
Total	1 105 179	968 842

As at 31 December 2025 and 31 December 2024 goods for sale were not pledged as collateral, as well, evaluating goods for sale, no impairment allowances were recognized.

(12) Trade receivables

	31.12.2025 EUR	31.12.2024 EUR
Trade receivables carrying amount	1 061 058	1 041 491
Expected credit losses for bad and doubtful debtors	(37 160)	(16 740)
Total	1 023 898	1 024 751

Changes in expected credit losses	31.12.2025 EUR	31.12.2024 EUR
Expected credit losses at the beginning of the year	16 740	15 849
Increase	25 622	3 926
Write-off	(5 202)	(3 035)
Expected credit losses at the end of the year	37 160	16 740

	31.12.2025	Expected credit loss rate %	Credit losses according to IFRS9
Payment delay in days			
not delayed	905 257	0.00%	25
delayed 1-30	105 339	0.00%	18
delayed 31-60	11 744	2.90%	341
delayed 61-90	2 064	47.30%	976
delayed 91-180	298	22.80%	68
delayed 181-360	24 833	97.66%	24 209
delayed 361+	11 523	100.00%	11 523
Total	1 061 058		37 160

	31.12.2024	Expected credit loss rate %	Credit losses according to IFRS9
Payment delay in days			
not delayed	899 661	0.00%	34
delayed 1-30	110 533	0.01%	17
delayed 31-60	6 077	0.36%	22
delayed 61-90	1 577	1.01%	16
delayed 91-180	10 788	35.21%	3 798
delayed 181-360	9 607	100.00%	9 607
delayed 361+	3 247	100.00%	3 247
Total	1 041 491		16 740

(13) Amounts owed by related companies

	31.12.2025 EUR	31.12.2024 EUR
Carrying amount of trade receivables	-	183
Total	-	183

The expected credit losses are assessed as immaterial and are therefore not recognized.

(14) Other receivables

	31.12.2025 EUR	31.12.2024 EUR
Security deposits	206	32 146
Supplier surplus	18 518	4 187
Total	18 724	36 333

The expected credit losses are assessed as immaterial and are therefore not recognized.

(15) Shareholding in the capital of subsidiary companies

	31.12.2025 EUR	31.12.2024 EUR
Investments in the beginning of period	2 380	-
Acquisition (+)	35 800	2 380
Disposal (-)	(38 180)	-
Investments in the beginning of period	-	2 380

*In May 2025, the share capital of SIA Printero was increased and paid up, and these funds were used to settle all liabilities, including towards AS Hestio. Subsequently, in May 2025, the shares of SIA Printero owned by AS Hestio were sold with a one-time negative impact on financial results of EUR 33 180. Taking into account the above, in order to provide the most appropriate view of the Company's operations, as of 31 December 2024, the shareholding in SIA Printero is presented as Non-current assets held for sale..

Short term liabilities (no collateral received)	Repayment period	Changes during the reporting period EUR	31.12.2025	31.12.2024
PRINTERO SIA	23.11.2025	(12 000)	-	12 000
PRINTERO SIA	13.12.2025	(6 000)	-	6 000
Total short term liabilities		(18 000)	-	18 000

* In 2025, an additional loan of 13,000.00 EUR was issued to Printero, which made up a total loan of 31,000.00 EUR. The entire loan amount of 31,000.00 EUR was repaid on 12.05.2025.

Loans to related companies are unsecured and their recoverability is being assessed individually. As the Company controls its subsidiaries, the expected credit losses are assessed as immaterial and are therefore not recognized.

(16) Cash and cash equivalents

	31.12.2025 EUR	31.12.2024 EUR
Cash in bank accounts (EUR)	569 359	365 840
Total	569 359	365 840

The expected credit losses are assessed as immaterial and are therefore not recognized.

(17) Share capital (equity capital)

As of 31 December 2025 and 2024, the share capital is fully paid up. It consists of 1,380,000 capital shares with a nominal value of EUR 1.00.

31.12.2025 EUR	31.12.2024 EUR
1 380 000	1 380 000

(18) Bonds

On 20 December 2022, Hestio AS issued bonds with a maturity date of 1 September 2027, an interest rate of 4.5% per annum and a capitalized interest rate of 3.0% per annum, 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, the principal is repaid at the maturity date. ISIN: LV0000802650. The terms of the bonds provide for the fulfillment of certain financial covenants - Net Debt/Equity ratio <3.5 and DSCR ratio >1.3. In accordance with the agreement reached with the bondholder KS AIF Altum Capital Fund on 5 February 2025, the DSCR ratio threshold was reduced from 1.5 to 1.3, starting from the assessment of the financial covenants as of 31 December 2024. Although the applicable financial indicators as of 31 December 2024 were met, as the agreement on their changes was reached in 2025, the amount of bond liabilities as of 31 December 2024 is presented as short-term liabilities. The financial indicators as of December 31, 2025 were met, therefore, in 2025, the bonds are presented in the long-term section. At the time of signing the annual report, considering the applicable changes in the specified financial covenants, the initially planned bond repayment schedule is in effect. For more information, see Note 29.

	31.12.2025 EUR	31.12.2024 EUR
Balance at the beginning of the reporting year	1 101 431	1 042 977
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Total changes from financing cash flows	-	-
Interest expense	110 511	104 909
Interest paid	(47 864)	(46 455)
Total liability-related other changes	62 647	58 454
Balance at the end of the reporting year	1 164 078	1 101 431

	31.12.2025 EUR	31.12.2024 EUR
Short-term part (up to 1 year)	-	1 101 431
long-term part (from 1-5 years)	1 164 078	-
Total	1 083 675	1 051 765

(19) Borrowings from credit institutions

	Date of payment	31.12.2025 EUR	31.12.2024 EUR
Long-term loans (1 to 5 years)			
Development financial institution	15.05.2028	36 919	63 189
ALTUM JSC			
Total		36 919	63 189

	Date of payment	31.12.2025 EUR	31.12.2024 EUR
Short-term borrowings			
Development financial institution	15.05.2028	26 270	26 270
ALTUM JSC			
Swedbank JSC (credit line)	30.06.2026	194 305	144 000
Total short-term borrowings		220 575	170 270

	31.12.2025 EUR	31.12.2024 EUR
Balance at the beginning of the reporting year	233 459	258 336
Proceeds from borrowings	50 305	1 394
Repayment of borrowings	(26 271)	(26 271)
Total changes from financing cash flows	24 034	(24 877)
Interest expense	16 046	22 521
Interest paid	(16 046)	(22 521)
Total liability-related other changes	-	-
Balance at the end of the reporting year	257 494	233 459

(20) Other borrowings

	31.12.2025 EUR	31.12.2024 EUR
Short-term borrowings (up to 1 year)	252 044	317 050
Long-term loans (from 1 - 5 years)	374 508	310 232
Total	626 552	627 282

	31.12.2025	31.12.2024
Balance at the beginning of the reporting year	627 282	573 872
Proceeds from borrowings	390 898	659 506
Repayment of borrowings	(391 628)	(606 096)
Total changes from financing cash flows	(730)	53 410
Interest expense	35 707	48 415
Interest paid	(35 707)	(48 415)
Total liability-related other changes	-	-
Balance at the end of the reporting year	626 552	627 282

In 2025 and 2024, the Company has carried out sale and leaseback transactions related to the sale of fixed assets owned by the Company to SIA "Swedbank Līzings" and their leaseback under a finance lease. The net result of these transactions is 0. Since, in accordance with IFRS 15, the Company has not transferred control over these assets, their sale is not recognized, and the Company continues to account for fixed assets and accounts for the payment received for them as other borrowings.

(21) Amounts owed to subsidiary companies

	31.12.2025 EUR	31.12.2024 EUR
Short-term liabilities		
Expenses for goods received	19 299	23 646
Total short-term liabilities	19 299	23 646

(22) Other liabilities

	31.12.2025 EUR	31.12.2024 EUR
Short-term other creditors		
Payments for wages	166 288	154 142
Overpayments made by customers	4 792	-
Security fee received from debtors	9 632	4 736
Settlement of claims against staff and short-term loans	563	411
Total short-term other creditors	181 275	159 289

(23) Accrued liabilities

	31.12.2025 EUR	31.12.2024 EUR
Accrued liabilities for unused leave	113 829	155 779
Accrued liabilities for services received	51 557	43 297
Total	165 386	199 076

(24) Average number of employees

	2025	2024
Members of the Board	5	6
Members of the Supervisory Board	3	3
Other employees	160	155
Average number of employees of reporting year	168	164

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

In connection with the Credit Line Agreement No. 22-006265-KR concluded by the subsidiary AURON COFFEE ROASTERY SIA with Swedbank AS for the amount of EUR 200,000, Hestio has concluded a Guarantee Agreement No. 22-006265-KR/2. The objects of the commercial pledge are Hestio AS's fixed assets and their accessories, intangible assets, and inventories. AURON COFFEE ROASTERY SIA Commercial Pledge Agreement Nr.22-006265-KR/1, commercial pledge are all claims and stocks, the pledging of which is not specifically prohibited, as a set of things at the time of the pledge, as well as the future components of the set of things.

(26) Important events after the end of the report year

There have been no 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 Concern's financial position as of 31 December 2025.

(27) Information on the remuneration for members of the council and the board

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

Supervisory Board	2025 EUR	2024 EUR
Wages	27 133	27 390
Mandatory social insurance contributions	5 932	6 382
Total	33 065	33 772

Board	2025 EUR	2024 EUR
Wages	225 803	210 596
Mandatory social insurance contributions	53 267	51 968
Total	279 070	262 564

(28) Personnel expenses

	2025 EUR	2024 EUR
Wages	2 362 245	2 423 869
Mandatory state social insurance contributions	556 053	571 066
Total personnel expenses	2 918 298	2 994 935

(30) 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 an 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, except for bonds. The Company did not use any derivative financial instruments during the reporting year.

Financial risk

Financial risks related to the Company's liquidity, currency and interest rate fluctuations, and credit risk of business partners are managed by the Company's management.

Liquidity risk

The Company's cash management policy aims to ensure sufficient liquidity of the Company, as well as its ability to finance its operations without any financing constraints. Financing and liquidity risk is reduced by differentiating the maturity dates of the loan portfolio obligations and maintaining flexibility in financing, ensuring the availability of credit lines.

Management believes that the Company's cash flow from operating activities, the financing available to it and the ability to conclude credit lines will continue to provide the necessary liquidity.

The table shows the maturity dates specified in the financial liability agreements:

31.12.2025 EUR Financial liabilities	Book value	Total	< 6m.	6-12m.	>1g	>2g
Bonds*	1 164 078	1 372 748	24 474	24 843	1 323 431	-
Lease liabilities	917 488	1 149 818	155 873	145 531	267 495	580 919
Other borrowings	626 552	662 259	136 215	130 190	229 373	166 482
Borrowings from credit institutions	257 494	273 540	223 486	13 135	26 270	10 649
Trade payables	1 062 684	1 062 684	1 062 684	-	-	-
Amounts owed to subsidiary companies	19 299	19 299	19 299	-	-	-
Other liabilities	181 275	181 275	181 275	-	-	-
Accrued liabilities	165 386	165 386	165 386	-	-	-
Total	4 394 256	4 887 009	1 968 692	313 699	1 846 569	858 050

*The table indicates the initially planned bond repayment schedule applicable at the time of signing the annual report, which more appropriately reflects the expected payments. For more information, see Note 20.

31.12.2024 EUR Finanšu saistības	Uzskaites vērtība	Kopā	< 6m.	6-12m.	>1g	>2g
Bonds*	1 101 431	1 420 612	23 753	24 111	49 317	1 323 431
Lease liabilities	150 876	138 283	33 741	26 508	55 848	22 186
Other borrowings	627 282	664 507	184 806	149 026	320 203	10 472
Borrowings from credit institutions	233 459	250 093	163 963	16 187	30 663	39 280
Trade payables	1 245 417	1 245 417	1 245 417	-	-	-
Amounts owed to subsidiary companies	23 646	23 646	23 646	-	-	-
Other liabilities	159 289	159 289	159 289	-	-	-
Accrued liabilities	199 076	199 076	199 076	-	-	-
Total	3 740 476	4 126 000	2 040 407	222 426	467 798	1 395 369

Currency risk

The Company is not exposed to significant foreign exchange rate fluctuations. The dominant currency in settlements with business partners is the euro.

Interest rate risk

The Company is exposed to interest rate risk in both the short and long term. Changes in interest rates may affect borrowing costs and cash flows. To mitigate this risk, the Company continuously monitors market conditions, implements measures to improve the debtor structure and controls the need for additional financing.

The Company's sources of financing consist mainly of equity, cash income from economic activities and, to a lesser extent, loans.

As of 31 December 2025 and 31 December 2024, the Company had lease liabilities and other borrowings subject to variable interest rates. See Note No. 10 and No. 20.

Sensitivity to interest rate changes

Considering the remaining balance of the Company's liabilities subject to variable interest rates as of 31 December 2025 and 31 December 2024 and related interest expenses in 2025 in the amount of EUR 40 028 (2024: EUR 57 991), the Company assesses the impact of interest rate risk on comprehensive income or loss and equity as immaterial.

Credit risk

Financial instruments that potentially expose the Company to a certain degree of credit risk concentration are mainly trade receivables and cash. The carrying amount of these financial instruments reflects the Company's maximum credit risk.

Credit risk is the risk that the Company will incur financial losses if a party to a transaction fails to meet its contractual obligations, and credit risk is primarily related to customer receivables and this risk depends on the credit rating of the party to the transaction and the size of the exposure. To ensure credit risk management, the Company's management has established a procedure that, when selling goods or providing services with post-payment, customer evaluation is performed and the sale of goods with post-payment is accepted, subject to certain restrictions. The Company's management has developed a credit policy that provides for regular control procedures over the Company's debtors, thus ensuring timely identification of problems. The aim of the credit policy and credit risk management is to reduce losses arising from the fact that the parties to the transaction fail to fulfill their obligations.

Credit risk in relation to trade receivables is limited due to the company's wide range of customers. Trade receivables are presented after deducting the value of doubtful debts. The Company's counterparties in derivative financial instruments and cash transactions are financial institutions with appropriate credit ratings. The Company strictly monitors and limits the credit risk that the Company is allowed to take with each individual financial institution. The Company is not exposed to significant credit risk concentrations based on the customer base (there is no significant dependence on individual customers).

Detailed explanations and age structure analysis are provided in the note to the financial statements on trade receivables. (see Note 12.)

CAPITAL RISK MANAGEMENT

The Company's objective is to provide the highest possible return on capital for shareholders and, by maintaining a strong capital structure, to maintain the credibility of creditors, customers and market participants and to ensure future business development.

Capital in the Company is monitored on the basis of the leverage ratio, which is determined as the ratio of interest-bearing net debt to interest-bearing net debt plus total equity. Interest-bearing net debt is calculated by deducting liquid funds from interest-bearing liabilities.

The Company does not have any externally imposed capital requirements.

Financial instruments

The Company's most significant financial instruments are short-term and long-term loans, trade receivables, cash, short-term and long-term borrowings and lease liabilities. The main purpose of these financial instruments is to provide financing for the Company's operating activities. The Company also faces several other financial instruments, such as other receivables, trade payables and other creditors, which arise directly from its operating activities.

According to IFRS 13, the levels of the fair value hierarchy are:

Level 1 - quoted (unadjusted) prices for identical assets and liabilities in active markets that the company can access at the measurement date;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 - inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The table shows the carrying amount and fair value of financial assets and financial liabilities. Fair value is determined upon initial recognition and for disclosure purposes at the end of each reporting period. None of the Company's financial assets or financial liabilities are measured at fair value.

Receivables from related parties, trade and other receivables are short-term non-interest-bearing financial assets whose carrying amounts approximate

their fair values at initial recognition and thereafter, as the effect of discounting is not material.

Cash and cash equivalents and deposits with credit institutions are highly liquid assets, therefore their carrying amounts approximate their fair values at initial recognition and thereafter, as the effect of discounting is not material.

Other financial investments and receivables have remaining maturities of less than one year and are non-interest-bearing, therefore their fair values are considered not to differ materially from their carrying amounts.

The carrying amount of financial liabilities with a maturity of less than six months approximates their fair value upon initial recognition and thereafter, as the effect of discounting is not significant.

The fair value of financial liabilities with a maturity of more than six months is estimated based on the present value of future principal and interest cash flows discounted using the effective interest rate of the relevant contract, which, in the opinion of management, reflects the market interest rate at the measurement date for companies similar to the Company.

31.12.2025 EUR	Level one	Level two	Level three	Total fair value	Total book value
Financial assets					
Loans to subsidiary companies	-	-	-	-	-
Trade receivables	-	-	1 023 898	1 023 898	1 023 898
Amounts owed by related companies	-	-	-	-	-
Other receivables	-	-	18 724	18 724	18 724
Accrued income	-	-	8 356	8 356	8 356
Cash and cash equivalents	-	-	569 359	569 359	569 359
Total financial assets	-	-	1 620 337	1 620 337	1 620 337
Financial liabilities:					
Bonds	-	-	1 341 930	1 341 930	1 164 078
Other borrowings	-	-	626 552	626 552	626 552
Trade payables	-	-	1 062 684	1 062 684	1 062 684
Amounts owed to subsidiary companies	-	-	19 299	19 299	19 299
Other liabilities	-	-	181 275	181 275	181 275
Accrued liabilities	-	-	165 386	165 386	165 386
Total financial liabilities	-	-	3 397 126	3 397 126	3 219 274



31.12.2024 EUR Financial assets	Level one	Level two	Level three	Total fair value	Total book value
Loans to subsidiary companies	-	-	-	-	-
Trade receivables	-	-	1 024 751	1 024 751	1 024 751
Amounts owed by related companies	-	-	183	183	183
Other receivables	-	-	36 333	36 333	36 333
Short-term loans to subsidiary companies	-	-	18 000	18 000	18 000
Accrued income	-	-	14 287	14 287	14 287
Cash and cash equivalents	-	-	365 840	365 840	365 840
Total financial assets	-	-	1 459 394	1 459 394	1 459 394
Financial liabilities:					
Bonds	-	-	1 123 421	1 123 421	1 101 431
Other borrowings	-	-	627 282	627 282	627 282
Trade payables	-	-	1 245 417	1 245 417	1 245 417
Amounts owed to subsidiary companies	-	-	23 646	23 646	23 646
Other liabilities	-	-	159 289	159 289	159 289
Accrued liabilities	-	-	199 076	199 076	199 076
Total financial liabilities	-	-	3 378 131	3 378 131	3 356 141

(31) Proposals on the use of Company profits or covering losses

Using the profit generated in 2025, the Management Board proposes to cover accumulated losses from previous years and allocate the remaining amount to support the further development of the Company.

AS HESTIO Management Board:

Chairman of the Board	Ivars Muzikants
Member of the Board	Toms Bergs
Member of the Board	Inga Zobena
Member of the Board	Kaspars Grenevics

Annual report drawn up by:

Chief Accountant	Kristīne Korpa
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THIS DOCUMENT IS SIGNED ELECTRONICALLY WITH A SECURE ELECTRONIC
SIGNATURE AND CONTAINS A TIME STAMP



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Independent Auditors' Report

To the shareholders of AS HESTIO

Report on the Audit of the Consolidated Financial Statements

Our Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of *AS HESTIO* ("the Company") and its subsidiaries ("the Group") set out on pages 7 to 49 of the accompanying consolidated Annual Report, which comprise:

- the consolidated statement of financial position as at 31 December 2025,
- the consolidated statement of other comprehensive income for the year then ended,
- the consolidated statement of changes in equity for the year then ended,
- the consolidated statement of cash flows for the year then ended, and
- the notes to the consolidated financial statements, which include a summary of material accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of *AS HESTIO* and its subsidiaries as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for Opinion

In accordance with the 'Law on Audit Services' of the Republic of Latvia we conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibility for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) developed by the International Ethics Standards Board for Accountants (IESBA Code), and the independence requirements included in the 'Law on Audit Services' of the Republic of Latvia that are relevant to our audit of the consolidated financial statements in the Republic of Latvia. We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the IESBA Code and the 'Law on Audit Services' of the Republic of Latvia.

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

Reporting on Other Information

The Group's management is responsible for the other information. The other information comprises:

- Information about the Group, as set out on page 3 of the accompanying consolidated Annual Report,



- the Management Report, as set out on pages 4 to 5 of the accompanying consolidated Annual Report,
- the Statement on Management Responsibility, as set out on page 6 of the accompanying consolidated Annual Report.

Our opinion on the consolidated financial statements does not cover the other information included in the consolidated Annual Report, and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed and in light of the knowledge and understanding of the Group and its environment obtained in the course of our audit, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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

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

KPMG Baltics SIA
Licence No 55

Rihards Grasis

Rihards Grasis
Member of the Board
Sworn auditor
Certificate No 227
Riga, Latvia
5 May 2026

This report is an English translation of the original Latvian. In the event of discrepancies between the two reports, the Latvian version prevails