



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

**INTERIM REPORT
for Nine Months of 2016**

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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 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 – 30.09.2016</i>
Previous reporting period	<i>01.01.2015 – 30.09.2015</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 nine months of 2015, does not show any significant changes – the production and sale of bull semen comprised 52.0 % of its net turnover in the accounting period, while the milk testing and data processing services collectively comprised 36.5 % of the Company's net turnover.

Company's net turnover in the first nine months of 2016 was 815.0 thousand euros, showing a decrease of 3.3 % against the corresponding period in 2015, whereas Company's profit before taxes was 82.0 thousand euros – by 33.9 % or 42.0 thousand euros lower compared to the corresponding period in 2015.

The commercial profitability in the first nine months of 2016 was 10.1 %, compared to 14.7 % 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*

23 November 2016

Profit or loss account for the period ended 30 September 2016

	Note	2016 EUR	2015 EUR
Net sales	3	815 026	842 942
Changes in stock of ready-made goods and unfinished products	4	12 986	24 778
Other operating income	5	7 410	8 057
Costs of materials:		(350 401)	(339 360)
a) raw materials and auxiliary costs of materials		(265 016)	(254 511)
b) other external costs		(85 385)	(84 849)
Personnel costs:	6	(340 307)	(344 625)
a) salaries for work		(270 403)	(274 081)
b) state social insurance compulsory contributions		(60 845)	(61 717)
c) other social insurance costs		(9 059)	(8 827)
Write-off of assets and values:		(34 220)	(34 686)
a) depreciation of fixed assets and amortization of intangible assets		(34 140)	(34 686)
b) write-off of value of current assets above the normal deductions		(80)	-
Other operating costs	7	(32 710)	(30 803)
Other interest income and similar income	8	11 668	4 306
Interest payments and similar costs	9	(7 441)	(6 588)
Profit or losses before taxes		82 011	124 021
Enterprise income tax for the reporting year		(15 885)	(18 287)
Other taxes	10	(1 845)	(1 854)
The profit or loss for the year		64 281	103 880
Equity per 1 share (EPS)	21	0,152	0,246

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

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23 November 2016

Balance sheet as at 30 September 2016

Assets	Note	2016 EUR	2015 EUR
Long-term investments			
Intangible assets			
Concessions, patents, licenses, trademarks and similar rights		1 417	-
Intangible assets total	11	1 417	-
Fixed assets			
Land parcels, buildings and constructions and perennial plantings		114 114	129 385
Equipment and machinery		32 475	49 431
Other fixed assets and inventory		12 162	11 629
Fixed assets total	12	158 751	190 445
Investment properties	13	94 000	112 000
Biological assets		62 633	69 310
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		401 537	456 392
Current assets			
Stock			
Raw materials, basic materials and auxiliary materials		19 076	18 488
Ready-made goods and goods for sale	16	581 980	579 134
Prepayments for goods		298	3 106
Stock total		601 354	600 728
Receivables			
Trade receivables	17	283 471	243 577
Other receivables	18	3 037	4 907
Prepaid expenses	19	3 582	4 310
Receivables total		290 090	252 794
Cash	20	283 263	291 183
Current assets total		1 174 707	1 144 705
Assets total		1 576 244	1 601 097

Balance sheet as at 30 September 2016

Shareholders' equity and liabilities	Note	2016 EUR	2015 EUR
Shareholders' equity			
Share capital	21	591 416	591 416
Other reserves	23	1 213	1 213
Retained earnings:			
Retained earnings carried forward from previous years		850 185	816 761
Retained earnings of the reporting year		64 281	103 880
Shareholders' equity total		1 507 095	1 513 270
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		335	254
Trade payables		13 034	28 640
Taxes and social insurance payments	25	31 736	32 725
Other payables		13 916	14 885
Short-term payables total		59 021	76 504
Payables total		61 750	80 344
Shareholders' equity and liabilities total		1 576 244	1 601 097

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23 November 2016

Cash flow statement for the period ended 30 September 2016

	Note	2016 EUR	2015 EUR
Cash flow from operating activities			
Income from sale of goods and provision of services		882 147	928 875
Payments to suppliers, employees, other expenses arising from basic operations		(893 524)	(903 702)
Gross cash flow from basic operations		(11 377)	25 173
Expenses for enterprise income tax payments		(10 169)	(29 235)
Net cash flow from operating activities		(21 546)	(4 062)
Cash flow from investing activities			
Purchase of fixed assets and intangible investments		(10 111)	(20 767)
Income from exclusion of fixed assets		826	996
Earnings from investment denomination		-	11
Purchase of capital shares of associated company		(99)	-
Received dividends		15	-
Net cash flow from investing activities		(9 369)	(19 760)
Cash flow from financing activities			
Subsidies received as a state support		6 584	7 061
Dividends paid		(42 244)	(50 693)
The difference of the share value – resulting from the denomination of the Company's shares – paid		-	(8 449)
Net cash flow from financing activities		(35 660)	(52 081)
Result of foreign exchange rate fluctuations		(171)	(54)
Increase/ decrease of cash and its equivalents		(66 746)	(75 957)
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	283 263	291 183

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23 November 2016

**Statement on changes in shareholders' equity for the period ended
30 September 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)	-
Dividends for 2014	-	-	(50 693)	-	(50 693)
The denomination of the Company's shares from lats to euro	(9 662)	1 213	-	-	(8 449)
Retained earnings for the reporting year	-	-	-	103 880	103 880
30.09.2015	591 416	1 213	816 761	103 880	1 513 270
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)	-
Dividends for 2015	-	-	(42 244)	-	(42 244)
Retained earnings for the reporting year	-	-	-	64 281	64 281
30.09.2016	591 416	1 213	850 185	64 281	1 507 095

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

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23 November 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 nine months from 1 January to 30 September 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.

	30.09.2016	30.09.2015
USD	1.11610	1.12030

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	2016 EUR	2015 EUR
Livestock sperm	424 112	440 672
Milk laboratory services	213 053	216 545
Treatment of supervisory data	84 814	88 166
Cow exterior appraisal	703	4 565
Artificial insemination of livestock	30 848	32 705
Other income	61 496	60 289
	815 026	842 942

Distribution of net sales according to the geographical markets:

	2016 EUR	2015 EUR
Latvia	815 026	842 942
	815 026	842 942

Earnings from agricultural activities represented in net sales:

	2016 EUR	2015 EUR
Earnings from agricultural activities	815 026	842 942
	815 026	842 942

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

	2016 EUR	2015 EUR
Changes in sperm stock value	12 133	28 943
Changes in stud bull herd value	853	(4 165)
	12 986	24 778

(5) Other operating income

	2016 EUR	2015 EUR
Revenue from exclusion of fixed assets	826	996
State support for agricultural	6 584	7 061
	7 410	8 057

Notes to the Financial Statements

(6) Personnel costs

	2016	2015
	EUR	EUR
Salaries for work	259 861	264 285
Life insurance with cash value accrual	10 542	9 796
State social insurance contributions	60 845	61 717
Health insurance	7 583	7 432
Other costs	1 476	1 395
	340 307	344 625

(7) Other operating expenses

	2016	2015
	EUR	EUR
Insurance payments	3 879	1 507
Business trip expenses	2 817	1 740
Selling expenses	1 825	1 451
The costs of accreditation and employee training	1 003	1 307
The costs of security services	963	952
Taxes applied on the vehicles	835	505
Company's management and administrative expenses	8 255	8 515
Regulated securities market expenses	7 175	8 459
Other costs	5 958	6 367
	32 710	30 803

(8) Other interest income and similar income

	2016	2015
	EUR	EUR
Income from shareholding in the company capitals	15	-
Income from foreign currency exchange rate fluctuations	-	1 193
Recovered doubtful and bad debts	11 651	3 102
Other income	2	11
	11 668	4 306

Notes to the Financial Statements

(9) Interest payments and similar costs

	2016 EUR	2015 EUR
Losses from foreign currency exchange rate fluctuations	203	-
Employees' leisure and other costs not connected with operating activities	7 238	6 588
	7 441	6 588

(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	-	-
30.09.2016	2 725	2 725
Accrued depreciation		
31.12.2015	1 053	1 053
Calculated depreciation	255	255
Depreciation of excluded investments	-	-
30.09.2016	1 308	1 308
Book value as at 31.12.2015	1 672	1 672
Book value as at 30.09.2016	1 417	1 417

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	-	-
30.09.2015	1 025	1 025
Accrued depreciation		
31.12.2014	1 025	1 025
Calculated depreciation	-	-
Depreciation of excluded investments	-	-
30.09.2015	1 025	1 025
Book value as at 31.12.2014	-	-
Book value as at 30.09.2015	-	-

(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	-	2 462	7 649	10 111
Disposed	-	(5 943)	(1 326)	(7 269)
30.09.2016	378 017	472 726	130 900	981 643
Accrued depreciation				
31.12.2015	252 450	429 426	114 400	796 276
Calculated depreciation	11 453	16 768	5 664	33 885
Depreciation of excluded fixed assets	-	(5 943)	(1 326)	(7 269)
30.09.2016	263 903	440 251	118 738	822 892
Book value as at 31.12.2015	125 567	46 781	10 177	182 525
Book value as at 30.09.2016	114 114	32 475	12 162	158 751

As at 30 September 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	-	15 186	5 581	20 767
Disposed	-	-	(1 590)	(1 590)
30.09.2015	378 017	473 322	125 019	976 358
Accrued depreciation				
31.12.2014	237 125	405 157	110 535	752 817
Calculated depreciation	11 507	18 734	4 445	34 686
Depreciation of excluded fixed assets	-	-	(1 590)	(1 590)
30.09.2015	248 632	423 891	113 390	785 913
Book value as at 31.12.2014	140 892	52 979	10 493	204 364
Book value as at 30.09.2015	129 385	49 431	11 629	190 445

As at 30 September 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 30.09.2015	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 30.09.2016	94 000	94 000

(14) Investments in capital of associated companies

	2016		2015	
	% from total share capital	EUR	% 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 30.09.2015	683
Book value as at 30.09.2015	683
Purchase value as at 30.09.2016	683
Book value as at 30.09.2016	683

(16) Ready-made products and goods for sale

	2016 EUR	2015 EUR
Bull semen	572 689	566 884
Other goods for sale	9 291	12 250
	581 980	579 134

(17) Trade receivables

	2016 EUR	2015 EUR
Accounting value of trade receivables	307 483	261 376
Provisions for doubtful trade receivables	(24 012)	(17 799)
	283 471	243 577

(18) Other receivables

	2016 EUR	2015 EUR
VAT for received goods and services	236	2 839
Overpayment of taxes	389	-
Other receivables	2 412	2 068
	3 037	4 907

(19) Prepaid expenses

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

	2016 EUR	2015 EUR
Advertising costs	91	122
Insurance	3 430	3 303
Press and legislation updates' subscription	55	716
Other prepaid expenses	6	169
	3 582	4 310

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	-	4 490	-	19 498
Cash in bank	EUR	-	278 773	-	271 685
			<u>283 263</u>		<u>291 183</u>

(21) 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 30.09.2016 is 422 440, the nominal value of one share is 1.40 euro.

The total number of shares as per 30.09.2015 was 422 440, the nominal value of one share – 1.40 euro.

	2016 EUR	2015 EUR
Bearer shares with voting rights	590 016	590 016
Shares owned by the Board without voting rights	1 400	1 400
	<u>591 416</u>	<u>591 416</u>

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 14.04.2016. %	2015 16.04.2015. %
'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
	<u>100.00</u>	<u>100.00</u>

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.

	30.09.2016 number	30.09.2015 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
	<u>1 000</u>	<u>1 000</u>

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	64 281	103 880
Average weighted number of shares during the year	422 440	422 440
	0,152	0,246

(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
	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 30.09.2016 EUR
Corporate income tax	(6 105)	15 885	(10 169)	(389)
Value added tax	12 394	121 834	(117 354)	16 874
Social insurance contributions	13 128	87 923	(91 627)	9 424
Personal income tax	7 338	49 633	(51 609)	5 362
Real estate tax	-	1 845	(1 845)	-
Nature resource tax	63	159	(159)	63
Business risk duty	13	117	(117)	13
Tax for the exploitation of the vehicles	-	513	(513)	-
Tax applied on company owned motorcars	-	322	(322)	-
	26 831	278 231	(273 715)	31 347

Including:	2015 EUR	2016 EUR
Tax overpaid	(6 105)	(389)
Tax due	32 936	31 736

Tax type	Balance as at 31.12.2014 EUR	Calculated in 2015 EUR	Paid in 2015 EUR	Balance as at 30.09.2015 EUR
Corporate income tax	10 948	18 287	(29 235)	-
Value added tax	13 597	127 389	(123 353)	17 633
Social insurance contributions	13 052	89 187	(92 549)	9 690
Personal income tax	7 666	49 321	(51 642)	5 345
Real estate tax	-	1 854	(1 854)	-
Nature resource tax	77	147	(181)	43
Business risk duty	13	120	(119)	14
Tax for the exploitation of the vehicles	-	462	(462)	-
Tax applied on company owned motorcars	-	43	(43)	-
	45 353	286 810	(299 438)	32 725

Including:	2014 EUR	2015 EUR
Tax due	45 353	32 725

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>36</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	8 243	8 242
Management Board members' salaries for work, including state social insurance contributions	<u>32 034</u>	<u>31 089</u>
Total remuneration to the management members	<u>40 277</u>	<u>39 331</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 Nine 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 Nine 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*

23 November 2016