



**Joint Stock Company
'SIGULDAS CILTS LIETU UN
MĀKSLĪGĀS APSEKLOŠANAS
STACIJA'**

**ANNUAL REPORT
for 2023**

This is a translated copy of the original document. The original document in Latvian language has been submitted to the Nasdaq Riga stock exchange (<https://www.nasdaqbaltic.com>) in European Single Electronic Format (ESEF), XHTML format.

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Information on the Company

Company's name	SIGULDAS CILTSLIETU UN MĀKSLĪGĀS APSĒKLOŠANAS STACIJA
Company's legal status	Joint stock company
Registration number, place and date	40003013295, Riga, 26 July 1991 Registration in the Commercial Register on 19 June 2004
Legal address	'Kalnabēites 8', Sigulda, Sigulda municipality, LV-2150
Shareholders holding more than 5% of the total number of voting shares	'Siguldas mākslīgās apsēklošanas stacija' Ltd. (49.92%), registration No. 40003311954 SCI AG (8.02%) Bartholomäus-Arnoldi-Str. 82, DE-61250 Usingen, Germany Oļegs Radčenko (5.19%)
Members of the Management Board	Nils Ivars Feodorovs, chairman of the Management Board, holding 400 shares Sarmīte Arcimoviča, member of the Management Board, holding 4 124 shares Valda Mālniece, member of the Management Board, holding 14 260 shares
Members of the Supervisory Board	Inīta Bedrīte, chairwoman of the Supervisory Board, holding 1 084 shares Guntis Mecaucis, deputy chairman of the Supervisory Board from 21.04.2023, holding 5 448 shares Maija Beča, deputy chairwoman of the Supervisory Board till 21.04.2023, holding 3 066 shares Līga Kubuliņa, member of the Supervisory Board from 21.04.2023, do not own shares Baiba Mecauce, member of the Supervisory Board, holding 10 304 shares Edgars Nartišs, member of the Supervisory Board from 21.04.2023, do not own shares
Reporting period	01.01.2023 – 31.12.2023
Previous reporting period	01.01.2022 – 31.12.2022
Auditors	Olga Kuzmiča Sworn Auditor Certificate No. 207 'Oriens Audit & Finance' Ltd. Gunāra Astras street 8B Riga, LV-1082, Latvia Sworn Auditors' Commercial Company's license No. 28

Management Report

Types of Operations

JSC 'Siguldas ciltslietu un mākslīgās apsēklošanas stacija' (hereinafter referred to as the Company) is one of the largest high-quality breeding bull semen producers and suppliers in Latvia. The second largest field of the Company's basic economic activities is the milk testing services. The Company also provides other breeding related services – consultations on issues of cattle breeding, feeding and keeping, evaluation of cow exterior, artificial insemination of cows, initial processing of the supervisory data.

Brief Description of the Company's Activities in the Reporting Year and Financial Condition

The Company's net turnover in 2023 was 1.5 million euros, which is by 20 thousand euros or 1.3% less than in 2022.

The proportionality of the income from the basic occupation has slightly changed compared to 2022 – the income from the sale of breeding bull semen has increased and accounted for 63.8% of the net turnover, while the income from the services of milk analysis and monitoring data processing has decreased - they totaled 22.7% from net turnover.

In 2023, the evaluation of the investment property at the true value generated revenues of 17 thousand euros, accordingly, in 2022 its value increased by 51 thousand euros.

2023 ended with a profit of 65 thousand euros. Compared to 2022, the profit before taxes for the reporting year has decreased by 78 thousand euros, which was mainly caused by the decrease in net turnover and the increase in material costs, as well as the valuation of the investment property.

During the reporting period, the Company has received a new laboratory equipment – a milk analyzer with equipment – as a financial lease for five years.

The Russia's invasion in Ukraine did not significantly affect the Company's economic activity, financial situation and economic indicators

In 2023, there were no other significant events that would affect the financial statement, as well as there are no significant risks that the Company could face and that could affect its financial position and financial results of operations.

Future Prospects and future Development

By increasing the efficiency of the Company's operation, the Company will continue to work to expand the market size of its products and services provided.

Post-Balance-Sheet Events

In the period from the last day of the reporting year to the day of signing the financial report, there have been no events that significantly affect the Company's financial position as of 31 December 2023.

The war between Russia and Ukraine has no significant impact on the Company's economic activity, financial situation and economic indicators.

Branches and Representative Offices Abroad

The Company has no branch offices, nor any representative offices abroad.

Proposals Regarding the Use of the Company's Profit or Losses

The proposal of the Board is – not to use up the profit of the reporting year, but instead to pay out the retained earnings of 21 122.00 euros, shown in the balance sheet as at December 31, 2017, in dividends, which is 0.05 euros per share

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Sarmīte Arcimoviča
*Member of the Management
Board*

Valda Mālniece
*Member of the Management
Board, Manager of the
Financial and Accounting
department*

22 March 2024

Profit or loss account

	Note	2023 EUR	2022 EUR
Net sales	3	1 537 526	1 557 952
a) from agricultural activities		1 537 526	1 557 952
Changes in stock of ready-made goods and unfinished products	4	5 225	(14 791)
Other operating income	5	65 959	106 349
Costs of materials:		(832 591)	(805 569)
a) raw materials and auxiliary costs of materials		(737 121)	(681 454)
b) other external costs		(95 470)	(124 115)
Personnel costs:	6	(485 788)	(521 659)
a) salaries for work		(380 929)	(412 339)
b) state social insurance compulsory contributions		(93 475)	(97 806)
c) other social insurance costs		(11 384)	(11 514)
Depreciation adjustments:		(143 584)	(92 209)
a) depreciation adjustments of fixed and intangible assets		(89 755)	(45 561)
b) depreciation adjustments of current assets which the company considers to be above the normal write-off amounts		(53 829)	(46 648)
Other operating costs	7	(72 327)	(81 633)
Interest payments and similar costs:	8	(6 386)	-
a) to other persons		(6 386)	-
Profit or loss before enterprise income tax		68 034	148 440
Enterprise income tax for the reporting year		(2 599)	5 040
Profit or loss after enterprise income tax calculation		65 435	143 400
The profit or loss for the year		65 435	143 400
Earnings per 1 share (EPS)	17	0.155	0.339

Notes on pages 10 to 23 form an integral part of these financial statements.

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22 March 2024

Balance sheet

Assets	Note	2023 EUR	2022 EUR
Long-term investments			
Intangible assets			
Concessions, patents, licenses, trademarks and similar rights		-	-
Intangible assets total	9	-	-
Fixed assets (fixed assets, investment properties)			
Fixed assets			
Immovable properties - land parcels, buildings and constructions		100 639	110 243
Productive animals		26 561	43 246
Technological equipment and machinery		131 494	2 505
Other fixed assets and inventory		48 019	59 084
Prepayments for fixed assets		-	47 092
Fixed assets total	10	306 713	262 170
Investment properties	11	136 000	119 000
Long-term financial investments			
Other securities and investments		684	684
Long-term financial investments total		684	684
Long-term investments total		443 397	381 854
Current assets			
Stock			
Raw materials, basic materials and auxiliary materials		16 129	21 111
Ready-made goods and goods for sale	12	1 001 456	949 074
Stock total		1 017 585	970 185
Receivables			
Trade receivables	13	416 612	244 775
Other receivables	14	86	8 117
Prepaid expenses	15	10 553	10 228
Accrued income		23 855	31 266
Receivables total		451 106	294 386
Cash	16	154 235	302 771
Current assets total		1 622 926	1 567 342
Assets total		2 066 323	1 949 196

Balance sheet

Shareholders' equity and liabilities	Note	2023 EUR	2022 EUR
Shareholders' equity			
Share capital	17	591 416	591 416
Retained earnings or loss carried forward from previous years		1 175 086	1 031 686
Profit or loss of the reporting year		65 435	143 400
Shareholders' equity total		1 831 937	1 766 502
Payables			
Long-term payables			
Other loans	18	64 415	-
Long-term payables total		64 415	-
Short-term payables			
Other loans	19	18 271	-
Prepayment received from customers		884	12 417
Trade payables		65 279	105 094
Taxes and social insurance payments	20	44 828	23 779
Other payables		20 661	22 002
Accrued liabilities	21	20 048	19 402
Short-term payables total		169 971	182 694
Payables total		234 386	182 694
Shareholders' equity and liabilities total		2 066 323	1 949 196

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22 March 2024

Cash flow statement

	Note	2023 EUR	2022 EUR
Cash flow from operating activities			
Income from sale of goods and provision of services		1 680 906	1 893 517
Payments to suppliers, employees, other expenses arising from basic operations		(1 753 900)	(1 798 948)
Gross cash flow from basic operations		(72 994)	94 569
Expenses for interest payments		(6 386)	-
Expenses for enterprise income tax payments		(56)	(5 119)
Net cash flow from operating activities		(79 436)	89 450
Cash flow from investing activities			
Purchase of fixed assets and intangible investments		(26 943)	(127 016)
Income from dispossession of fixed assets		9 199	13 083
Net cash flow from investing activities		(17 744)	(113 933)
Cash flow from financing activities			
Subsidies received as a state support		5 885	6 630
Expenses for the redemption of a leased fixed asset		(52 048)	-
Dividends paid		-	(33 795)
Net cash flow from financing activities		(46 163)	(27 165)
Result of foreign exchange rate fluctuations		(5 193)	(4 386)
Net increase or decrease of cash and its equivalents		(148 536)	(56 034)
Cash and its equivalents balance at the beginning of the reporting year		302 771	358 805
Cash and its equivalents balance at the end of the reporting year	16	154 235	302 771

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22 March 2024

Statement on changes in shareholders' equity

	Share capital	Retained earnings carried forward from previous years	Profit of the reporting year	Shareholders' equity total
	EUR	EUR	EUR	EUR
31.12.2021	591 416	968 685	96 796	1 656 897
Profit of 2021 transferred to retained earnings of previous years	-	96 796	(96 796)	-
Dividends distributed	-	(33 795)	-	(33 795)
Profit of the reporting year	-	-	143 400	143 400
31.12.2022	591 416	1 031 686	143 400	1 766 502
Profit of 2022 transferred to retained earnings of previous years	-	143 400	(143 400)	-
Profit of the reporting year	-	-	65 435	65 435
31.12.2023	591 416	1 175 086	65 435	1 831 937

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22 March 2024

Notes to the Financial Statements

(1) General information on the Company

JSC 'Siguldas ciltslietu un mākslīgās apsēklošanas stacija' (hereinafter - the Company) was registered in the Register of Enterprises of the Republic of Latvia on 26 July 1991 and was reregistered in the Commercial Register of the Republic of Latvia on 19 June 2004.

The Company's basic activities are agriculture and the types of business are as follows:

- production and sale of agricultural products – high-quality breeding animals semen,
- making of milk analyses,
- evaluation of cow exterior,
- artificial insemination of cows,
- milk recording data processing,
- animals breeding organization.

(2) Significant accounting principles

Underlying principles of preparation of the Financial Statements

The Company's Financial Statements have been prepared according to the Law On Annual Reports and Consolidated Annual reports of the Republic of Latvia. According to Section 5 of the Law on Annual Reports and Consolidated Annual reports, the Company is classified as a small company according to the last two years figures. Taking into account the legal requirements for commercial companies whose transferable securities are listed on a regulated market, the Company applies requirements that are binding on a large company. The Profit or Loss Account is been prepared based on classification according to expense types. The Cash Flow Statement was prepared according to the direct method.

Complying the regulation stated in Article 13 Part 5 Chapter 2 of the Law On Annual Reports and Consolidated Annual reports, the Company acknowledges, assesses, shows in its financial report and provides explicative information on investment properties in compliance with the international accounting standards.

Accounting principles used

The items of the Financial Statements have been evaluated according to the following accounting principles:

- It is assumed that the Company will be a going concern;
- The same evaluation methods have been used, which were used in the previous year;
- Evaluation was done with sufficient prudence:
 - The Financial Statements include solely the profit gained until the balance sheet date,
 - All expected risk amounts and losses have been taken into account, which occurred during the reporting year or in previous years, also if they were known during a certain period of time between the balance sheets date and the day of preparing the Financial Statements,
 - All value decreasing and depreciation amounts have been taken into account irrespective whether the reporting year was closed with profit or loss;
- reporting year related income and costs were recognized irrespective of the payment date and the date of receipt or issuance of invoice. Costs have been agreed with the income in the reporting period;
- components of asset and liabilities items have been recognized separately;
- the opening balance of the reporting year agrees with the closing balance of the previous year;
- all items have been recognized, which materially influence assessment or decision-making process of the users of the annual report, insignificant items are merged and they are detailed in the Appendix;
- operating transactions in the reporting year have been recognized in the Financial Statements by taking into account their economic substance and contents, rather than legal form.

Notes to the Financial Statements

Financial instruments

Fair value of financial assets and liabilities

Fair value of financial assets and liabilities reflect the amount, for which it is possible to exchange assets or perform liabilities in a deal between well informed, interested and financially independent persons. If in the Company's management opinion, fair value of financial assets and liabilities materially differs from the value recognized in the balance sheet, then the fair value of these assets and liabilities is recognized in the Notes to the Financial Statements.

Financial risks management

Credit risk

The Company's management has developed credit policy, which is constantly controlled. Client evaluation is done for all customers above a fixed amount. The Company cooperates with clients who have proper credit assessment.

Currency risk

Based on the current structure of Company's financial assets and liabilities held in foreign currencies, the currency risk is not material.

Reporting period

The reporting period is twelve months from 1 January to 31 December 2023.

Revaluation of foreign currencies

The Company's functional currency and the currency used in the Financial Statements is euro (EUR). All transactions in foreign currencies are converted into euro according to the euro foreign exchange reference rate published by the European Central Bank on the day of particular transaction being performed.

Monetary assets and liabilities, which are shown in foreign currencies, are converted into euro according to the fixed euro foreign exchange reference rate published by the European Central Bank on the last day of the reporting period.

	31.12.2023	31.12.2022
USD	1.10500	1.06660

Currency exchange rate differences arising from settlements in currencies or when recognizing assets and liabilities by using currency exchange rates, which differ from the initial currency exchange rates used for accounting of transactions, are recognized in the profit or loss account in net value.

Recognition of income

Income is recognized according to the conviction about the Company's possibility to gain economic benefit and in the amount, in which it is possible to state it, less value added tax and sales-related discounts. When recognizing income, also the following provisions are taken into account.

Sale of goods

Income is recognized when the Company has transferred to the purchaser major risks and indemnities related to the title of goods.

Provision of services

Income from services is recognized in the period when the services are provided.

Penalty and delay charges

Income from penalty and delay charges is recognized at the moment of their receipt.

Interest

Income is recognized according to the respective period of time.

Long-term and short-term items

Long-term items include amounts whose receipt, payments or write-off terms are due later after the end of the respective reporting year. Amounts, which are receivable, payable or written off during the year, are recognized in short-term items.

Notes to the Financial Statements

Leasing transactions

Financial leasing

In cases when fixed assets are purchased on the conditions of financial leasing and the related risks and return are taken over, these fixed assets are recognized in the value, for which they could be purchased with immediate payment. Leasing interest payments and similar payments are included in the profit or loss account of that period when they occurred.

Intangible assets and fixed assets

In the balance sheet, all intangible assets and fixed assets are reflected at their purchase prices, less depreciation. Depreciation is calculated from the first date of the next month after their commissioning and finished on the first date of the subsequent month after it is excluded from fixed assets. Depreciation is calculated according to the straight line method and is written off during the useful life time of respective fixed assets by choosing the following annual depreciation rates as fixed by the management:

Intangible assets:

Licenses	5 years
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Fixed assets:

Buildings and constructions	10, 20, 25, 40 and 59 years
Productive animals	2 years
Equipment and machinery	5, 6 and 7 years
Computer hardware and communication equipment	5 years
Inventory and tools	3 and 5 years
Other fixed assets	2 and 3 years

Balances of fixed assets have been counted in the annual count of fixed assets.

The Company capitalizes its fixed assets valued over 70 euro with useful life exceeding one year. Depreciation for improvements and other low costs items with the value less than 70 euro is recognized by 100 % after commissioning.

If sufficient evidence is acquired that the future economic benefit associated with subsequent repair or reconstruction costs will flow to the Company, which exceeds the return set previously, costs are capitalized as additional costs to the fixed asset.

Net gains or losses from disposal of fixed assets is calculated as the difference between the carrying amount of the fixed asset and proceeds from sale, and recognized in the income statements during the period when disposal are incurred.

If it is possible to conclude due to any kind of occurrence or circumstances that residual value of fixed or intangible assets could not reach its recoverable value, appropriate value of fixed or intangible asset is to be decreased until recoverable value. Recoverable value is calculated as the highest of fair value less costs to sell or value in use.

Productive animals meet the value criteria of fixed assets and are included in fixed assets.

Investment properties

Investment property is property (land plots, building or part of building) held by the owner or by lessee under a finance lease to earn rentals or for capital appreciation rather than use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. For the land with uncertain future use (if the Company has not determined that it will use the land as owner occupied or short term sale in the ordinary course of business, it is assumed that land is held for capital appreciation), it is classified as investment property.

Investment property of the company— land in possession of the stock company, which market value is expected to grow. Investment properties have been filed according to their purchase value. No later than at the end of the year of account

Notes to the Financial Statements

the investments properties are being revalued according to their real market value considering any other activities related to particular property. The revaluation is performed by a certified evaluator. Any changes in the market value of the investments properties are being shown in the profit and loss account.

Evaluation using a comparable transaction method was carried out by a certified evaluator:

2023 – LTD 'Eiroeksperts'

2022 – LTD 'Eiroeksperts'

Stock

Stock is recognized in the lowest cost or net sales value. All stock is assessed by using the average weighted method.

Net sales value is the sales price of stock fixed during normal Company's operations, less the stock completion and selling costs. In cases when the stock net selling value is lower than their cost price, provisions are made for these stocks for decrease of their value down to the net sales value.

All direct costs, which are related to production of breeding animals - bull semen, during the year are booked in the profit or loss account and are adjusted at the end of the year when evaluating stocks according to the lowest sales value or cost price and including them in stocks as "Ready-made goods and goods for sale".

Trade receivables and other receivables

In the balance sheet receivables are recognized in the recoverable value, provisions for doubtful receivables having been deducted. Provisions for doubtful debts are made in cases when there is objective evidence to the fact that the Company will not be able to receive the debts in full value according to the initially fixed repayment dates. Provisions for doubtful debts are the difference between the amortized purchase value of receivables and the recoverable value. The recoverable value of receivables is the current value of planned cash flow.

Cash

For the purposes of the cash flow statement, cash and cash equivalents comprise cash, the balances of the current bank account and other current liquid financial assets with maturities up to 90 days.

Provisions

Provisions are liabilities related to current or previous years events and at the preparation of financial statements it is probable that an outflow of resources will be required to settle the obligation and its amount can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

Subsidies

Amounts, which are received as a state support for agricultural, i.e., for covering of expenses for maintaining high-quality breed bulls, are included in the income of that reporting period when they are received and all material conditions for the grant are fulfilled.

Notes to the Financial Statements

Taxes

Corporate income tax for the financial year

Corporate income tax is payable on the distribution of profits and the conditional distribution of profits. Distributed and notionally distributed profits are taxed at the rate of 20 percent of the gross amount, or 20/80 of net costs. Corporate income tax on the payment of dividends is recognized in the profit and loss account as an expense in the period in which the dividends are declared and, in the case of other retained earnings, as incurred.

Use of assumptions

When preparing the financial statements, the Company's management has to make calculations and assumptions, which impact recognition of assets and liabilities included in the financial statements as at the day of preparing the financial statements, as well as the income and expenses recognized in the specific reporting period. Management has made profit or loss assessment and considers that the financial statements reflect the true financial condition based on all currently available information.

Notes to the Financial Statements

(3) Net sales

Sales include income gained during the year from the Company's basic activities – sales of products and provision of services without value added tax and less discounts.

Type of operations	2023 EUR	2022 EUR
Sale of Livestock sperm and embryo	980 676	889 818
Milk laboratory services	287 453	372 563
Treatment of supervisory data	62 021	90 793
Artificial insemination of livestock	37 596	38 156
Other income	169 780	166 622
	1 537 526	1 557 952

Distribution of net sales according to the geographical markets:

	2023 EUR	2022 EUR
Latvia	1 537 172	1 557 952
Estonia	354	-
	1 537 526	1 557 952

(4) Changes in stock of ready-made goods and unfinished products

	2023 EUR	2022 EUR
Changes in the value of semen stocks produced	63 093	39 758
Written-off sperm	(57 868)	(54 549)
	5 225	(14 791)

(5) Other operating income

	2023 EUR	2022 EUR
Income from investment property revaluation	17 000	51 000
Net income from dispossession of fixed assets	4 866	-
State support for agricultural	5 885	6 630
Recovered doubtful and bad debts	38 204	46 577
Other income	4	2 142
	65 959	106 349

Notes to the Financial Statements

(6) Personnel costs

	2023 EUR	2022 EUR
Salaries for work	381 114	409 829
State social insurance contributions	93 539	97 219
Changes in liabilities to personnel for unused vacation	(249)	3 097
Health insurance	7 567	8 728
Other costs	3 817	2 786
	485 788	521 659

(7) Other operating expenses

	2023 EUR	2022 EUR
Insurance payments	8 218	4 084
Selling expenses	4 007	7 704
The costs of accreditation and employee training	3 260	2 680
Business trip expenses	3 194	1 647
Labour protection expenditure	2 811	3 550
Company's management and administrative expenses	7 806	9 570
Regulated securities market expenses	14 361	13 065
Mandatory audit of the annual report	4 500	4 300
Loss from foreign currency exchange rate fluctuations	3 707	8 039
Net loss from dispossession of fixed assets	-	4 301
Employees' leisure and similar costs	5 628	7 532
Real estate tax	1 862	1 862
Other costs	12 973	13 299
	72 327	81 633

(8) Interest payments and similar costs

	2023 EUR	2022 EUR
Interest on the use of financing	6 386	-
	6 386	-

Notes to the Financial Statements

(9) Intangible assets

	Concessions, patents, licenses, trademarks and similar rights EUR
Initial value	
31.12.2022	10 785
Purchased	-
Disposed	(1 842)
31.12.2023	8 943
Accrued depreciation adjustments	
31.12.2022	10 785
Annual write-off of the value	-
Adjustments to accrued depreciation of excluded intangible assets	(1 842)
31.12.2023	8 943
Book value as at 31.12.2022	-
Book value as at 31.12.2023	-

	Concessions, patents, licenses, trademarks and similar rights EUR
Initial value	
31.12.2021	10 785
Purchased	-
Disposed	-
31.12.2022	10 785
Accrued depreciation adjustments	
31.12.2021	9 307
Annual write-off of the value	1 478
Adjustments to accrued depreciation of excluded intangible assets	-
31.12.2022	10 785
Book value as at 31.12.2021	1 478
Book value as at 31.12.2022	-

Notes to the Financial Statements

(10) Report on movement of fixed assets

	Land, buildings and con- structions	Productive animals	Technological equipment and machinery	Other fixed assets and inventory	Prepayments for fixed assets	Total
	EUR	EUR	EUR	EUR	EUR	EUR
Initial value						
31.12.2022	467 494	53 497	309 183	333 011	47 092	1 210 277
Purchased	-	18 634	111 535	8 462	-	138 631
Dispossessed or liquidated	-	(16 024)	-	(19 749)	-	(35 773)
Requalified	-	-	47 092	-	(47 092)	-
31.12.2023	467 494	56 107	467 810	321 724	-	1 313 135
Accrued depreciation adjustments						
31.12.2022	357 251	10 251	306 678	273 927	-	948 107
Calculated depreciation	9 604	30 986	29 638	19 527	-	89 755
Depreciation of dispossessed or liquidated fixed assets	-	(11 691)	-	(19 749)	-	(31 440)
31.12.2023	366 855	29 546	336 316	273 705	-	1 006 422
Book value as on 31.12.2022	110 243	43 246	2 505	59 084	47 092	262 170
Book value as on 31.12.2023	100 639	26 561	131 494	48 019	-	306 713

As on 31 December 2023, the cadastral value of **real estate – land and constructions** – was **EUR 158 539**.

Notes to the Financial Statements

	Land, buildings and constructions	Productive animals	Technological equipment and machinery	Other fixed assets and inventory	Prepayments for fixed assets	Total
	EUR	EUR	EUR	EUR	EUR	EUR
Initial value						
31.12.2021	467 494	50 469	306 399	293 338	3 200	1 120 900
Purchased	-	35 883	2 784	41 257	47 092	127 016
Dispossessed or liquidated	-	(36 055)	-	(1 584)	-	(37 639)
Requalified	-	3 200	-	-	(3 200)	-
31.12.2022	467 494	53 497	309 183	333 011	47 092	1 210 277
Accrued depreciation adjustments						
31.12.2021	343 723	16 883	305 304	258 369	-	924 279
Calculated depreciation	13 528	12 039	1 374	17 142	-	44 083
Depreciation of dispossessed or liquidated fixed assets	-	(18 671)	-	(1 584)	-	(20 255)
31.12.2022	357 251	10 251	306 678	273 927	-	948 107
Book value as on 31.12.2021	123 771	33 586	1 095	34 969	3 200	196 621
Book value as on 31.12.2022	110 243	43 246	2 505	59 084	47 092	262 170

As on 31 December 2022, the cadastral value of **real estate – land and constructions** – was **EUR 158 539**.

(11) Investment properties

	Land EUR
Book value as on 31.12.2021	68 000
Increase/decrease of value due to revaluation	51 000
Book value as on 31.12.2022	119 000
Increase/decrease of value due to revaluation	17 000
Book value as on 31.12.2023	136 000

(12) Ready-made products and goods for sale

	2023 EUR	2022 EUR
Bull semen	990 585	934 607
Other goods for sale	10 871	14 467
	1 001 456	949 074

Notes to the Financial Statements

(13) Trade receivables

	2023 EUR	2022 EUR
Accounting value of trade receivables	490 608	306 674
Provisions for doubtful trade receivables	(73 996)	(61 899)
	<u>416 612</u>	<u>244 775</u>

(14) Other receivables

	2023 EUR	2022 EUR
VAT for received goods and services	-	1 910
Other receivables	86	6 207
	<u>86</u>	<u>8 117</u>

(15) Prepaid expenses

The item recognizes the costs made during the reporting year, but referring to the next reporting periods.

	2023 EUR	2022 EUR
Insurance	8 435	8 524
Press and legislation updates' subscription	644	601
Server maintenance and similar costs	778	372
Other prepaid expenses	696	731
	<u>10 553</u>	<u>10 228</u>

(16) Cash

Break-down of cash according to currencies:

		2023		2022	
		Currency	EUR	Currency	EUR
Cash in hand	EUR	-	1 808	-	1 637
Cash in bank	EUR	-	152 427	-	301 134
			<u>154 235</u>		<u>302 771</u>

Notes to the Financial Statements

(17) Share capital

Since 21 May 2007 Company's shares are quoted on the Second List of Nasdaq Riga Stock Exchange (ISIN code: LV0000100600). The Company's share capital has been formed of shareholders' investments.

The total number of shares as per 31.12.2023 is 422 440, the nominal value of one share is 1.40 euro.

The total number of shares as per 31.12.2022 was 422 440, the nominal value of one share – 1.40 euro.

	2023 EUR	2022 EUR
Bearer shares with voting rights	590 016	590 016
Shares owned by the Board without voting rights	1 400	1 400
	591 416	591 416

421 440 shares or 99.8% of the share capital are bearer shares, which give equal rights to receive dividends, receipt of liquidation quota and voting rights in the Shareholders' Meeting.

Owners of 421 440 bearer shares

	31.12.2023 %	31.12.2022 %
'Siguldass mākslīgās apsēklošanas stacija' Ltd	49.92	49.92
Inita Bedrīte, chairwoman of the Supervisory Board	0.26	0.26
Guntis Mecaucis, deputy chairman of the Supervisory Board	1.29	1.29
Maija Beča, deputy chairwoman of the Supervisory Board till 21.04.2023	0.73	0.73
Baiba Mecauce, member of the Supervisory Board	2.44	2.44
Sarmīte Arcimoviča, member of the Management Board	0.91	0.91
Valda Mālniece, member of the Management Board	3.31	3.31
Other shareholders	41.14	41.14
	100.00	100.00

1 000 shares or 0.24% of the share capital, which are not included in the regulated market, are personnel registered shares, which may be obtained only by Members of the Board, and they give equal rights only to receipt of dividend and liquidation quota.

Owners of the Company's personnel registered shares according to the Company's carried shareholders registry.

	2023 number	2022 number
Nils Ivars Feodorovs, chairman of the Management Board	400	400
Sarmīte Arcimoviča, member of the Management Board	300	300
Valda Mālniece, member of the Management Board	300	300
	1 000	1 000

There are no share alienation restrictions, nor the necessity to receive the Company's or other shareholders' consent for alienation of shares.

There are no restrictions on voting rights, nor any other similar restrictions.

Notes to the Financial Statements

Earnings per share

Earnings per one share is calculated by dividing the profit of the reporting period with the average weighted number of shares during the year.

	2023 EUR	2022 EUR
Profit or loss of the reporting period	65 435	143 400
Average weighted number of shares during the year	422 440	422 440
	0.155	0.339

(18) Long-terms payables

	2023 EUR	2022 EUR
Financial lease agreement of Swedbank Līzings SIA (expiration date – 15.01.2028)	64 415	-
	64 415	-

(19) Short-term payables

	2023 EUR	2022 EUR
Financial lease agreement of Swedbank Līzings SIA (expiration date – 15.01.2028)	18 271	-
	18 271	-

(20) Taxes and social insurance payments

Tax type	2023 EUR	2022 EUR
Value added tax	22 901	3 023
Personal income tax	5 910	7 045
Social insurance payments	13 351	13 578
Nature resource tax	113	123
Corporate income tax	2 543	-
Business risk state fee	10	10
	44 828	23 779

Tax overpaid declared in position 'Other receivables'

(21) Accrued liabilities

	2023 EUR	2022 EUR
Calculated liabilities to personnel for unused vacation	15 845	16 094
Accrued accounts payable	4 203	3 308
	20 048	19 402

Notes to the Financial Statements

(22) Information on the number of management members and remuneration

	2023 EUR	2022 EUR
Remuneration to five Supervisory Board members for execution of functions	9 605	8 004
Social insurance payments from remuneration to five Supervisory Board members for execution of functions	4 013	2 708
Remuneration to three Management Board members for execution of functions	41 707	41 739
Social insurance payments from remuneration to three Management Board members for execution of functions	8 866	9 371
Total remuneration to the management members	64 191	61 822

There are no special regulations put in place to regulate the election of the Management Board members, the change of the composition of the Management Board and amendments to the Articles of Association.

All Management Board members have equal Company's representation rights. The chairman of the Management Board represents the Company separately, but other Management Board members may represent the Company only collectively. There is no agreement signed between the Company and the Management Board members ensuring any kind of compensation.

(23) Average number of employees

	2023 number	2022 number
Supervisory Board members (all employees perform the functions of the Supervisory Board member as an extra work in addition to principal work duties)	2	2
Management Board members (two employees perform the functions of the Management Board member as an extra work in addition to principal work duties)	3	3
Other employees	23	23
Total average number of employees	28	28

(24) Post-Balance-Sheet Events

In the period from the last day of the reporting year to the day of signing the financial report, there were no events that significantly affect the Company's financial position as of 31 December 2023.

The war between Russia and Ukraine has no significant impact on the Company's economic activity, financial situation and economic indicators.

_____ Nils Ivars Feodorovs <i>Chairman of the Management Board</i>	_____ Sarmīte Arcimoviča <i>Member of the Management Board, Manager of the Production and Marketing department</i>	_____ Valda Mālniece <i>Member of the Management Board, Manager of the Financial and Accounting department</i>
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22 March 2024

Report on Management Liability

The Management of JSC 'Siguldas ciltslietu un mākslīgās apsēklošanas stacija' (hereinafter - the Company) is responsible for the preparation of the financial statements of the Company. The financial statements are prepared in accordance with the source documents and present fairly the financial position of the Company as of 31 December 2023 and the results of their operations and cash flows for the year then ended.

The Management Board confirms that the financial statements and notes to the financial statements contained on pp. 3-23 have been prepared on the basis of source documents and the decisions adopted and the assessments made were conservative and prudent. The accounting policy compared to the preceding year has not changed. The Management Board confirms that the financial statements have been prepared on a going-concern basis

Management is responsible for ensuring an appropriate accounting system, preserving the Company's assets, as well as detecting and preventing fraud and other violations committed at the Company. The Management is also responsible for fulfilling the legislative requirements of the Republic of Latvia, as well as the requirements of the European Union regulations that are applicable to the Company.

Nils Ivars Feodorovs

*Chairman of the Management
Board*

Sarmīte Arcimoviča

*Member of the Management
Board, Manager of the
Production and Marketing
department*

Valda Mālniece

*Member of the Management
Board, Manager of the
Financial and Accounting
department*

22 March 2024