



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

**INTERIM REPORT
for Three Months of 2016**

Index of Contents

	Page
Information on the Company	3
Management Report	4
Profit or Loss Account	6
Balance sheet	7
Cash flow statement	9
Statement on changes in shareholders' equity	10
Notes to the Financial Statements	11
Report on Management Liability	24

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 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, 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 period	<i>01.01.2016 – 31.03.2016</i>
Previous reporting period	<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>Riga, LV-1013, Latvia</i> <i>Sworn Auditors' Commercial Company's license No. 120</i>

Management Report

The proportion of the Company's basic activities, if compared to the first three months of 2015, does not show any significant changes – the production and sale of bull semen comprised 49.9% of its net turnover in the accounting period, while the milk testing and data processing services collectively comprised 38.6% of the Company's net turnover.

Company's net turnover in the first three months of 2016 was 255.9 thousand euros, showing an increase of 1.3% against the corresponding period in 2015, whereas Company's profit before taxes was 28.1 thousand euros – by 132.1% or 16.0 thousand euros higher compared to the corresponding period in 2015.

The commercial profitability in the first three months of 2016 was 11.0%, compared to 4.8% in the corresponding period in 2015.

Nils Ivars Feodorovs
*Chairman of the Management
Board*

Sarmīte Arcimoviča
*Member of the Management
Board*

Valda Mālniece
*Member of the Management
Board*

18 May 2016

Profit or loss account for the period ended 31 March 2016

	Note	2016 EUR	2015 EUR
Net sales	3	255 909	252 541
Changes in stock of ready-made goods and unfinished products	4	(446)	89
Other operating income	5	2 988	922
Costs of materials:		(110 483)	(103 115)
a) raw materials and auxiliary costs of materials		(83 341)	(74 939)
b) other external costs		(27 142)	(28 176)
Personnel costs:	6	(103 328)	(111 938)
a) salaries for work		(81 245)	(88 895)
b) state social insurance compulsory contributions		(18 049)	(19 621)
c) other social insurance costs		(4 034)	(3 422)
Write-off of assets and values:		(10 926)	(11 425)
a) depreciation of fixed assets and amortization of intangible assets		(10 858)	(11 425)
b) write-off of value of current assets above the normal deductions		(68)	-
Other operating costs	7	(13 652)	(15 669)
Other interest income and similar income	8	9 452	1 785
Interest payments and similar costs	9	(1 394)	(1 072)
Profit or losses before taxes		28 120	12 118
Enterprise income tax for the reporting year		(6 555)	(3 804)
Other taxes	10	(1 845)	(1 854)
The profit or loss for the year		19 720	6 460
Equity per 1 share (EPS)	21	0.047	0.015

Notes on pages 11 to 23 form an integral part of these financial statements.

Nils Ivars Feodorovs
*Chairman of the Management
Board*

Sarmīte Arcimoviča
*Member of the Management
Board*

Valda Mālniece
*Member of the Management
Board*

18 May 2016

Balance sheet as at 31 March 2016

Assets	Note	2016 EUR	2015 EUR
Long-term investments			
Intangible assets			
Concessions, patents, licenses, trademarks and similar rights		1 587	-
Intangible assets total	11	1 587	-
Fixed assets			
Land parcels, buildings and constructions and perennial plantings		121 750	137 020
Equipment and machinery		41 246	46 734
Other fixed assets and inventory		11 198	10 303
Fixed assets total	12	174 194	194 057
Investment properties	13	94 000	112 000
Biological assets		50 379	61 610
Long-term financial investments			
Investments in capital of associated companies	14	84 053	83 954
Other securities and investments	15	683	683
Long-term financial investments total		84 736	84 637
Long-term investments total		404 896	452 304
Current assets			
Stock			
Raw materials, basic materials and auxiliary materials		13 545	18 044
Ready-made goods and goods for sale	16	605 135	569 991
Prepayments for goods		2 469	191
Stock total		621 149	588 226
Receivables			
Trade receivables	17	207 224	262 800
Other receivables	18	6 484	2 918
Prepaid expenses	19	34	40
Receivables total		213 742	265 758
Cash	20	363 751	291 966
Current assets total		1 198 642	1 145 950
Assets total		1 603 538	1 598 254

Balance sheet as at 31 March 2016

Shareholders' equity and liabilities	Note	2016 EUR	2015 EUR
Shareholders' equity			
Share capital	21	591 416	601 078
Other reserves	23	1 213	-
Retained earnings:			
Retained earnings carried forward from previous years		892 429	867 454
Retained earnings of the reporting year		19 720	6 460
Shareholders' equity total		1 504 778	1 474 992
Provisions			
Other provisions	23	7 399	7 483
Provisions total		7 399	7 483
Payables			
Long-term payables			
Deferred tax liabilities	24	2 729	3 840
Long-term payables total		2 729	3 840
Short-term payables			
Prepayment received from customers		500	3 677
Trade payables		44 959	59 921
Taxes and social insurance payments	25	29 324	34 919
Other payables		13 849	13 422
Short-term payables total		88 632	111 939
Payables total		91 361	115 779
Shareholders' equity and liabilities total		1 603 538	1 598 254

Notes on pages 11 to 23 form an integral part of these financial statements.

Nils Ivars Feodorovs
*Chairman of the Management
Board*

Sarmīte Arcimoviča
*Member of the Management
Board*

Valda Mālniece
*Member of the Management
Board*

18 May 2016

Cash flow statement for the period ended 31 March 2016

	Note	2016 EUR	2015 EUR
Cash flow from operating activities			
Income from sale of goods and provision of services		279 688	196 710
Payments to suppliers, employees, other expenses arising from basic operations		(259 835)	(267 884)
Gross cash flow from basic operations		19 853	(71 174)
Expenses for enterprise income tax payments		(6 555)	(3 804)
Net cash flow from operating activities		13 298	(74 978)
Cash flow from investing activities			
Purchase of fixed assets and intangible investments		(2 442)	(1 118)
Income from exclusion of fixed assets		826	500
Purchase of capital shares of associated company		(99)	-
Net cash flow from investing activities		(1 715)	(618)
Cash flow from financing activities			
Subsidies received as a state support		2 162	422
Net cash flow from financing activities		2 162	422
Result of foreign exchange rate fluctuations		(3)	-
Increase/ decrease of cash and its equivalents		13 742	(75 174)
Cash and its equivalents at the beginning of the period		350 009	367 140
Cash and its equivalents at the end of the period	20	363 751	291 966

Notes on pages 11 to 23 form an integral part of these financial statements.

Nils Ivars Feodorovs
Chairman of the Management
Board

Sarmīte Arcimoviča
Member of the Management
Board

Valda Mālniece
Member of the Management
Board

18 May 2016

**Statement on changes in shareholders' equity for the period ended
31 March 2016**

	Share capital	Other reserves	Retained earnings carried forward from previous years	Retained earnings for the reporting year	Shareholders' equity total
	EUR	EUR	EUR	EUR	EUR
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
31.12.2015	591 416	1 213	816 761	75 668	1 485 058
Profit for 2015 transferred to retained earnings of previous years	-	-	75 668	(75 668)	-
Retained earnings for the reporting year	-	-	-	19 720	19 720
31.03.2016	591 416	1 213	892 429	19 720	1 504 778

Notes on pages 11 to 23 form an integral part of these financial statements.

Nils Ivars Feodorovs
Chairman of the Management Board

Sarmīte Arcimoviča
Member of the Management Board

Valda Mālniece
Member of the Management Board

18 May 2016

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 2016.

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.

	31.03.2016	31.03.2015
USD	1.13850	1.07590

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
----------	---------

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	2016 EUR	2015 EUR
Livestock sperm	127 761	120 860
Milk laboratory services	70 556	70 455
Treatment of supervisory data	28 347	29 190
Cow exterior appraisal	238	1 592
Artificial insemination of livestock	9 606	9 847
Other income	19 401	20 597
	255 909	252 541

Distribution of net sales according to the geographical markets:

	2016 EUR	2015 EUR
Latvia	255 909	252 541
	255 909	252 541

Earnings from agricultural activities represented in net sales:

	2016 EUR	2015 EUR
Earnings from agricultural activities	255 909	252 541
	255 909	252 541

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

	2016 EUR	2015 EUR
Changes in sperm stock value	10 954	11 954
Changes in stud bull herd value	(11 400)	(11 865)
	(446)	89

(5) Other operating income

	2016 EUR	2015 EUR
Revenue from exclusion of fixed assets	826	500
State support for agricultural	2 162	422
	2 988	922

Notes to the Financial Statements

(6) Personnel costs

	2016 EUR	2015 EUR
Salaries for work	77 411	85 211
Life insurance with cash value accrual	3 834	3 684
State social insurance contributions	18 049	19 621
Health insurance	3 033	3 033
Other costs	1 001	389
	103 328	111 938

(7) Other operating expenses

	2016 EUR	2015 EUR
Insurance payments	3 808	1 428
Business trip expenses	-	684
Selling expenses	431	484
The costs of accreditation and employee training	188	203
The costs of security services	317	317
Taxes applied on the vehicles	72	34
Company's management and administrative expenses	4 269	4 605
Regulated securities market expenses	2 530	5 196
Other costs	2 037	2 718
	13 652	15 669

(8) Other interest income and similar income

	2016 EUR	2015 EUR
Income from foreign currency exchange rate fluctuations	349	389
Recovered doubtful and bad debts	9 101	1 396
Other income	2	-
	9 452	1 785

Notes to the Financial Statements

(9) Interest payments and similar costs

	2016 EUR	2015 EUR
Employees' leisure and other costs not connected with operating activities	1 394	1 072
	1 394	1 072

(10) Other taxes

	2016 EUR	2015 EUR
Real estate tax	1 845	1 854
	1 845	1 854

(11) Intangible assets

	Concessions, patents, licenses, trademarks and similar rights EUR	Total EUR
Initial value		
31.12.2015	2 725	2 725
Purchased	-	-
Disposed	-	-
31.03.2016	2 725	2 725
Accrued depreciation		
31.12.2015	1 053	1 053
Calculated depreciation	85	85
Depreciation of excluded investments	-	-
31.03.2016	1 138	1 138
Book value as at 31.12.2015	1 672	1 672
Book value as at 31.03.2016	1 587	1 587

Notes to the Financial Statements

	Concessions, patents, licenses, trademarks 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	-	-

(12) Report on movement of fixed assets

	Land, buildings and constructions EUR	Technological equipment and machinery EUR	Other fixed assets EUR	Total EUR
Initial value				
31.12.2015	378 017	476 207	124 577	978 801
Purchased	-	-	2 442	2 442
Disposed	-	(4 104)	(954)	(5 058)
31.03.2016	378 017	472 103	126 065	976 185
Accrued depreciation				
31.12.2015	252 450	429 426	114 400	796 276
Calculated depreciation	3 817	5 535	1 421	10 773
Depreciation of excluded fixed assets	-	(4 104)	(954)	(5 058)
31.03.2016	256 267	430 857	114 867	801 991
Book value as at 31.12.2015	125 567	46 781	10 177	182 525
Book value as at 31.03.2016	121 750	41 246	11 198	174 194

As at 31 March 2016, the cadastral value of real estate – land and constructions - was EUR 158 087

Notes to the Financial Statements

	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 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 31.12.2014	112 000	112 000
Increase/decrease of value due to revaluation	-	-
Book value as at 31.03.2015	112 000	112 000
Book value as at 31.12.2015	94 000	94 000
Increase/decrease of value due to revaluation	-	-
Book value as at 31.03.2016	94 000	94 000

(14) Investments in capital of associated companies

	2016 % from total share capital	EUR	2015 % 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	36,4	84 053	36,3	83 954
		84 053		83 954

Notes to the Financial Statements

(15) Other securities and investments

	EUR
Purchase value as at 31.12.2015	683
Book value as at 31.03.2015	683
Purchase value as at 31.12.2016	683
Book value as at 31.03.2016	683

(16) Ready-made products and goods for sale

	2016 EUR	2015 EUR
Bull semen	595 968	557 272
Other goods for sale	9 167	12 719
	605 135	569 991

(17) Trade receivables

	2016 EUR	2015 EUR
Accounting value of trade receivables	233 785	282 305
Provisions for doubtful trade receivables	(26 561)	(19 505)
	207 224	262 800

(18) Other receivables

	2016 EUR	2015 EUR
VAT for received goods and services	209	74
Overpayment of taxes	6 105	-
Other receivables	170	2 844
	6 484	2 918

(19) Prepaid expenses

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

	2016 EUR	2015 EUR
Insurance	16	20
Press and legislation updates' subscription	18	20
	34	40

Notes to the Financial Statements

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

Break-down of cash according to currencies:		2016		2015	
		Currency	EUR	Currency	EUR
Cash in hand	EUR	-	9 047	-	4 038
Cash in bank	EUR	-	354 704	-	287 928
			363 751		291 966

(21) Share capital

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

The total number of shares as per 31.03.2016 is 422 440, the nominal value of one share is 1.40 euro.

The total number of shares as per 31.03.2015 was 422 440, the nominal value of one share – 1 lats (1.422872 euro).

	2016 EUR	2015 EUR
Bearer shares with voting rights	590 016	599 655
Shares owned by the Board without voting rights	1 400	1 423
	591 416	601 078

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 according to the latest full shareholders list requested from the Latvian Central Depository.

	2016 16.04.2015. %	2015 15.04.2014. %
'Siguldas mākslīgās apsēklošanas stacija' Ltd	49.92	49.92
Oļegs Radčenko	5.18	5.18
Inita Bedrīte, Chairman of the Supervisory Board	0.26	0.26
Maija Beča, Deputy Chairman of the Supervisory Board	0.73	0.73
Ērika Everte, Member of the Supervisory Board	0.52	0.52
Solvita Arcimoviča, Member of the Supervisory Board	0.10	0.10
Jekaterina Kreise, Member of the Supervisory Board	0.87	0.87
Sarmīte Arcimoviča, Member of the Management Board	0.91	0.91
Valda Mālniece, Member of the Management Board	3.31	3.31
Other shareholders	38.20	38.20
	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.

	31.03.2016 number	31.03.2015 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

Notes to the Financial Statements

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.

	2016 EUR	2015 EUR
Profit of the reporting period	19 720	6 460
Average weighted number of shares during the year	422 440	422 440
	0.047	0.015

(22) Other Reserves

	2016 EUR	2015 EUR
The difference of the share value resulting from the denomination of the Company's shares from lats to euro	1 213	-
	1 213	-

(23) Other Provisions

	2016 EUR	2015 EUR
Provisions for vacations	7 399	7 483
	7 399	7 483

(24) Provisions for deferred tax

	2016 EUR	2015 EUR
Temporary differences in fixed assets depreciation	25 594	33 083
Provisions for vacations	(7 399)	(7 483)
Total temporary differences	18 195	25 600
Deferred tax provisions at the beginning of the period	2 729	3 840
Increase or decrease	-	-
Deferred tax provisions at the end of the period	2 729	3 840

Notes to the Financial Statements

(25) Taxes and social insurance payments

Tax type	Balance as at 31.12.2015 EUR	Calculated in 2016 EUR	Paid in 2016 EUR	Balance as at 31.03.2016 EUR
Corporate income tax	(6 105)	6 555	(6 555)	(6 105)
Value added tax	12 394	35 281	(32 349)	15 326
Social insurance contributions	13 128	26 081	(30 280)	8 929
Personal income tax	7 338	14 541	(16 859)	5 020
Real estate tax	-	1 845	(1 845)	-
Nature resource tax	63	35	(63)	35
Business risk duty	13	39	(38)	14
Tax for the exploitation of the vehicles	-	72	(72)	-
	26 831	84 449	(88 061)	23 219

Including:	2015 EUR	2016 EUR
Tax overpaid	(6 105)	(6 105)
Tax due	32 936	29 324

Tax type	Balance as at 31.12.2014 EUR	Calculated in 2015 EUR	Paid in 2015 EUR	Balance as at 31.03.2015 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

	2016	2015
Average number of persons employed during the reporting year	<u>35</u>	<u>35</u>

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

	2016 EUR	2015 EUR
Supervisory Board members' salaries for work, including state social insurance contributions	2 747	2 747
Management Board members' salaries for work, including state social insurance contributions	<u>10 539</u>	<u>10 678</u>
Total remuneration to the management members	<u>13 286</u>	<u>13 425</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 being at our disposal, the Interim Report for Three Months of 2016 has been prepared according to the effective requirements of legislative enactments and provide a true and fair view of the joint stock company's 'Siguldas ciltslietu un mākslīgās apsēklošanas stacija' assets, liabilities, financial condition and profit.

Interim Report for Three Months of 2016 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*

18 May 2016