



Hestio AS

Reg. No. 40003972121

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

**Consolidated unaudited
annual report for year 2025**

Riga, 27 February 2026

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CONCERN INFORMATION

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 11.07.2023 - present 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
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; 53.20; 77.33



MANAGEMENT REPORT

Type of activity

Retail of office items and coffee machine rental

Performance and Financial Situation of the Company

In 2025, the Company 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 Company's initial 2025 plans. In response to the weaker performance observed in the early months of the year, the Company 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 Company 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 Company's annual results.

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

In 2025, the Company increased turnover by 3.8% year-on-year and achieved consolidated EBITDA of EUR 1 065 335, representing an increase of 28.5% 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	1.37	27.1%	7.91%
2024	1.11	24.6%	6.39%

Table No.1

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

From a capital structure perspective, the equity ratio has increased and now exceeds 25%, a level commonly regarded by creditors as the minimum threshold for stable and sustainable cooperation.

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 Company’s financial instruments are interest rate risk, liquidity risk, and credit risk.

Foreign currency risk

The Company does not have Foreign currency risk, all transactions 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

As the Company 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.



CONSOLIDATED INCOME STATEMENT

(classified per function of expenditure)

	Notes	2025 EUR Total	2024 EUR Total
Net turnover	2	13 462 030	12 967 827
c) from other main activity types.		13 462 030	12 967 827
Production cost of goods sold, acquisition cost of goods sold or services provided	3	(9 898 052)	(9 368 157)
Gross profit or loss		3 563 978	3 599 670
Selling expenses	4	(2 781 649)	(2 936 136)
Administrative expenses	5	(496 823)	(663 979)
Other operating income	6	80 384	63 684
Other operating expenses	7	(111 795)	(57 734)
Other interest and similar income:		1 308	4 177
a) from subsidiary companies.		-	52
b) from other persons.		1 308	4 125
Interest payments and similar expenses:		(138 895)	(157 937)
b) to other persons		(138 895)	(157 937)
Profit or loss before the corporate income tax		116 508	(148 254)
Corporate income tax for the reporting year		(4 218)	(5 417)
Profit or loss of the reporting year		112 290	(153 671)

Notes on pages 14 to 33 form an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET

Assets

	Notes	31.12.2025 EUR Total	31.12.2024 EUR Total
Long-term investments			
Intangible assets			
Concessions, patents, licences, trademarks and similar rights		50 206	52 976
Other intangible assets		77 842	111 222
Goodwill		63 117	115 871
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		216 552	228 351
Other fixed assets and inventory		1 618 091	1 904 825
Advance payments for fixed assets		-	-
Total fixed assets	9	1 909 954	2 230 609
Total long-term investments		2 101 119	2 510 678
Current assets			
Inventories			
Raw materials, direct materials and auxiliary materials		248 707	231 584
Finished products and goods for sale		1 105 179	968 842
Advance payments for inventories		22 420	12 628
Total inventories		1 376 306	1 213 054
Receivables			
Trade receivables	10	1 023 898	1 024 751
Amounts owed by related companies	11	-	183
Amounts owed by associated companies	12	-	18 000
Other receivables	13	41 224	37 833
Prepaid expenses		32 312	32 978
Accrued income		8 356	14 287
Total receivables		1 105 790	1 128 032



	Notes	31.12.2025 EUR Total	31.12.2024 EUR Total
Short-term financial investments			
Shareholding in the capital of subsidiary companies	14	-	2 380
Total short-term financial investments			2 380
Cash and cash equivalents	15	569 359	365 840
Total current assets		3 051 455	2 709 306
TOTAL ASSETS		5 152 574	5 219 984

CONSOLIDATED BALANCE SHEET

Liabilities

	Notes	31.12.2025 EUR Total	31.12.2024 EUR Total
Equity capital			
Share capital (equity capital)	16	1 380 000	1 380 000
f) other reserves		27 628	28 676
Retained earnings or uncovered losses of previous years		(122 540)	31 132
Profit or loss of the reporting year		112 290	(153 671)
Total equity capital		1 397 378	1 286 137
Creditors			
Long-term liabilities			
Issued bonds	17	1 083 675	1 051 765
Borrowings from credit institutions	18	36 919	63 189
Other borrowings	19	409 915	374 097
Total long-term liabilities		1 530 509	1 489 051
Short-term liabilities			
Borrowings from credit institutions	18	220 575	170 270
Other borrowings	19	280 502	367 262
Trade payables		1 062 687	1 245 417
Amounts owed to subsidiary companies	20	19 299	23 646
Taxes and mandatory state social insurance contributions		294 966	279 836
Other liabilities	21	181 273	159 289
Accrued liabilities	22	165 386	199 076
Total short-term liabilities		2 224 687	2 444 796
Total liabilities		3 755 196	3 933 847
TOTAL LIABILITIES AND EQUITY		5 152 574	5 219 984

Notes on pages 14 to 33 form an integral part of these financial statements.



CONSOLIDATED CASH FLOW STATEMENT

(indirect method)

	Notes	2025 EUR Total	2024 EUR Total
Cash flow of principal activity			
Profit or loss before enterprise income tax		116 508	(148 254)
Corrections:			
Depreciation of property, plant and equipment	9	722 080	748 266
Amortisation of intangible assets	8	88 904	85 202
Net loss/(gain) on disposal of property, plant and equipment		(4 255)	(15 738)
Other revenue from interest and similar revenue		(1 308)	(4 177)
Interest payments and similar costs		138 895	157 937
Profit or loss before corrections of influence of changes in balances of current assets and short-term creditors		1 060 824	823 236
Corrections:			
(Increase) or decrease in balances of debts of debtors		4 198	(113 324)
(Increase) or decrease in balances of stocks		(159 431)	(143 457)
Increase or (decrease) in balances of debts to be paid to suppliers, contractor		(114 367)	220 653
Gross cash flow of principal activity		791 224	787 108
Expenses for interest payments		(106 985)	(126 967)
Expenses for enterprise income tax payments		(4 332)	(4 760)
Net cash flow of principal activity		679 907	655 381
Investment activity cash flow			
Acquisition of fixed assets and intangible assets		(121 319)	(186 720)



Revenue from sale of fixed assets and intangible investments	6	43 385	48 826
Loans issued		18 000	(18 000)
Interest received		1 352	4 132
Investment activity cash flow		(58 582)	(151 762)
Financing activity cash flow			
Expenses for purchase of leased fixed assets		(441 841)	(674 206)
Expenses for repayment of loans		24 035	(24 877)
Financing activity cash flow		(417 806)	(699 083)
Net cash flow of the reporting year		203 519	(195 464)
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	15	569 359	365 840

Notes on pages 14 to 33 form an integral part of these financial statements.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital EUR	Reserves EUR	Uncovered Losses EUR	Total Equity EUR
As at 31.12.2023	1 380 000	29 726	31 132	1 440 858
Increase / decrease in reserve balance	-	(1 050)	-	(1 050)
Losses for the reporting year	-	-	(153 671)	(153 671)
As at 31.12.2024	1 380 000	28 676	(122 540)	1 286 137
Increase / decrease in reserve balance	-	(1 048)	-	(1 048)
Losses for the reporting year	-	-	112 290	112 290
As at 31.12.2025	1 380 000	27 628	(10 250)	1 397 378

Notes on pages 14 to 33 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(1) Significant accounting principles

Principles of preparation of financial statements

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

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

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 incorporat	Principal activities	Controlled since
HESTIQ, AS	40003972121	Latvia	Holding company, Retail of office items and coffee machine rental	-
AURON COFFEE ROASTERY	40103391496	Latvia	Coffee production	15.11.2021

Rīga Mellužu iela 13-11A, LV-1067*

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

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

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

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

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

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

Accounting principles

The financial statements have 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 year 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 year (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. Setoff 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.

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	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. 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.

Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the net identifiable assets acquired and contingent liabilities assumed by the Group at the acquisition date. Goodwill is initially measured at the fair value of the consideration received, including the recognised amount of non-controlling interest in the acquiree, less the net recognised amount (usually the fair value) of the identifiable assets acquired and liabilities assumed at the acquisition date. Goodwill is included in intangible assets.

Goodwill is allocated to cash-generating units and is stated at cost, less accumulated impairment losses, after initial recognition. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that its value may be impaired. The Company's goodwill is amortised over 5 years because it is not possible to reliably estimate its useful life.

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).

Receivables

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

Provisions for bad and doubtful debtors

Provisions for bad and doubtful debtors are estimated over the whole year based on expected budget created as for proportional income and expense flows. Accounts receivables can be written off from the provisions if their

recovery is considered to be impossible. At the end of the year the Company evaluates all account receivables - bad debts are written off, but doubtful debts are assigned to Provisions for doubtful debts.

Cash

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

Financial leasing liabilities

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

- a) ownership to the leased asset will be transferred to the lessee 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 lessee is entitled to use them without a significant modification.

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

Operative lease

Costs of 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.

Sale and leaseback transactions

The Group has Buyback leasing transactions. They are not included in the profit and loss account and their net result is 0 EUR. Buyback leasing transactions are related to the sale of fixed assets owned by the Group, mainly new coffee machines, and their receipt back under finance lease from the lessor company. They are accounted for and presented as finance leases in the following.

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 leave on the end date of the reporting period, including also the mandatory state social insurance contributions made by the employer.

Provision for unreceived expense invoices

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

Recognition of income

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

Corporate income tax

The corporate income tax for the reporting period consists of the calculated and deferred tax for such period. The corporate income tax is recognised in the

profit or loss statement. The tax for the reporting period is calculated according to the provisions of the law "Enterprise Income Tax Law". 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

To prepare the financial statements, the Company's management makes judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues, and expenses. Actual results may differ from these estimates.

Estimates and related assumptions are reviewed regularly. Changes to accounting estimates are recognized in the period in which the estimates are revised and in future periods.

The principal reasons for the inherent uncertainty in estimates are:

(i) The useful life of property, plant, and equipment (including intangible assets)

Management estimates the useful life of individual property, plant, and equipment and intangible assets (including intangible values) proportionally to the expected period of use (such as anticipated capacity or efficiency), based on historical experience with similar assets and intangible assets, as well as future plans.

(ii) The assessment of receivables from customers The process of monitoring financial assets and determining impairment involves several significant risks and uncertainties. These risks and uncertainties include the possibility that the Company's assessment of the customer's ability to fulfill all contractual obligations may change in accordance with changes in the customer's credit rating, and the risk that the economic situation may deteriorate more than expected or impact customers more significantly.

Receivables from customers are valued in accordance with the prudence principle and are reported at net value in the balance sheet, deducting provisions for doubtful debts from the carrying amount.

Provisions for doubtful receivables from buyers and orderers are created based on management's evaluation of recoverability, considering the aging structure of the receivables.

Subsequent events

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

(2) Net turnover:

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

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

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

	2025 EUR Total	2024 EUR Total corrected*
Cost of goods purchased	6 682 693	6 660 770
Costs of raw materials and supplies	759 487	529 798
Excise duties	115 870	122 939
Received discounts	(117 985)	(118 536)
Depreciation of fixed and intangible assets	617 547	604 713
Staff costs	1 536 253	1 288 713
Utilities and premises maintenance costs	169 552	171 086
Transport costs	134 635	108 674
Total	9 898 052	9 368 157

*For correction see Note 32.

(4) Selling expenses

	2025 EUR Total	2024 EUR Total corrected*
Staff costs	1 186 061	1 306 834
Depreciation of fixed and intangible assets	192 385	214 758
Transport costs	456 200	428 272
Mandatory social insurance contributions	256 479	278 335
Communication costs, IT costs	279 832	273 471
Rentals	72 395	76 523
Office expenses	72 691	71 997
Advertising and marketing expenses	106 401	88 564
Employee Engagement and Sustainability	47 359	81 450
Staff meals	51 607	42 877
Packing material	31 126	29 395
Disposal of low-value inventory	6 755	8 827
Business trip expenses	2 952	6 587
Other selling expenses	19 406	28 246
Total	2 781 649	2 936 136

*For correction see Note 32.

(5) Administrative expenses

	2025 EUR Total	2024 EUR Total
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

Personnel expenses	496 823	663 979
Total	313 259	380 896

(6) Other operating income

	2025 EUR Total	2024 EUR Total
Incomes from disposal of long-term investment objects*	29 554	15 738
Income from fixed assets sales	4 668	8 539
Other income	46 162	39 407
Total	80 384	63 684

(7) Other operating expenses

	2025 EUR Total	2024 EUR Total
Non-business costs	16 566	21 282
Cost of goods for own consumption	16 456	17 276
Provisions for bad and doubtful debts	25 621	3 478
Nature conservation expenses	2 243	1 473
Paid fines and penalties	295	240
Other expenses	50 614	13 985
Total	111 795	57 734

*Information on profit or loss from disposal of long-term investment objects.

Long-term investment object	Balance value at the moment of exclusion EUR	Alienation Income EUR	Alienation Expenses EUR	Gross income or profit EUR	Profit or loss from the object's alienation EUR
Other fixed assets and inventory	13 831	43 385	-	29 554	29 554
Total	13 831	43 385	-	29 554	29 554

(8) Intangible assets

		Concessions, patents, licenses, trade marks and similar rights EUR	Other intangible assets EUR	Goodwill EUR	Total intangible assets EUR
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 amortisation	31.12.2024	(39 843)	(87 238)	(147 899)	(274 980)
Amortisation charge		(2 770)	(33 380)	(52 754)	(88 904)
Accumulated amortisation	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

*Goodwill was recognised as a result of the acquisition of a business in December 2021 and is being amortized on a straight-line basis over 5 years.

The Company's management has assessed that the acquired business is profitable, as a result of which no signs of impairment were identified as of 31 December 2025 and 31 December 2024.

(9) Fixed assets

		Investments in leasehold improvements EUR	Other fixed assets and inventory EUR	Advances for fixed assets EUR	Total fixed assets EUR
Acquisition value	31.12.2024	348 111	251 234	4 394 711	4 994 056
Additions		211	495	411 272	444 376
Reclassified			-	32 398	-
Disposal			(761)	(323 252)	(324 013)
Acquisition value	31.12.2025	348 322	250 968	4 515 129	5 114 419
Accumulated depreciation	31.12.2024	(250 678)	(22 883)	(2 489 886)	(2 763 447)
Calculated depreciation		(22 333)	(12 321)	(687 426)	(722 080)

Amortization of intangible assets that have been liquidated or reclassified		788	280 274	281 062
Accumulated depreciation	31.12.2025	(273 011)	(34 416)	(2 897 038)
Net book value	31.12.2024	97 433	228 351	1 904 825
Net book value	31.12.2025	75 311	216 552	1 618 091

(10) Trade receivables

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

(11) Amounts owed by related companies

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

(12) Short term loans*

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



*In May 2025, the share capital of SIA Printero was increased and paid up, from which all liabilities, including AS Hestio, were repaid. During the first half of the year, it is planned to sell the shares of SIA Printero owned by AS Hestio.

(13) Other receivables

	31.12.2025 EUR Total	31.12.2024 EUR Total
Security deposits	22 706	32 146
Supplier surplus	18 518	5 687
Total	41 224	37 833

(14) Shareholding in the capital of subsidiary companies

	31.12.2025 EUR Total	31.12.2024 EUR Total
Investments in the beginning of period	2 380	-
Acquisition (+)		2 380
Disposal (-)	(2 380)	-
Total	-	2 380

(15) Cash and cash equivalents

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

(16) Share capital (equity capital)

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

	31.12.2025 EUR Total	31.12.2024 EUR Total
	1 380 000	1 380 000

(17) Issued bonds

On December 20, 2022, Hestio AS issued bonds with a maturity date of September 1, 2027, yearly interest rate 4.5%, interest rate per period 3.0 % the nominal value of one bond is EUR 0.01, the total value is EUR 990,000.00, the coupon payment frequency is 4 times a year. ISIN: LV0000802650. The terms of the bonds provide for the fulfillment of certain financial covenants in 2025 - Net Debt/ Equity<3.5x and DSCR indicator >1.3x. Indicators on 12.2025 were fulfilled.

	31.12.2025 EUR Total	31.12.2024 EUR Total
Loans to be paid in 1 to 5 years	1 083 675	1 051 765
Total	1 083 675	1 051 765

(18) Borrowings from credit institutions

	Date of payment	31.12.2025 EUR Total	31.12.2024 EUR Total
Long-term borrowings (from 1 to 5 years) Attīstības finanšu institūcija) ALTUM AS	15.05.2028	36 919	63 189
Total		36 919	63 189

	Date of payment	31.12.2025 EUR Total	31.12.2024 EUR Total
Short-term borrowings Attīstības finanšu institūcija ALTUM AS	15.05.2028	26 270	26 270
Swedbank AS	30.06.2026	194 305	144 000
Total short-term borrowings		220 575	170 270

(19) Other borrowings

	31.12.2025 EUR Total	31.12.2024 EUR Total
Long-term borrowings (more than 1 year) Swedbank Lizing Ltd.	409 915	374 097
Total	409 915	374 097

	31.12.2025 EUR Total	31.12.2024 EUR Total
Short-term borrowings (up to 1 year) Swedbank Lizing Ltd.	280 502	367 262
Total	280 502	367 262

As of December 31, 2025 the company has 11 financial lease agreements for car leases for 5 years and 15 financial lease agreements for coffee machines and water equipment leases for 3 years.

(20) Amounts owed to subsidiary companies

	31.12.2025 EUR Total	31.12.2024 EUR Total
Expenses for Services Received and goods	19 299	23 646
Total	19 299	23 646

(21) Other liabilities

	31.12.2025 EUR Total	31.12.2024 EUR Total
Short-term other creditors Payments for wages	166 286	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	181 273	159 289

(22) Accrued liabilities

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

(23) 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

(24) 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 100,000, 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.

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

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

(26) Reverse lease

In 2025, the Company recorded Leaseback transactions for the total amount of EUR 323,057, which are not included in the profit and loss account, their net result is EUR 0. The leaseback is related to the sale of fixed assets owned by the Company to SIA "Swedbank Līzings" and their receipt back under lease. The receipt back is presented in the balance sheet as Finance lease, in 2024 the Company had Leaseback transactions for the total amount of EUR 545,047, their net result is EUR 0.

(27) 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 Company's financial position as of 31 December 2025.

(28) 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 does not have foreign currency risk, transactions are mainly undertaken 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 minimized.

(29) Information on the payments 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

(30) Personnel expenses

Type of costs	2025 EUR	2024 EUR
Wages	2 362 245	2 288 603
Mandatory social insurance contributions	556 053	537 067
Other personnel expenses	2 918 298	2 825 670

(31) Reclassifications

During the preparation of the financial statements for 2025, the Company's management has reclassified certain types of costs from Selling expenses to Production cost of goods sold, acquisition cost of goods sold or services

provided, in order to provide a better view of the Company's operating results. The reclassification has no impact on the net result.

	31.12.2024 as reported previously	Correction	31.12.2024 corrected
Net turnover	12 967 827	-	12 967 827
Production cost of goods sold, acquisition cost of goods sold or services provided	(7 194 971)	(2 173 186)	(9 368 157)
Gross profit or loss	5 772 856	(2 173 186)	3 599 670
Selling expenses	(5 100 545)	2 164 409	(2 936 136)
Administrative expenses	(663 979)	-	(663 979)
Other operating income	63 684	-	63 684
Other operating expenses	(66 511)	8 777	(57 734)
Other interest and similar income	4 177	-	4 177
Interest payments and similar expenses	(157 937)	-	(157 937)
Profit or loss before the corporate income tax	(148 254)	-	(148 254)
Corporate income tax for the reporting year	(5 417)	-	(5 417)
Profit or loss after calculating the corporate income tax	(153 671)	-	(153 671)
Profit or loss of the reporting year	(153 671)	-	(153 671)
Total comprehensive profit or loss of the reporting year	(153 671)	-	(153 671)

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

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.