



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

**Unaudited
INTERIM REPORT
for the First Six Months of 2023**

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Information on the Company

Company's name	<i>SIGULDAS CILTSLIETU UN MĀKSLĪGĀS APSĒKĻOŠANAS STACIJA</i>
Company's legal status	<i>Joint stock company</i>
Registration number, place and date	<i>40003013295, Riga, 26 July 1991</i> <i>Registration in the Commercial Register on 19 June 2004</i>
Legal address	<i>'Kalnabēites 8', Sigulda, Sigulda municipality, LV-2150</i>
Shareholders holding more than 5% of the total number of voting shares	<i>'Siguldas mākslīgās apsēkļošanas stacija' Ltd. (49.92%), registration No. 40003311954</i> <i>SCI AG (8.02%)</i> <i>Bartholomäus-Arnoldi-Str. 82, DE-61250 Usingen, Germany</i> <i>Oļegs Radčenko (5.19%)</i>
Members of the Management Board	<i>Nils Ivars Feodorovs, chairman of the Management Board</i> <i>Sarmīte Arcimoviča, member of the Management Board</i> <i>Valda Mālniece, member of the Management Board</i>
Members of the Supervisory Board	<i>Inīta Bedrīte, chairwoman of the Supervisory Board</i> <i>Guntis Mecaucis, deputy chairman of the Supervisory Board from 21.04.2023</i> <i>Maija Beča, deputy chairwoman of the Supervisory Board till 21.04.2023</i> <i>Līga Kubuliņa, member of the Supervisory Board from 21.04.2023</i> <i>Baiba Mecauce, member of the Supervisory Board</i> <i>Edgars Nartišs, member of the Supervisory Board from 21.04.2023</i>
Reporting period	<i>01.01.2023 – 30.06.2023</i>
Previous reporting period	<i>01.01.2022 – 30.06.2022</i>
Auditors	<i>Olga Kuzmiča</i> <i>Sworn Auditor</i> <i>Certificate No. 207</i> <i>'Oriens Audit & Finance' Ltd.</i> <i>Gunāra Astras street 8B</i> <i>Riga, LV-1082, Latvia</i> <i>Sworn Auditors' Commercial Company's license No. 28</i>

Management Report

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.

The proportion of the revenue from the Company's basic economic activities, if compared to the first six months of 2022, had not changed substantially – the revenue from the sales of the bull semen comprised 62.9 % of the net turnover, whereas the milk laboratory services and processing of supervisory data services, taken together, accounted for 25.3 % of the net turnover.

Company's net turnover in the first six months of 2023 was 760.4 thousand euros, which is by 2.4 % higher than in the first six months of 2022, whereas Company's profit before enterprise income tax was 84.8 thousand euros – by 20.7 % or 22.2 thousand euros less, compared to the corresponding period in 2022.

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 outbreak of Covid-19 and the Russian invasion of Ukraine did not significantly affect the Company's economic activity, financial situation and economic indicators.

In the first six months of 2023 there are no another major events that have affected the financial statement, as well as no significant risks that the company might be confronted with and which could have an impact on its financial position and financial performance.

By increasing the operational efficiency of its business, the Company will continue to work on the expansion of its marketed product and service volume.

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

23 August 2023

Profit or loss account

	Note	30.06.2023 EUR	30.06.2022 EUR
Net sales	3	760 366	742 392
a) from agricultural activities		760 366	742 392
Changes in stock of ready-made goods and unfinished products	4	39 705	45 084
Other operating income	5	27 791	28 838
Costs of materials:		(409 009)	(377 799)
a) raw materials and auxiliary costs of materials		(361 071)	(323 455)
b) other external costs		(47 938)	(54 344)
Personnel costs:	6	(248 572)	(269 321)
a) salaries for work		(192 299)	(209 790)
b) state social insurance compulsory contributions		(46 408)	(49 067)
c) other social insurance costs		(9 865)	(10 464)
Depreciation adjustments:		(43 945)	(23 289)
a) depreciation adjustments of fixed and intangible assets		(43 945)	(23 288)
b) depreciation adjustments of current assets which the company considers to be above the normal write-off amounts		-	(1)
Other operating costs	7	(38 359)	(38 960)
Interest payments and similar costs:	8	(3 217)	-
a) to other persons		(3 217)	-
Profit or loss before enterprise income tax		84 760	106 945
Enterprise income tax for the reporting year		(41)	(134)
Profit or loss after enterprise income tax calculation		84 719	106 811
The profit or loss for the year		84 719	106 811
Earnings per 1 share (EPS)	17	0.201	0.253

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

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23 August 2023

Balance sheet

Assets	Note	30.06.2023 EUR	31.12.2022 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		105 441	110 243
Productive animals		40 778	43 246
Long-term investments in leased fixed assets		145 408	-
Technological equipment and machinery		2 227	2 505
Other fixed assets and inventory		57 005	59 084
Prepayments for fixed assets		-	47 092
Fixed assets total	10	350 859	262 170
Investment properties	11	119 000	119 000
Long-term financial investments			
Other securities and investments		684	684
Long-term financial investments total		684	684
Long-term investments total		470 543	381 854
Current assets			
Stock			
Raw materials, basic materials and auxiliary materials		18 733	21 111
Ready-made goods and goods for sale	12	994 621	949 074
Advance payments for inventory		11 395	-
Stock total		1 024 749	970 185
Receivables			
Trade receivables	13	382 768	244 775
Other receivables	14	8 536	8 117
Prepaid expenses	15	6 622	10 228
Accrued income		20 564	31 266
Receivables total		418 490	294 386
Cash	16	165 751	302 771
Current assets total		1 608 990	1 567 342
Assets total		2 079 533	1 949 196

Balance sheet

Shareholders' equity and liabilities	Note	30.06.2023 EUR	31.12.2022 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		84 719	143 400
Shareholders' equity total		1 851 221	1 766 502
Payables			
Long-term payables			
Other loans	18	82 686	-
Long-term payables total		82 686	-
Short-term payables			
Other loans	19	8 700	-
Prepayment received from customers		12 746	12 417
Trade payables		55 816	105 094
Taxes and social insurance payments	20	37 086	23 779
Other payables		14 162	22 002
Accrued liabilities	21	17 116	19 402
Short-term payables total		145 626	182 694
Payables total		228 312	182 694
Shareholders' equity and liabilities total		2 079 533	1 949 196

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23 August 2023

Cash flow statement

	Note	30.06.2023 EUR	30.06.2022 EUR
Cash flow from operating activities			
Income from sale of goods and provision of services		833 673	824 932
Payments to suppliers, employees, other expenses arising from basic operations		(901 744)	(873 551)
Gross cash flow from basic operations		(68 071)	(48 619)
Expenses for interest payments		(3 217)	-
Expenses for enterprise income tax payments		(41)	(459)
Net cash flow from operating activities		(71 329)	(49 078)
Cash flow from investing activities			
Purchase of fixed assets and intangible investments		(25 171)	(6 252)
Income from dispossession of fixed assets		5 076	8 908
Net cash flow from investing activities		(20 095)	2 656
Cash flow from financing activities			
Subsidies received as a state support		372	2 315
Expenses for the redemption of a leased fixed asset		(43 348)	-
Dividends paid		-	(33 795)
Net cash flow from financing activities		(42 976)	(31 480)
Result of foreign exchange rate fluctuations		(2 620)	(1 675)
Net increase or decrease of cash and its equivalents		(137 020)	(79 577)
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	165 751	279 228

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23 August 2023

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	-	-	106 811	106 811
30.06.2022	591 416	1 031 686	106 811	1 729 913
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)	-
Dividends distributed	-	-	84 719	84 719
Profit of the reporting year	591 416	1 175 086	84 719	1 851 221
30.06.2023	591 416	968 685	96 796	1 656 897

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23 August 2023

Notes to the Financial Statements

(1) General information on the Company

JSC 'Siguldas ciltslītu 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.

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.

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 six months from 1 January to 30 June 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.

	30.06.2023	30.06.2022
USD	1.08660	1.03870

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.

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.

Notes to the Financial Statements

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 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.

Notes to the Financial Statements

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

2022 – LTD 'Eiroeksperts'

2021 – 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	30.06.2023 EUR	30.06.2022 EUR
Sale of Livestock sperm and embryo	478 492	434 025
Milk laboratory services	156 874	179 310
Treatment of supervisory data	35 406	44 962
Artificial insemination of livestock	18 914	20 466
Other income	70 680	63 629
	760 366	742 392

Distribution of net sales according to the geographical markets:

	30.06.2023 EUR	30.06.2022 EUR
Latvia	760 366	742 392
	760 366	742 392

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

	30.06.2023 EUR	30.06.2022 EUR
Changes in the value of semen stocks produced	39 705	45 084
	39 705	45 084

(5) Other operating income

	30.06.2023 EUR	30.06.2022 EUR
Income from investment property revaluation	1 188	-
State support for agricultural	372	2 315
Recovered doubtful and bad debts	26 228	26 520
Other income	3	3
	27 791	28 838

Notes to the Financial Statements

(6) Personnel costs

	30.06.2023 EUR	30.06.2022 EUR
Salaries for work	192 299	209 790
State social insurance contributions	46 408	49 067
Health insurance	7 665	8 541
Other costs	2 200	1 923
	248 572	269 321

(7) Other operating expenses

	30.06.2023 EUR	30.06.2022 EUR
Insurance payments	5 061	2 851
Selling expenses	3 426	3 678
The costs of accreditation and employee training	740	2 605
Business trip expenses	3 194	375
Labour protection expenditure	1 596	1 979
Company's management and administrative expenses	2 969	3 079
Regulated securities market expenses	9 134	8 413
Loss from foreign currency exchange rate fluctuations	1 980	3 644
Net loss from dispossession of fixed assets	-	505
Employees' leisure and similar costs	1 546	3 003
Real estate tax	1 862	1 862
Other costs	6 851	6 966
	38 359	38 960

(8) Interest payments and similar costs

	30.06.2023 EUR	30.06.2022 EUR
Interest on the use of financing	3 217	-
	3 217	-

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)
30.06.2023	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)
30.06.2023	8 943
Book value as at 31.12.2022	-
Book value as at 30.06.2023	-

	Concessions, patents, licenses, trademarks and similar rights EUR
Initial value	
31.12.2021	10 785
Purchased	-
Disposed	-
30.06.2022	10 785
Accrued depreciation adjustments	
31.12.2021	9 307
Annual write-off of the value	806
Adjustments to accrued depreciation of excluded intangible assets	-
30.06.2022	10 113
Book value as at 31.12.2021	1 478
Book value as at 30.06.2022	672

Notes to the Financial Statements

(10) Report on movement of fixed assets

	Land, buildings and con- structions	Productive animals and perennial plantings	Long-term investments in leased fixed assets	Techno- logical equipment and machinery	Other fixed assets and inventory	Pre- payments for fixed assets	Total
	EUR	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	-	17 234	111 535	-	7 753	-	136 522
Dispossessed or liquidated	-	(14 714)	-	-	(1 848)	-	(16 562)
Requalified	-	-	47 092	-	-	(47 092)	-
30.06.2023	467 494	56 017	158 627	309 183	338 916	-	1 330 237
Accrued depreciation adjustments							
31.12.2022	357 251	10 251	-	306 678	273 927	-	948 107
Calculated depreciation	4 802	15 814	13 219	278	9 832	-	43 945
Depreciation of dispossessed or liquidated fixed assets	-	(10 826)	-	-	(1 848)	-	(12 674)
30.06.2023	362 053	15 239	13 219	306 956	281 911	-	979 378
Book value as on 31.12.2022	110 243	43 246	-	2 505	59 084	47 092	262 170
Book value as on 30.06.2023	105 441	40 778	145 408	2 227	57 005	-	350 859

As on 30 June 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 and perennial plantings	Technologic al 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	-	5 237	2 784	1 431	-	9 452
Dispossessed or liquidated	-	(19 241)	-	(162)	(3 200)	(22 603)
30.06.2022	467 494	36 465	309 183	294 607	-	1 107 749
Accrued depreciation adjustments						
31.12.2021	343 723	16 883	305 304	258 369	-	924 279
Calculated depreciation	8 726	6 134	730	6 892	-	22 482
Depreciation of dispossessed or liquidated fixed assets	-	(9 829)	-	(162)	-	(9 991)
30.06.2022	352 449	13 188	306 034	265 099	-	936 770
Book value as on 31.12.2021	123 771	33 586	1 095	34 969	3 200	196 621
Book value as on 30.06.2022	115 045	23 277	3 149	29 508	-	170 979

As on 30 June 2022, the cadastral value of **real estate – land and constructions** – was **EUR 158 087**.

(11) Investment properties

	Land EUR
Book value as on 31.12.2021	68 000
Increase/decrease of value due to revaluation	-
Book value as on 30.06.2022	68 000
Book value as on 31.12.2022	119 000
Increase/decrease of value due to revaluation	-
Book value as on 30.06.2023	119 000

(12) Ready-made products and goods for sale

	30.06.2023 EUR	31.12.2022 EUR
Bull semen	982 506	934 607
Other goods for sale	12 115	14 467
	994 621	949 074

Notes to the Financial Statements

(13) Trade receivables

	30.06.2023 EUR	31.12.2022 EUR
Accounting value of trade receivables	418 439	306 674
Provisions for doubtful trade receivables	(35 671)	(61 899)
	<u>382 768</u>	<u>244 775</u>

(14) Other receivables

	30.06.2023 EUR	31.12.2022 EUR
VAT for received goods and services	1 910	1 910
Other receivables	6 626	6 207
	<u>8 536</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.

	30.06.2023 EUR	31.12.2022 EUR
Insurance	5 742	8 524
Press and legislation updates' subscription	20	601
Server maintenance and similar costs	423	372
Other prepaid expenses	437	731
	<u>6 622</u>	<u>10 228</u>

(16) Cash

Break-down of cash according to currencies:

		30.06.2023		31.12.2022	
		Currency	EUR	Currency	EUR
Cash in hand	EUR	-	2 297	-	1 637
Cash in bank	EUR	-	163 454	-	301 134
			<u>165 751</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 30.06.2023 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.

	30.06.2023	31.12.2022
	EUR	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

	30.06.2023	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.

	30.06.2023	31.12.2022
	number	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.

	30.06.2023 EUR	30.06.2022 EUR
Profit or loss of the reporting period	84 719	106 811
Average weighted number of shares during the year	422 440	422 440
	0.201	0.253

(18) Long-terms payables

	30.06.2023. EUR	31.12.2022. EUR
Financial lease agreement of Swedbank Līzings SIA (expiration date – 15.01.2028)	82 686	-
	82 686	-

(19) Short-term payables

	30.06.2023. EUR	31.12.2022. EUR
Financial lease agreement of Swedbank Līzings SIA (expiration date – 15.01.2028)	8 700	-
	8 700	-

(20) Taxes and social insurance payments

Tax type	30.06.2023 EUR	31.12.2022 EUR
Value added tax	15 557	3 023
Personal income tax	7 081	7 045
Social insurance payments	14 331	13 578
Nature resource tax	106	123
Corporate income tax	11	10
	37 086	23 779
Tax overpaid declared in position 'Other receivables'		

(21) Accrued liabilities

	30.06.2023 EUR	31.12.2022 EUR
Calculated liabilities to personnel for unused vacation	16 094	16 094
Accrued accounts payable	1 022	3 308
	17 116	19 402

Notes to the Financial Statements

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

	30.06.2023 EUR	30.06.2022 EUR
Remuneration to five Supervisory Board members for execution of functions	4 326	4 284
Social insurance payments from remuneration to five Supervisory Board members for execution of functions	1 378	1 114
Remuneration to three Management Board members for execution of functions	21 111	20 791
Social insurance payments from remuneration to three Management Board members for execution of functions	4 486	4 420
Total remuneration to the management members	31 301	30 609

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

	30.06.2023 number	30.06.2022 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	3
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	24	23
Total average number of employees	29	28

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

23 August 2023

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 30 June 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.

Interim report for the first six months of the year 2023 has not been audited by a sworn auditor.

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*

23 August 2023