

Joint stock company
'Siguldas ciltslietu un mākslīgās apsēklošanas stacija'
Registration No. 40003013295

REPORT OF THE SUPERVISORY BOARD
to the shareholders' general meeting on the Annual Report of the Joint Stock Company 'Siguldas
ciltslietu un mākslīgās apsēklošanas stacija' for the Year 2014

On 20 March 2015

In Sigulda

The Supervisory Board has made an assessment of the Company's Annual Report for the year 2014. The Annual Report provides thorough information on the Company's business performance. The economic activities have been carried out in accordance with the financial capacity and technical facilities available. The Company has settled all tax liabilities, paid in full the wages and salaries to the employees. The net turnover of the Company in the reporting period has increased by 5.6% or 61 thousand euros, if compared to the previous year (2013). This is due to the market expansion in the reporting year. The growth in the sales of products and services has been in all business segments the Company is operating in. There are business segments bearing a yet greater turnover potential.

Along with the Annual Report there has been submitted a report of the sworn auditor. The auditor has confirmed that the Annual Report of the Joint Stock Company 'Siguldas ciltslietu un mākslīgās apsēklošanas stacija' for the Year 2014 gives a clear and true picture of the financial situation of the Company as on 31 December 2014, and of the results of the business performance and cash flows of the Company. The auditor has not detected significant discrepancies between the financial information provided in the Management Report and the financial report for the year 2014.

In the Management Report there have been defined the development measures for the Company in 2014.

By increasing the efficiency of the business performance, the Company will continue to work on expanding of the market volume of its products and services, thus providing the competitiveness of the business.

The Supervisory Board has considered the proposal of the Management Board regarding the distribution of the 2014 year's profit of 155 916 EUR. The Supervisory Board is of opinion that the proposal of the Management Board to retain the profit of the reporting year, while paying out in dividends the profits of previous years of 50 692.80 euros, which is 0.12 euro per share, meets the present financial capacity of the Company.

The Supervisory Board regards the Company's performance in 2014 as good, despite the tough market competition. The submitted financial report for the year 2014 provides a clear and true picture of the results of the business performance, cash flows and financial situation of the Company as on 31 December 2014.

The Supervisory Board has a proposal to the shareholders' meeting – to approve the Annual Report of the Joint Stock Company 'Siguldas ciltslietu un mākslīgās apsēklošanas stacija' for the Year 2014 and to pay out in dividends the carry-forwards profits of previous years of 50 692.80 euros, which is 0.12 euro per share.

All through the year 2014 the Supervisory Board had been carrying out its duties and supervised the conduct of the Company in compliance with the legal regulation, and had made an assessment of the financial reports. There have been six Supervisory Board's meetings in the reporting year. At the meetings the financial reports, reports of the Management Board on the performance, as well as issues regarding the future perspectives of the Company had been assessed.

The Supervisory Board wants to thank the Management Board and all the employees of the Company for a successfully concluded financial year.

Chairman of the Supervisory Board:	_____	I. Bedrīte
Member of the Supervisory Board:	_____	M. Beča
Member of the Supervisory Board:	_____	S. Arcimoviča
Member of the Supervisory Board:	_____	Ē. Everte
Member of the Supervisory Board:	_____	J. Kreise