



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

**Unaudited  
INTERIM REPORT  
for the First Six Months of 2020**

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## Information on the Company

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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 (5.19%)</i>
Members of the Management Board	<i>Nils Ivars Feodorovs, chairman of the Management Board</i> <i>Sarmīte Arcimoviča, member of the Management Board</i> <i>Valda Mālniece, member of the Management Board</i>
Members of the Supervisory Board	<i>Inīta Bedrīte, chairman of the Supervisory Board</i> <i>Maija Beča, deputy chairman of the Supervisory Board</i> <i>Baiba Mecaucē, member of the Supervisory Board</i> <i>Guntis Mecaucis, member of the Supervisory Board from 24.04.2020</i> <i>Jānis Tūtāns, member of the Supervisory Board from 24.04.2020</i> <i>Jekaterina Kreise, member of the Supervisory Board till 24.04.2020</i> <i>Maruta Niedrīte, member of the Supervisory Board till 24.04.2020</i>
Reporting period	<i>01.01.2020 – 30.06.2020</i>
Previous reporting period	<i>01.01.2019 – 30.06.2019</i>
Auditors	<i>Natālija Zaiceva</i> <i>Sworn Auditor</i> <i>Certificate No. 138</i>  <i>'Oriens Audit &amp; Finance' Ltd.</i> <i>Gunāra Astras street 8B</i> <i>Riga, LV-1082, Latvia</i> <i>Sworn Auditors' Commercial Company's license No. 28</i>

## **Management Report**

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JSC 'Siguldas ciltslietu un mākslīgās apsēklošanas stacija' (hereinafter referred to as the Company) is one of the largest high-quality breeding bull semen producers and suppliers in Latvia. The second largest field of the Company's basic economic activities is the milk testing services. The Company also provides other breeding related services – consultations on issues of cattle breeding, feeding and keeping, evaluation of cow exterior, artificial insemination of cows, initial processing of the supervisory data.

The proportion of the revenue from the Company's basic economic activities, if compared to the first six months of 2019, had not changed substantially – the revenue from the sales of the bull semen comprised 55.8 % of the net turnover, whereas the milk laboratory services and processing of supervisory data services, taken together, accounted for 34.6 % of the net turnover.

Company's net turnover in the first six months of 2020 was 598.6 thousand euros, which is by 5.7 % higher than in the first six months of 2019, whereas Company's profit before enterprise income tax was 68.3 thousand euros – by 20.5 % or 11.6 thousand euros higher compared to the corresponding period in 2019.

In the first six months of 2020 there are no major events that have affected the financial statement, as well as no significant risks that the company might be confronted with and which could have an impact on its financial position and financial performance.

The outbreak of COVID-19 will not have a substantial impact on the Company's operations, financial situation and economic performance.

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

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Nils Ivars Feodorovs  
*Chairman of the Management  
Board*

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Sarmīte Arcimoviča  
*Member of the Management  
Board*

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

26 August 2020

**Profit or loss account**

	Note	30.06.2020 EUR	30.06.2019 EUR
Net sales	3	598 588	566 509
a) from agricultural activities		598 588	566 509
Changes in stock of ready-made goods and unfinished products	4	20 080	28 959
Other operating income	5	29 958	16 632
Costs of materials:		(269 855)	(263 404)
a) raw materials and auxiliary costs of materials		(219 839)	(211 579)
b) other external costs		(50 016)	(51 825)
Personnel costs:	6	(239 002)	(229 285)
a) salaries for work		(186 803)	(177 322)
b) state social insurance compulsory contributions		(42 233)	(40 543)
c) other social insurance costs		(9 966)	(11 420)
Depreciation adjustments:		(28 400)	(24 897)
a) depreciation adjustments of fixed and intangible assets		(28 393)	(24 897)
b) depreciation adjustments of current assets which the company considers to be above the normal write-off amounts		(7)	-
Other operating costs	7	(43 108)	(37 863)
<b>Profit or loss before enterprise income tax</b>		<b>68 261</b>	<b>56 651</b>
Enterprise income tax for the reporting year		-	-
<b>Profit or loss after enterprise income tax calculation</b>		<b>68 261</b>	<b>56 651</b>
<b>The profit or loss for the year</b>		<b>68 261</b>	<b>56 651</b>
<b>Equity per 1 share (EPS)</b>	17	<b>0.162</b>	<b>0.134</b>

Notes on pages 10 to 22 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, Manager of the Financial and Accounting department*

26 August 2020

## Balance sheet

Assets	Note	30.06.2020 EUR	31.12.2019 EUR
<b>Long-term investments</b>			
<b>Intangible assets</b>			
Concessions, patents, licenses, trademarks and similar rights		4 038	5 014
<b>Intangible assets total</b>	<b>8</b>	<b>4 038</b>	<b>5 014</b>
<b>Fixed assets (fixed assets, investment properties)</b>			
<b>Fixed assets</b>			
Immovable properties - land parcels, buildings and constructions		152 961	162 692
Productive animals and perennial plantings		62 111	53 627
Technological equipment and machinery		3 285	4 015
Other fixed assets and inventory		26 681	35 262
<b>Fixed assets total</b>	<b>9</b>	<b>245 038</b>	<b>255 596</b>
<b>Investment properties</b>	<b>10</b>	<b>61 000</b>	<b>61 000</b>
<b>Long-term financial investments</b>			
Other securities and investments	11	684	684
<b>Long-term financial investments total</b>		<b>684</b>	<b>684</b>
<b>Long-term investments total</b>		<b>310 760</b>	<b>322 294</b>
<b>Current assets</b>			
<b>Stock</b>			
Raw materials, basic materials and auxiliary materials		20 965	21 381
Ready-made goods and goods for sale	12	777 273	729 769
Prepayments for goods		-	117
<b>Stock total</b>		<b>798 238</b>	<b>751 267</b>
<b>Receivables</b>			
Trade receivables	13	329 854	222 707
Other receivables	14	715	795
Prepaid expenses	15	4 370	11 147
Accrued income		29 941	30 057
<b>Receivables total</b>		<b>364 880</b>	<b>264 706</b>
<b>Cash</b>	<b>16</b>	<b>202 921</b>	<b>251 608</b>
<b>Current assets total</b>		<b>1 366 039</b>	<b>1 267 581</b>
<b>Assets total</b>		<b>1 676 799</b>	<b>1 589 875</b>

## Balance sheet

<b>Shareholders' equity and liabilities</b>	<b>Note</b>	<b>30.06.2020 EUR</b>	<b>31.12.2019 EUR</b>
<b>Shareholders' equity</b>			
Share capital	17	591 416	591 416
Retained earnings or loss carried forward from previous years		911 086	860 743
Profit or loss of the reporting year		68 261	50 343
<b>Shareholders' equity total</b>		<b>1 570 763</b>	<b>1 502 502</b>
<b>Payables</b>			
<b>Short-term payables</b>			
Prepayment received from customers		552	738
Trade payables		43 900	18 196
Taxes and social insurance payments	18	33 543	37 285
Other payables		15 324	19 931
Accrued liabilities	19	12 717	11 223
<b>Short-term payables total</b>		<b>106 036</b>	<b>87 373</b>
<b>Payables total</b>		<b>106 036</b>	<b>87 373</b>
<b>Shareholders' equity and liabilities total</b>		<b>1 676 799</b>	<b>1 589 875</b>

Notes on pages 10 to 22 form an integral part of these financial statements.

Nils Ivars Feodorovs  
*Chairman of the Management  
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*Member of the Management  
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Financial and Accounting  
department*

26 August 2020

## Cash flow statement

	Note	30.06.2020 EUR	30.06.2019 EUR
<b>Cash flow from operating activities</b>			
Income from sale of goods and provision of services		643 593	618 921
Payments to suppliers, employees, other expenses arising from basic operations		(665 946)	(645 441)
<b>Gross cash flow from basic operations</b>		<b>(22 353)</b>	<b>(26 520)</b>
Expenses for enterprise income tax payments		-	-
<b>Net cash flow from operating activities</b>		<b>(22 353)</b>	<b>(26 520)</b>
<b>Cash flow from investing activities</b>			
Purchase of fixed assets and intangible investments		(35 335)	(34 183)
Income from dispossession of fixed assets		5 264	6 344
<b>Net cash flow from investing activities</b>		<b>(30 071)</b>	<b>(27 839)</b>
<b>Cash flow from financing activities</b>			
Subsidies received as a state support		4 565	5 474
Dividends paid		-	(33 795)
<b>Net cash flow from financing activities</b>		<b>4 565</b>	<b>(28 321)</b>
<b>Result of foreign exchange rate fluctuations</b>		<b>(828)</b>	<b>(509)</b>
<b>Net increase or decrease of cash and its equivalents</b>		<b>(48 687)</b>	<b>(83 189)</b>
<b>Cash and its equivalents balance at the beginning of the reporting year</b>		<b>251 608</b>	<b>295 972</b>
<b>Cash and its equivalents balance at the end of the reporting year</b>	16	<b>202 921</b>	<b>212 783</b>

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Member of the Management  
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Board, Manager of the  
Financial and Accounting  
department

26 August 2020



**Statement on changes in shareholders' equity**

	Share capital	Other reserves	Retained earnings carried forward from previous years	Profit of the reporting year	Shareholders' equity total
	EUR	EUR	EUR	EUR	EUR
<b>31.12.2018</b>	<b>591 416</b>	<b>1 213</b>	<b>904 144</b>	<b>(10 819)</b>	<b>1 485 954</b>
Losses of 2018 are covered from retained earnings of previous years	-	-	(10 819)	10 819	-
Dividends for 2018	-	-	(33 795)	-	(33 795)
Reserves, redirected to retained earnings of previous years	-	(1 213)	1 213	-	-
Profit for the reporting year	-	-	-	56 651	56 651
<b>30.06.2019</b>	<b>591 416</b>	<b>-</b>	<b>860 743</b>	<b>56 651</b>	<b>1 508 810</b>
<b>31.12.2019</b>	<b>591 416</b>	<b>-</b>	<b>860 743</b>	<b>50 343</b>	<b>1 502 502</b>
Profit of 2019 transferred to retained earnings of previous years	-	-	50 343	(50 343)	-
Profit of the reporting year	-	-	-	68 261	68 261
<b>30.06.2020</b>	<b>591 416</b>	<b>-</b>	<b>911 086</b>	<b>68 261</b>	<b>1 570 763</b>

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Nils Ivars Feodorovs  
*Chairman of the Management Board*

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Sarmīte Arcimoviča  
*Member of the Management Board*

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

26 August 2020

## **Notes to the Financial Statements**

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### **(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 and Consolidated Annual reports of the Republic of Latvia. According to Section 5 of the Law on Annual Reports and Consolidated Annual reports, the Company is classified as a small company according to the last two years figures. Taking into account the legal requirements for commercial companies whose transferable securities are listed on a regulated market, the Company applies requirements that are binding on a large company. The Profit or Loss Account is been prepared based on classification according to expense types. The Cash Flow Statement was prepared according to the direct method.

Complying the regulation stated in Article 13 Part 5 Chapter 2 of the Law On Annual Reports and Consolidated Annual reports, the Company acknowledges, assesses, shows in its financial report and provides explicative information on investment properties in compliance with the international accounting standards.

#### ***Accounting principles used***

The items of the Financial Statements have been evaluated according to the following accounting principles:

- It is assumed that the Company will be a going concern;
- The same evaluation methods have been used, which were used in the previous year;
- Evaluation was done with sufficient prudence:
  - The Financial Statements include solely the profit gained until the balance sheet date,
  - All expected risk amounts and losses have been taken into account, which occurred during the reporting year or in previous years, also if they were known during a certain period of time between the balance sheets date and the day of preparing the Financial Statements,
  - All value decreasing and depreciation amounts have been taken into account irrespective whether the reporting year was closed with profit or loss;
- reporting year related income and costs were recognized irrespective of the payment date and the date of receipt or issuance of invoice. Costs have been agreed with the income in the reporting period;
- components of asset and liabilities items have been recognized separately;
- the opening balance of the reporting year agrees with the closing balance of the previous year;
- all items have been recognized, which materially influence assessment or decision-making process of the users of the annual report, insignificant items are merged and they are detailed in the Appendix;
- operating transactions in the reporting year have been recognized in the Financial Statements by taking into account their economic substance and contents, rather than legal form.

#### ***Financial instruments***

##### ***Fair value of financial assets and liabilities***

Fair value of financial assets and liabilities reflect the amount, for which it is possible to exchange assets or perform liabilities in a deal between well informed, interested and financially independent persons. If in the Company's management opinion, fair value of financial assets and liabilities materially differs from the value recognized in the balance sheet, then the fair value of these assets and liabilities is recognized in the Notes to the Financial Statements.

## **Notes to the Financial Statements**

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### **Financial risks management**

#### *Credit risk*

The Company's management has developed credit policy, which is constantly controlled. Client evaluation is done for all customers above a fixed amount. The Company cooperates with clients who have proper credit assessment.

#### *Currency risk*

Based on the current structure of Company's financial assets and liabilities held in foreign currencies, the currency risk is not material.

### **Reporting period**

The reporting period is six months from 1 January to 30 June 2020.

### **Revaluation of foreign currencies**

The Company's functional currency and the currency used in the Financial Statements is euro (EUR). All transactions in foreign currencies are converted into euro according to the euro foreign exchange reference rate published by the European Central Bank on the day of particular transaction being performed.

Monetary assets and liabilities, which are shown in foreign currencies, are converted into euro according to the fixed euro foreign exchange reference rate published by the European Central Bank on the last day of the reporting period.

	<b>30.06.2020</b>	<b>30.06.2019</b>
USD	1.11980	1.13800

Currency exchange rate differences arising from settlements in currencies or when recognizing assets and liabilities by using currency exchange rates, which differ from the initial currency exchange rates used for accounting of transactions, are recognized in the profit or loss account in net value.

### **Recognition of income**

Income is recognized according to the conviction about the Company's possibility to gain economic benefit and in the amount, in which it is possible to state it, less value added tax and sales-related discounts. When recognizing income, also the following provisions are taken into account.

#### *Sale of goods*

Income is recognized when the Company has transferred to the purchaser major risks and indemnities related to the title of goods.

#### *Provision of services*

Income from services is recognized in the period when the services are provided.

#### *Penalty and delay charges*

Income from penalty and delay charges is recognized at the moment of their receipt.

#### *Interest*

Income is recognized according to the respective period of time.

### **Long-term and short-term items**

Long-term items include amounts whose receipt, payments or write-off terms are due later after the end of the respective reporting year. Amounts, which are receivable, payable or written off during the year, are recognized in short-term items.

### **Leasing transactions**

#### *Financial leasing*

In cases when fixed assets are purchased on the conditions of financial leasing and the related risks and return are taken over, these fixed assets are recognized in the value, for which they could be purchased with immediate payment. Leasing interest payments and similar payments are included in the profit or loss account of that period when they occurred.

## Notes to the Financial Statements

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### **Intangible assets and fixed assets**

In the balance sheet, all intangible assets and fixed assets are reflected at their purchase prices, less depreciation. Depreciation is calculated from the first date of the next month after their commissioning and finished on the first date of the subsequent month after it is excluded from fixed assets. Depreciation is calculated according to the straight line method and is written off during the useful life time of respective fixed assets by choosing the following annual depreciation rates as fixed by the management:

#### *Intangible assets:*

Licenses	5 years
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#### *Fixed assets:*

Buildings and constructions	10, 20, 25, 40 and 59 years
Productive animals	4 years
Equipment and machinery	5, 6 and 7 years
Computer hardware and communication equipment	5 years
Inventory and tools	3 and 5 years
Other fixed assets	2 and 3 years

Balances of fixed assets have been counted in the annual count of fixed assets.

The Company capitalizes its fixed assets valued over 70 euro with useful life exceeding one year. Depreciation for improvements and other low costs items with the value less than 70 euro is recognized by 100 % after commissioning.

If sufficient evidence is acquired that the future economic benefit associated with subsequent repair or reconstruction costs will flow to the Company, which exceeds the return set previously, costs are capitalized as additional costs to the fixed asset.

Net gains or losses from disposal of fixed assets is calculated as the difference between the carrying amount of the fixed asset and proceeds from sale, and recognized in the income statements during the period when disposal are incurred.

If it is possible to conclude due to any kind of occurrence or circumstances that residual value of fixed or intangible assets could not reach its recoverable value, appropriate value of fixed or intangible asset is to be decreased until recoverable value. Recoverable value is calculated as the highest of fair value less costs to sell or value in use.

Productive animals meet the value criteria of fixed assets and are included in fixed assets. Productive animals in 2019 was stated at purchase cost up to the time of their exclusion.

### **Investment properties**

Investment property is property (land plots, building or part of building) held by the owner or by lessee under a finance lease to earn rentals or for capital appreciation rather than use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. For the land with uncertain future use (if the Company has not determined that it will use the land as owner occupied or short term sale in the ordinary course of business, it is assumed that land is held for capital appreciation), it is classified as investment property.

Investment property of the company— land in possession of the stock company, which market value is expected to grow. Investment properties have been filed according to their purchase value. No later than at the end of the year of account the investments properties are being revalued according to their real market value considering any other activities related to particular property. The revaluation is performed by a certified evaluator. Any changes in the market value of the investments properties are being shown in the profit and loss account.

## **Notes to the Financial Statements**

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

**2019** – LTD 'Eiroeksperts'

**2018** – LTD 'Eiroeksperts'

### **Stock**

Stock is recognized in the lowest cost or net sales value. All stock is assessed by using the average weighted method.

Net sales value is the sales price of stock fixed during normal Company's operations, less the stock completion and selling costs. In cases when the stock net selling value is lower than their cost price, provisions are made for these stocks for decrease of their value down to the net sales value.

All direct costs, which are related to production of breeding animals - bull semen, during the year are booked in the profit or loss account and are adjusted at the end of the year when evaluating stocks according to the lowest sales value or cost price and including them in stocks as "Ready-made goods and goods for sale".

### **Trade receivables and other receivables**

In the balance sheet receivables are recognized in the recoverable value, provisions for doubtful receivables having been deducted. Provisions for doubtful debts are made in cases when there is objective evidence to the fact that the Company will not be able to receive the debts in full value according to the initially fixed repayment dates. Provisions for doubtful debts are the difference between the amortized purchase value of receivables and the recoverable value. The recoverable value of receivables is the current value of planned cash flow.

### **Cash**

For the purposes of the cash flow statement, cash and cash equivalents comprise cash, the balances of the current bank account and other current liquid financial assets with maturities up to 90 days.

### **Provisions**

Provisions are liabilities related to current or previous years events and at the preparation of financial statements it is probable that an outflow of resources will be required to settle the obligation and its amount can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

### **Subsidies**

Amounts, which are received as a state support for agricultural, i.e., for covering of expenses for maintaining high-quality breed bulls, are included in the income of that reporting period when they are received and all material conditions for the grant are fulfilled.

### **Taxes**

#### **Corporate income tax for the financial year**

Corporate income tax is payable on the distribution of profits and the conditional distribution of profits. Distributed and notionally distributed profits are taxed at the rate of 20 percent of the gross amount, or 20/80 of net costs. Corporate income tax on the payment of dividends is recognized in the profit and loss account as an expense in the period in which the dividends are declared and, in the case of other retained earnings, as incurred.

## **Notes to the Financial Statements**

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### **Use of assumptions**

When preparing the financial statements, the Company's management has to make calculations and assumptions, which impact recognition of assets and liabilities included in the financial statements as at the day of preparing the financial statements, as well as the income and expenses recognized in the specific reporting period. Management has made profit or loss assessment and considers that the financial statements reflect the true financial condition based on all currently available information.

## Notes to the Financial Statements

### (3) Net sales

Sales include income gained during the year from the Company's basic activities – sales of products and provision of services without value added tax and less discounts.

Type of operations	30.06.2020 EUR	30.06.2019 EUR
Sale of Livestock sperm	333 727	299 918
Milk laboratory services	160 571	163 178
Treatment of supervisory data	46 728	50 310
Artificial insemination of livestock	13 574	16 158
Other income	43 988	36 945
	<b>598 588</b>	<b>566 509</b>

Distribution of net sales according to the geographical markets:

	30.06.2020 EUR	30.06.2019 EUR
Latvia	598 588	566 509
	<b>598 588</b>	<b>566 509</b>

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

	30.06.2020 EUR	30.06.2019 EUR
Changes in sperm stock value	20 080	28 959
	<b>20 080</b>	<b>28 959</b>

### (5) Other operating income

	30.06.2020 EUR	30.06.2019 EUR
State support for agricultural	4 565	5 474
Recovered doubtful and bad debts	25 393	11 158
	<b>29 958</b>	<b>16 632</b>

## Notes to the Financial Statements

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### (6) Personnel costs

	<b>30.06.2020</b>	<b>30.06.2019</b>
	<b>EUR</b>	<b>EUR</b>
Salaries for work	177 869	168 953
Life insurance with cash value accrual	8 934	8 369
State social insurance contributions	42 233	40 543
Health insurance	8 712	8 850
Other costs	1 254	2 570
	<b>239 002</b>	<b>229 285</b>

### (7) Other operating expenses

	<b>30.06.2020</b>	<b>30.06.2019</b>
	<b>EUR</b>	<b>EUR</b>
Insurance payments	4 390	4 128
Business trip expenses	-	2 975
Selling expenses	1 282	1 660
The costs of accreditation and employee training	1 300	1 671
The costs of security services	683	653
Taxes applied on the vehicles	525	759
Company's management and administrative expenses	5 213	4 287
Regulated securities market expenses	6 568	6 473
Loss from foreign currency exchange rate fluctuations	696	295
Net loss from dispossession of fixed assets	13 212	6 193
Employees' leisure and similar costs	1 368	2 489
Real estate tax	1 855	1 855
Other costs	6 016	4 425
	<b>43 108</b>	<b>37 863</b>



## Notes to the Financial Statements

### (8) Intangible assets

	Concessions, patents, licenses, trademarks and similar rights EUR
<b>Initial value</b>	
<b>31.12.2019</b>	<b>10 785</b>
Purchased	-
Disposed	-
<b>30.06.2020</b>	<b>10 785</b>
<b>Accrued depreciation adjustments</b>	
<b>31.12.2019</b>	<b>5 771</b>
Annual write-off of the value	976
Adjustments to accrued depreciation of excluded intangible assets	-
<b>30.06.2020</b>	<b>6 747</b>
<b>Book value as at 31.12.2019</b>	<b>5 014</b>
<b>Book value as at 30.06.2020</b>	<b>4 038</b>

	Concessions, patents, licenses, trademarks and similar rights EUR
<b>Initial value</b>	
<b>31.12.2018</b>	<b>10 785</b>
Purchased	-
Disposed	-
<b>30.06.2019</b>	<b>10 785</b>
<b>Accrued depreciation adjustments</b>	
<b>31.12.2018</b>	<b>3 819</b>
Annual write-off of the value	976
Adjustments to accrued depreciation of excluded intangible assets	-
<b>30.06.2019</b>	<b>4 795</b>
<b>Book value as at 31.12.2018</b>	<b>6 966</b>
<b>Book value as at 30.06.2019</b>	<b>5 990</b>

## Notes to the Financial Statements

### (9) Report on movement of fixed assets

	Land, buildings and constructions	Productive animals and perennial plantings	Technological equipment and machinery	Other fixed assets and inventory	Total
	EUR	EUR	EUR	EUR	EUR
<b>Initial value</b>					
<b>31.12.2019</b>	<b>467 494</b>	<b>69 003</b>	<b>307 064</b>	<b>293 300</b>	<b>1 136 861</b>
Purchased	-	34 232	-	1 103	35 335
Dispossessed or liquidated	-	(20 150)	(665)	(587)	(21 402)
<b>30.06.2020</b>	<b>467 494</b>	<b>83 085</b>	<b>306 399</b>	<b>293 816</b>	<b>1 150 794</b>
<b>Accrued depreciation adjustments</b>					
<b>31.12.2019</b>	<b>304 802</b>	<b>15 376</b>	<b>303 049</b>	<b>258 038</b>	<b>881 265</b>
Calculated depreciation	9 731	7 272	730	9 684	27 417
Depreciation of dispossessed or liquidated fixed assets	-	(1 674)	(665)	(587)	(2 926)
<b>30.06.2020</b>	<b>314 533</b>	<b>20 974</b>	<b>303 114</b>	<b>267 135</b>	<b>905 756</b>
<b>Book value as on 31.12.2019</b>	<b>162 692</b>	<b>53 627</b>	<b>4 015</b>	<b>35 262</b>	<b>255 596</b>
<b>Book value as on 30.06.2020</b>	<b>152 961</b>	<b>62 111</b>	<b>3 285</b>	<b>26 681</b>	<b>245 038</b>

As on 30 June 2020, the cadastral value of **real estate – land and constructions** – was **EUR 158 087**.

	Land, buildings and constructions	Perennial plantings	Technological equipment and machinery	Other fixed assets and inventory	Total
	EUR	EUR	EUR	EUR	EUR
<b>Initial value</b>					
<b>31.12.2018</b>	<b>427 659</b>	<b>75 614</b>	<b>329 177</b>	<b>303 057</b>	<b>1 135 507</b>
Purchased	-	19 093	-	15 090	34 183
Dispossessed or liquidated	-	(12 537)	-	(23 955)	(36 492)
<b>30.06.2019</b>	<b>427 659</b>	<b>82 170</b>	<b>329 177</b>	<b>294 192</b>	<b>1 133 198</b>
<b>Accrued depreciation adjustments</b>					
<b>31.12.2018</b>	<b>286 010</b>	<b>15 376</b>	<b>323 702</b>	<b>268 979</b>	<b>894 067</b>
Calculated depreciation	9 396	-	730	13 756	23 882
Depreciation of dispossessed or liquidated fixed assets	-	-	-	(23 916)	(23 916)
<b>30.06.2019</b>	<b>295 406</b>	<b>15 376</b>	<b>324 432</b>	<b>258 819</b>	<b>894 033</b>
<b>Book value as on 31.12.2018</b>	<b>141 649</b>	<b>60 238</b>	<b>5 475</b>	<b>34 078</b>	<b>241 440</b>
<b>Book value as on 30.06.2019</b>	<b>132 253</b>	<b>66 794</b>	<b>4 745</b>	<b>35 373</b>	<b>239 165</b>

As on 30 June 2019, the cadastral value of **real estate – land and constructions** – was **EUR 158 087**.

## Notes to the Financial Statements

### (10) Investment properties

	Land EUR
<b>Book value as on 31.12.2018</b>	<b>59 000</b>
Increase/decrease of value due to revaluation	-
<b>Book value as on 30.06.2019</b>	<b>59 000</b>
<b>Book value as on 31.12.2019</b>	<b>61 000</b>
Increase/decrease of value due to revaluation	-
<b>Book value as on 30.06.2020</b>	<b>61 000</b>

### (11) Other securities and investments

	EUR
Purchase value as on 31.12.2019	684
<b>Book value as on 31.12.2019</b>	<b>684</b>
Purchase value as on 30.06.2020	684
<b>Book value as on 30.06.2020</b>	<b>684</b>

### (12) Ready-made products and goods for sale

	30.06.2020 EUR	31.12.2019 EUR
Bull semen	762 545	718 607
Other goods for sale	14 728	11 162
	<b>777 273</b>	<b>729 769</b>

### (13) Trade receivables

	30.06.2020 EUR	31.12.2019 EUR
Accounting value of trade receivables	374 939	292 920
Provisions for doubtful trade receivables	(45 085)	(70 213)
	<b>329 854</b>	<b>222 707</b>

## Notes to the Financial Statements

### (14) Other receivables

	<b>30.06.2020</b>	<b>31.12.2019</b>
	<b>EUR</b>	<b>EUR</b>
VAT for received goods and services	-	794
Other receivables	715	1
	<b>715</b>	<b>795</b>

### (15) Prepaid expenses

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

	<b>30.06.2020</b>	<b>31.12.2019</b>
	<b>EUR</b>	<b>EUR</b>
Advertising costs	22	118
Insurance	4 155	8 890
Press and legislation updates' subscription	30	1 207
Server maintenance and similar costs	-	258
Other prepaid expenses	163	674
	<b>4 370</b>	<b>11 147</b>

### (16) Cash

#### Break-down of cash according to currencies:

		<b>30.06.2020</b>		<b>31.12.2019</b>	
		<b>Currency</b>	<b>EUR</b>	<b>Currency</b>	<b>EUR</b>
Cash in hand	EUR	-	3 477	-	2 869
Cash in bank	EUR	-	199 444	-	248 739
			<b>202 921</b>		<b>251 608</b>

### (17) Share capital

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

The total number of shares as per 30.06.2020 is 422 440, the nominal value of one share is 1.40 euro.

The total number of shares as per 31.12.2019 was 422 440, the nominal value of one share – 1.40 euro.

	<b>30.06.2020</b>	<b>31.12.2019</b>
	<b>EUR</b>	<b>EUR</b>
Bearer shares with voting rights	590 016	590 016
Shares owned by the Board without voting rights	1 400	1 400
	<b>591 416</b>	<b>591 416</b>

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.

## Notes to the Financial Statements

Owners of 421 440 bearer shares according to the latest available full shareholders list requested from the Nasdaq CSD SE

	<b>2020</b>	<b>2019</b>
	<b>16.04.2020</b>	<b>16.04.2019</b>
	<b>%</b>	<b>%</b>
'Siguldas mākslīgās apsēklošanas stacija' Ltd	49.92	49.92
Oļegs Radčenko	5.19	5.20
Inita Bedrīte, chairman of the Supervisory Board	0.26	0.26
Maija Beča, deputy chairman of the Supervisory Board	0.73	0.73
Jekaterina Kreise, member of the Supervisory Board	0.87	0.87
Baiba Mecauce, member of the Supervisory Board	2.44	2.44
Maruta Niedrīte, member of the Supervisory Board	1.97	1.97
Sarmīte Arcimoviča, member of the Management Board	0.91	0.91
Valda Mālniece, member of the Management Board	3.31	3.31
Other shareholders	34.40	34.39
	<b>100.00</b>	<b>100.00</b>

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.

	<b>30.06.2020</b>	<b>31.12.2019</b>
	<b>number</b>	<b>number</b>
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
	<b>1 000</b>	<b>1 000</b>

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.

	<b>30.06.2020</b>	<b>30.06.2019</b>
	<b>EUR</b>	<b>EUR</b>
Profit or loss of the reporting period	68 261	56 651
Average weighted number of shares during the year	422 440	422 440
	<b>0.162</b>	<b>0.134</b>

## Notes to the Financial Statements

### (18) Taxes and social insurance payments

Tax type	30.06.2020 EUR	31.12.2019 EUR
Value added tax	17 593	17 054
Personal income tax	5 026	6 604
Social insurance payments	10 863	13 563
Nature resource tax	49	51
Business risk state fee	12	13
	<b>33 543</b>	<b>37 285</b>

Tax overpaid declared in position 'Other receivables'

### (19) Accrued liabilities

	30.06.2020 EUR	31.12.2019 EUR
Calculated liabilities to personnel for unused vacation	11 223	11 223
Accrued liabilities in settlements with suppliers	1 494	-
	<b>12 717</b>	<b>11 223</b>

### (20) Information on the number of management members and remuneration

	30.06.2020 EUR	30.06.2019 EUR
Remuneration to five Supervisory Board members for execution of functions, including social insurance payments	5 598	4 262
Remuneration to three Management Board members for execution of functions, including social insurance payments	23 752	15 573
<b>Total remuneration to the management members</b>	<b>29 350</b>	<b>19 835</b>

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.

### (21) Average number of employees

	30.06.2020 number	30.06.2019 number
Supervisory Board members (all employees perform the functions of the Supervisory Board member as an extra work in addition to principal work duties)	3	3
Management Board members (two employees perform the functions of the Management Board member as an extra work in addition to principal work duties)	3	3
Other employees	26	30
<b>Total average number of employees</b>	<b>32</b>	<b>36</b>

## **Report on Management Liability**

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The management of JSC 'Siguldas ciltslietu un mākslīgās apsēklošanas stacija' (hereinafter - the Company) is responsible for the preparation of the financial statements of the Company. The financial statements are prepared in accordance with the source documents and present fairly the financial position of the Company as of 30 June 2020 and the results of their operations and cash flows for the year then ended.

The Management Board confirms that the financial statements and notes to the financial statements contained on pp. 3-22 have been prepared on the basis of source documents and the decisions adopted and the assessments made were conservative and prudent. The accounting policy compared to the preceding year has not changed. The Management Board confirms that the financial statements have been prepared on a going-concern basis

The Management is responsible for keeping a proper accounting system, preservation of Company's assets, and for detection and prevention of fraud and other irregularities in the Company. The Management is also responsible for compliance with the requirements of Latvian laws as well as European Union regulations applicable to the Company.

Interim report for the first six months of the year 2020 has not been audited by a sworn auditor.

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Nils Ivars Feodorovs

*Chairman of the Management  
Board*

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Sarmīte Arcimoviča

*Member of the Management  
Board, Manager of the  
Production and Marketing  
department*

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Valda Mālniece

*Member of the Management  
Board, Manager of the  
Financial and Accounting  
department*

26 August 2020