



**Joint Stock Company
SIGULDAS CILTSLIETU UN
MĀKSLĪGĀS APSEKLOŠANAS
STACIJA**

**INTERIM REPORT
for Three Months of 2015**

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Information on the Company

Company's name	<i>SIGULDAS CILTSLIETU UN MĀKSLĪGĀS APSĒKLOŠANAS 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>'Kalnabeites' 8, Sigulda parish, Sigulda municipality, LV-2150</i>
Shareholders holding more than 5% of the total number of voting shares	<i>'Siguldas mākslīgās apsēklošanas stacija' Ltd. (49.92%), registration No. 40003311954</i> <i>Oļegs Radčenko (5.18%)</i>
Members of the 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 Council	<i>Inīta Bedrīte, Chairman of the Supervisory Board</i> <i>Maija Beča, Deputy Chairman of the Supervisory Board</i> <i>Ērika Everte, Member of the Supervisory Board</i> <i>Solvīta Arcimoviča, Member of the Supervisory Board</i> <i>Jekaterina Kreise, Member of the Supervisory Board</i>
Reporting year	<i>01.01.2015 – 31.03.2015</i>
Auditors	<i>Vija Dzene</i> <i>Sworn Auditor</i> <i>Certificate No. 108</i> <i>V. Dzenes Audits Ltd.</i> <i>Hospitalu street 8</i> <i>Rīga, LV-1013, Latvia</i> <i>Sworn Auditors' Commercial Company's license No. 120</i>

Management Report

The basic economic activity of the Joint Stock Company invariably is the production and sale of bull semen, comprising 47.9% of its net turnover in the accounting period, as well as the milk testing and data processing services, which collectively comprise 39.5% of the Company's net turnover. The proportion of the Company's basic activities, if compared with the one in the first three months of 2014, do not show any significant changes.

Company's net turnover in the first three months of 2015 was 252.2 thousand EUR, showing a decrease of 2.9% against the corresponding period in 2014, while Company's profit of 6.5 thousand EUR of the first three months of 2015 shows a decrease of 77.9% against the corresponding period in 2014.

The commercial profitability in the first three months of 2015 was 4.8%, compared to 13.4% in 2014.

Nils Ivars Feodorovs
*Chairman of the Management
Board*

Sarmīte Arcimoviča
*Member of the Management
Board*

Valda Mālniece
*Member of the Management
Board*

20 May 2015

Profit or loss account for the period ended 31 March 2015

	Note	2015 EUR	2014 EUR
Net sales	3	252 541	260 064
Changes in stock of ready-made goods and unfinished products	4	89	13 449
Other operating income	5	922	2 094
Costs of materials:		(103 115)	(105 749)
a) raw materials and auxiliary costs of materials		(74 939)	(77 530)
b) other external costs		(28 176)	(28 219)
Personnel costs:	6	(111 938)	(110 285)
a) salaries for work		(88 895)	(86 416)
b) state social insurance compulsory contributions		(19 621)	(19 571)
c) other social insurance costs		(3 422)	(4 298)
Write-off of assets and values:		(11 425)	(11 201)
a) depreciation of fixed assets and amortization of intangible assets		(11 425)	(11 201)
Other operating costs	7	(15 669)	(13 802)
Other interest income and similar income	8	1 785	1 288
Interest payments and similar costs	9	(1 072)	(910)
Profit or losses before taxes		12 118	34 948
Enterprise income tax for the reporting year		(3 804)	(4 068)
Other taxes	10	(1 854)	(1 635)
The profit or loss for the year		6 460	29 245
Equity per 1 share (EPS)	22	0.015	0.069

Notes on pages 10 to 21 form an integral part of these financial statements.

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20 May 2015

Balance sheet as at 31 March 2015

Assets	Note	2015 EUR	2014 EUR
Long-term investments			
Fixed assets			
Land parcels, buildings and constructions and perennial plantings		137 020	152 799
Equipment and machinery		46 734	55 263
Other fixed assets and inventory		10 303	9 284
Fixed assets total	12	194 057	217 346
Investment properties	13	112 000	86 795
Biological assets		61 610	62 495
Long-term financial investments			
Investments in capital of associated companies	14	83 954	83 954
Other securities and investments	15	683	683
Long-term financial investments total		84 637	84 637
Long-term investments total		452 304	451 273
Current assets			
Stock			
Raw materials, basic materials and auxiliary materials		18 044	14 478
Ready-made goods and goods for sale	16	569 991	539 702
Prepayments for goods		191	288
Stock total		588 226	554 468
Receivables			
Trade receivables	17	262 800	178 425
Other receivables	18	2 918	1 573
Prepaid expenses	19	40	32
Receivables total		265 758	180 030
Short-term financial investments			
Other securities and shareholding in capitals	20	-	31 127
Short-term financial investments total		-	31 127
Cash	21	291 966	273 396
Current assets total		1 145 950	1 039 021
Assets total		1 598 254	1 490 294

Balance sheet as at 31 March 2015

Shareholders' equity and liabilities	Note	2015 EUR	2014 EUR
Shareholders' equity			
Share capital	22	601 078	601 078
Retained earnings:			
Retained earnings carried forward from previous years		867 454	770 680
Retained earnings of the reporting year		6 460	29 245
Shareholders' equity total		1 474 992	1 401 003
Provisions			
Other provisions	23	7 483	6 926
Provisions total		7 483	6 926
Payables			
Long-term payables			
Deferred tax liabilities	24	3 840	4 550
Long-term payables total		3 840	4 550
Short-term payables			
Prepayment received from customers		3 677	473
Trade payables		59 921	36 260
Taxes and social insurance payments	25	34 919	28 256
Other payables		13 422	12 826
Short-term payables total		111 939	77 815
Payables total		115 779	82 365
Shareholders' equity and liabilities total		1 598 254	1 490 294

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20 May 2015

Cash flow statement for the period ended 31 March 2015

	Note	2015 EUR	2014 EUR
Cash flow from operating activities			
Income from sale of goods and provision of services		196 710	279 892
Payments to suppliers, employees, other expenses arising from basic operations		(267 884)	(270 056)
Gross cash flow from basic operations		(71 174)	9 836
Expenses for enterprise income tax payments		(3 804)	(4 068)
Net cash flow from operating activities		(74 978)	5 768
Cash flow from investing activities			
Purchase of fixed assets and intangible investments		(1 118)	(203)
Income from exclusion of fixed assets		500	-
Net cash flow from investing activities		(618)	(203)
Cash flow from financing activities			
Subsidies received as a state support		422	2 094
Net cash flow from financing activities		422	2 094
Result of foreign exchange rate fluctuations		-	(167)
Increase/ decrease of cash and its equivalents		(75 174)	7 492
Cash and its equivalents at the beginning of the period		367 140	265 904
Cash and its equivalents at the end of the period	21	291 966	273 396

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20 May 2015

**Statement on changes in shareholders' equity for the period ending
31 March 2015**

	Share capital	Retained earnings carried forward from previous years	Retained earnings for the reporting year	Shareholders' equity total
	EUR	EUR	EUR	EUR
31.12.2013	601 078	700 585	70 095	1 371 758
Profit for 2013 transferred to retained earnings of previous years	-	70 095	(70 095)	-
Retained earnings for the reporting year	-	-	29 245	29 245
31.03.2014	601 078	770 680	29 245	1 401 003
31.12.2014	601 078	711 538	155 916	1 468 532
Profit for 2014 transferred to retained earnings of previous years	-	155 916	(155 916)	-
Retained earnings for the reporting year	-	-	6 460	6 460
31.03.2015	601 078	867 454	6 460	1 474 992

Notes on pages 10 to 21 form an integral part of these financial statements.

Nils Ivars Feodorovs
Chairman of the Management Board

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20 May 2015

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* of the Republic of Latvia. The Profit or Loss Account was prepared based on the period costs method. The Cash Flow Statement was prepared according to the direct method.

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 three months from 1 January to 31 March 2015.

Revaluation of foreign currencies

The Company's functional currency and the currency used in the Financial Statements is euro (EUR) – the sole legal mean of payment in the Republic of Latvia since January 1, 2014. 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.

	31.03.2015	31.03.2014
USD	1.07590	1.37880

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
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.

Investment properties

Investment properties – 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 on 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. Any changes in the market value of the investments properties are being shown in the profit and loss account.

Biological assets

Biological assets are assets, which are characterized by regeneration and changes in value as a result of growth. The Company in biological assets includes breeding animals – bulls, which are kept for getting agricultural products for sale. Biological assets are recognized in the purchase value.

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".

Notes to the Financial Statements

Trade receivables and other receivables

Receivables are recognized in the balance sheet in the amortized value, less provisions for doubtful and bad debts. Provisions for doubtful and bad 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 and bad 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.

Provisions

Provisions are recognized when the Company has liabilities (legal or substantial) due to some past event and there is a probability that the performance of these liabilities will require outflow of economic resources from the Company, and the amount of liabilities can be fairly assessed.

Corporate income tax

Corporate income tax for the reporting period consists of the tax calculated for the reporting period and deferred tax. Corporate income tax is recognized in the profit or loss account.

Calculated tax

The tax calculated for the reporting period has been calculated in compliance with the requirements of the Law "On Corporate Income Tax" by fixing the taxable income and applying the statutory rate of 15%.

Deferred tax

Deferred corporate income tax is calculated for temporary time differences, which are caused due to differences in the value of assets and liabilities in the financial statements (book-keeping) and its value for tax purposes. The mentioned differences are mainly due to different fixed assets depreciation rates applied in tax and financial accounting, provisions made and losses transferred according to the Company's income tax declaration. Deferred tax is calculated by applying the statutory tax rate 15%.

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.

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	2015 EUR	2014 EUR
Livestock sperm	120 860	134 518
Milk laboratory services	70 455	69 856
Treatment of supervisory data	29 190	28 581
Cow exterior appraisal	1 592	1 798
Artificial insemination of livestock	9 847	8 674
Other income	20 597	16 637
	252 541	260 064

Distribution of net sales according to the geographical markets:

	2015 EUR	2014 EUR
Latvia	252 541	260 064
	252 541	260 064

Earnings from agricultural activities represented in net sales:

	2015 EUR	2014 EUR
Earnings from agricultural activities	252 541	260 064
	252 541	260 064

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

	2015 EUR	2014 EUR
Changes in sperm stock value	11 954	22 179
Changes in stud bull herd value	(11 865)	(8 730)
	89	13 449

(5) Other operating income

	2015 EUR	2014 EUR
Revenue from exclusion of fixed assets	500	-
State support for agricultural	422	2 094
	922	2 094

Notes to the Financial Statements

(6) Personnel costs

	2015 EUR	2014 EUR
Salaries for work	85 211	83 364
Life insurance with cash value accrual	3 684	3 052
State social insurance contributions	19 621	19 571
Health insurance	3 033	3 095
Other costs	389	1 203
	111 938	110 285

(7) Other operating expenses

	2015 EUR	2014 EUR
Insurance payments	1 428	1 424
Business trip expenses	684	491
Selling expenses	484	880
The costs of accreditation and employee training	203	224
The costs of security services	317	317
Taxes applied on the vehicles	34	34
Company's management and administrative expenses	4 605	2 479
Regulated securities market expenses	5 196	5 196
Other costs	2 718	2 757
	15 669	13 802

(8) Other interest income and similar income

	2015 EUR	2014 EUR
Income from securities	-	10
Income from foreign currency exchange rate fluctuations	389	61
Recovered doubtful and bad debts	1 396	1 217
	1 785	1 288

Notes to the Financial Statements

(9) Interest payments and similar costs

	2015 EUR	2014 EUR
Employees' leisure and other costs not connected with operating activities	1 072	910
	1 072	910

(10) Other taxes

	2015 EUR	2014 EUR
Real estate tax	1 854	1 635
	1 854	1 635

(11) Intangible assets

	Concessions, patents, licenses, trade marks and similar rights EUR	Total EUR
Initial value		
31.12.2014	1 025	1 025
Purchased	-	-
Disposed	-	-
31.03.2015	1 025	1 025
Accrued depreciation		
31.12.2014	1 025	1 025
Calculated depreciation	-	-
Depreciation of excluded investments	-	-
31.03.2015	1 025	1 025
Book value as at 31.12.2014	-	-
Book value as at 31.03.2015	-	-

Notes to the Financial Statements

(12) Report on movement of fixed assets

	Land, buildings and constructions	Technological equipment and machinery	Other fixed assets	Total
	EUR	EUR	EUR	EUR
Initial value				
31.12.2014	378 017	458 136	121 028	957 181
Purchased	-	-	1 118	1 118
Disposed	-	-	(1 395)	(1 395)
31.03.2015	378 017	458 136	120 751	956 904
Accrued depreciation				
31.12.2014	237 125	405 157	110 535	752 817
Calculated depreciation	3 872	6 245	1 308	11 425
Depreciation of excluded fixed assets	-	-	(1 395)	(1 395)
31.03.2015	240 997	411 402	110 448	762 847
Book value as at 31.12.2014	140 892	52 979	10 493	204 364
Book value as at 31.03.2015	137 020	46 734	10 303	194 057

As at 31 March 2014, the cadastral value of **real estate – land and constructions** - was EUR **158 004**

As at 31 March 2015, the cadastral value of **real estate – land and constructions** - was EUR **158 004**

(13) Investment properties

	Land EUR	Total EUR
Book value as at 31.12.2013	86 795	86 795
Increase/decrease of value due to revaluation	-	-
Book value as at 31.03.2014	86 795	86 795
Book value as at 31.12.2014	112 000	112 000
Increase/decrease of value due to revaluation	-	-
Book value as at 31.03.2015	112 000	112 000

(14) Investments in capital of associated companies

	2015 % from total share capital	EUR	2014 % from total share capital	EUR
'Animal Breeders Association of Latvia' Ltd. (SIA „Latvijas šķirnes dzīvnieku audzētāju savienība”) Legal address: Republikas laukums 2, Rīga, LV-1010, Latvia	36.3	83 954	36.3	83 954
		83 954		83 954

Notes to the Financial Statements

(15) Other securities and investments

	EUR
Purchase value as at 31.03.2014	683
Book value as at 31.03.2014	683
Purchase value as at 31.03.2015	683
Book value as at 31.03.2015	683

(16) Ready-made products and goods for sale

	2015 EUR	2014 EUR
Bull semen	557 272	523 007
Other goods for sale	12 719	16 695
	569 991	539 702

(17) Trade receivables

	2015 EUR	2014 EUR
Accounting value of trade receivables	282 305	187 680
Provisions for doubtful trade receivables	(19 505)	(9 255)
	262 800	178 425

(18) Other receivables

	2015 EUR	2014 EUR
VAT for received goods and services	74	239
Overpayment of taxes	-	999
Other receivables	2 844	335
	2 918	1 573

(19) Prepaid expenses

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

	2015 EUR	2014 EUR
Insurance	20	17
Press and legislation updates' subscription	20	15
	40	32

Notes to the Financial Statements

(20) Other securities and shareholding in capitals

	Number	2015		Number	2014	
		Market price	Amount EUR		Market price	Amount EUR
SEB Euro reserve fund	-	-	-	15 044	2.069	31 127
			-			<u>31 127</u>

(21) Cash in EUR and foreign currencies according to the European Central Bank's foreign exchange reference rates

Break-down of cash according to currencies:

		2015		2014	
		Currency	EUR	Currency	EUR
Cash in hand	EUR	-	4 038	-	4 138
Cash in bank	EUR	-	287 928	-	269 258
			<u>291 966</u>		<u>273 396</u>

(22) Share capital

The Company's shares are quoted on NASDAQ OMX Riga Stock Exchange's second listing. The Company's share capital consists of shareholders' investments. The total number of shares is 422 440, the nominal value per share is 1 Lat (1.42 euro).

	2015 EUR	2014 EUR
Ordinary common shares with voting rights	599 655	599 655
Shares owned by the Board without voting rights	1 423	1 423
	<u>601 078</u>	<u>601 078</u>

421440 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.

1000 shares or 0.2% 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.

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.

Profit per share

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

	2015 EUR	2014 EUR
Profit of the reporting period	6 460	29 245
Average weighted number of shares during the year	422 440	422 440
	<u>0.015</u>	<u>0.069</u>

Notes to the Financial Statements

(23) Other Provisions

	2015 EUR	2014 EUR
Provisions for vacations	7 483	6 926
	7 483	6 926

(24) Provisions for deferred tax

	2015 EUR	2014 EUR
Temporary differences in fixed assets depreciation	33 083	37 263
Provisions for vacations	(7 483)	(6 926)
Total temporary differences	25 600	30 337
Deferred tax provisions at the beginning of the period	3 840	4 550
Increase or decrease	-	-
Deferred tax provisions at the end of the period	3 840	4 550

(25) Taxes and social insurance payments

Tax type	Balance as at 31.12.2014	Calculated in 2015	Paid in 2015	Balance as at 31.03.2015
	EUR	EUR	EUR	EUR
Corporate income tax	10 948	3 804	(3 804)	10 948
Value added tax	13 597	33 801	(38 944)	8 454
Social insurance contributions	13 052	28 354	(31 466)	9 940
Personal income tax	7 666	15 690	(17 841)	5 515
Real estate tax	-	1 854	(1 854)	-
Nature resource tax	77	48	(77)	48
Business risk duty	13	39	(38)	14
Tax for the exploitation of the vehicles	-	34	(34)	-
	45 353	83 624	(94 058)	34 919

Including:	2014 EUR	2015 EUR
Tax due	45 353	34 919

Tax overpaid declared in position "Other receivables"

Notes to the Financial Statements

(26) Number of persons employed by the Company

	2015	2014
Average number of persons employed during the reporting year	<u>35</u>	<u>34</u>

(27) Information on remuneration of the Supervisory Board and Management Board members

	2015 EUR	2014 EUR
Supervisory Board members' salaries for work, including state social insurance contributions	2 747	2 609
Management Board members' salaries for work, including state social insurance contributions	<u>10 678</u>	<u>12 530</u>
Total remuneration to the management members	<u>13 425</u>	<u>15 139</u>

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.

Report on Management Liability

According to the information that is at our disposal, the Interim Report for Three Months of 2015 has been prepared according to the effective requirements of legislative enactments and provide a true and fair view about the joint stock company's 'Siguldas ciltslietu un mākslīgās apsēklošanas stacija' assets, liabilities, financial condition and profit.

Interim Report for Three Months of 2015 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*

20 May 2015