Joint Stock Company
‘SIGULDAS CILTSLIETU UN MĀKSLĪGĀS APSĒKLOŠANAS STACIJA’

ANNUAL REPORT
for 2025

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Information on the Company

Company’s name	*SIGULDAS CILTSLIETU UN MĀKSLĪGĀS APSĒKLOŠANAS STACIJA*
Company’s legal status	*Joint stock company*
Registration number, place and date	*40003013295, Riga, 26 July 1991* *Registration in the Commercial Register on 19 June 2004*
Legal address	*‘Kalnabeites 8’, Sigulda, Sigulda municipality, LV-2150*
Shareholders holding more than 5% of the total number of voting shares	*‘Siguldas mākslīgās apsēklošanas stacija’ Ltd. (49.80%), registration No. 40003311954* *SCI AG (7.61%)* *Bartholomäus-Arnoldi-Str. 82, DE-61250 Usingen, Germany* *Oļegs Radčenko (5.17%)*
Members of the Management Board	*Nils Ivars Feodorovs, chairman of the Management Board, holding 400 shares* *Sarmīte Arcimoviča, member of the Management Board, holding 4 124 shares* *Valda Mālniece, member of the Management Board, holding 14 260 shares*
Members of the Supervisory Board	*Inita Bedrīte, chairwoman of the Supervisory Board, holding 1 084 shares* *Guntis Mecaucis, deputy chairman of the Supervisory Board, holding 5 448 shares* *Līga Kubuliņa, member of the Supervisory Board, do not own shares* *Baiba Mecauce, member of the Supervisory Board, holding 10 304 shares* *Edgars Nartišs, member of the Supervisory Board, do not own shares*
Reporting period	*01.01.2025 – 31.12.2025*
Previous reporting period	*01.01.2024 – 31.12.2024*
Auditors	*Olga Kuzmiča* *Sworn Auditor* *Certificate No. 207* *‘Orients Audit & Finance’ Ltd.* *Gunāra Astras street 8B* *Riga, LV-1082, Latvia* *Sworn Auditors’ Commercial Company’s license No. 28*

Management Report

Types of Operations

JSC 'Siguldas ciltslietu un mākslīgās apsēklošanas stacija' (hereinafter referred to as the Company) is the only producer of high-quality breeding bull semen and one of the largest suppliers of it 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 company offers Latvian farms the opportunity to test herd animal genome samples in US and European genetic laboratories.

Brief Description of the Company's Activities in the Reporting Year and Financial Condition

The Company's net turnover in 2025 was 1.9 million euros, which is by 286.6 thousand euros or 17.3 % more than in 2024. The proportionality of the income from the basic occupation has slightly changed compared to 2024 – revenue from the sale of goods and services in the genetics industry has increased and accounted for 76.8 % of the net turnover, while the income from the services of milk analysis and monitoring data processing has decreased - they totalled 18.1 % from net turnover.
In 2025, the evaluation of the investment property at the true value generated revenues of 2 thousand euros, accordingly, in 2024 its value increased by 8 thousand euros.
2025 ended with a profit of 29.1 thousand euros. Compared to 2024, the profit before taxes for the reporting year has decreased by 51.7 thousand euros.
The Russia's invasion in Ukraine did not significantly affect the Company's economic activity, financial situation and economic indicators
In 2025, there were no other significant events that would affect the financial statement, as well as there are no significant risks that the Company could face and that could affect its financial position and financial results of operations.

Future Prospects and future Development

By increasing the efficiency of the Company's operation, the Company will continue to work to expand the market size of its products and services provided.

Post-Balance-Sheet Events

In the period from the last day of the reporting year to the day of signing the financial report, there have been no events that significantly affect the Company's financial position as of 31 December 2025.

The war between Russia and Ukraine has no significant impact on the Company's economic activity, financial situation and economic indicators.

Branches and Representative Offices Abroad

The Company has no branch offices, nor any representative offices abroad.

Proposals Regarding the Use of the Company's Profit or Losses

The Board's proposal is not to use the profit for the reporting year, but to pay out 33,795.20 euros in dividends from the retained earnings of previous years, which arose from January 1, 2018, and on which corporate income tax has been paid, which is 0.08 euros per share.

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*

20 March 2026

Profit or loss account

	Note	2025 EUR	2024 EUR
Net sales	3	1 942 891	1 656 333
a) from agricultural activities		1 942 891	1 656 333
Changes in stock of ready-made goods and unfinished products	4	(27 362)	21 940
Other operating income	5	59 450	82 781
Costs of materials:		(1 116 863)	(944 498)
a) raw materials and auxiliary costs of materials		(999 759)	(856 889)
b) other external costs		(117 104)	(87 609)
Personnel costs:	6	(587 506)	(529 967)
a) salaries for work		(464 511)	(415 412)
b) state social insurance compulsory contributions		(110 644)	(100 096)
c) other social insurance costs		(12 351)	(14 459)
Depreciation adjustments:		(146 728)	(114 042)
a) depreciation adjustments of fixed and intangible assets		(100 506)	(85 170)
b) depreciation adjustments of current assets which the company considers to be above the normal write-off amounts		(46 222)	(28 872)
Other operating costs	7	(84 844)	(81 353)
Interest payments and similar costs:		(7 958)	(7 530)
a) to other persons		(7 958)	(7 530)
Profit or loss before enterprise income tax		**31 080**	**83 664**
Enterprise income tax for the reporting year		(1 969)	(2 876)
Profit or loss after enterprise income tax calculation		**29 111**	**80 788**
The profit or loss for the year		**29 111**	**80 788**
Earnings per 1 share (EPS)	15	**0.069**	**0.191**

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

20 March 2026

Balance sheet

Assets	**Note**	**2025 EUR**	**2024 EUR**
Long-term investments			
Intangible assets			
Concessions, patents, licenses, trademarks and similar rights		-	-
Intangible assets total	8	**-**	**-**
Fixed assets (fixed assets, investment properties)			
Fixed assets			
Immovable properties - land parcels, buildings and constructions		96 340	91 035
Productive animals		23 763	54 048
Technological equipment and machinery		68 096	102 379
Other fixed assets and inventory		54 566	72 527
Fixed assets total	**9**	**242 765**	**319 989**
Investment properties	**10**	**146 000**	**144 000**
Long-term financial investments			
Other securities and investments		684	684
Long-term financial investments total		**684**	**684**
Long-term investments total		**389 449**	**464 673**
Current assets			
Stock			
Raw materials, basic materials and auxiliary materials		16 599	14 446
Ready-made goods and goods for sale	11	1 176 909	1 162 933
Prepayments for goods		-	38 445
Stock total		**1 193 508**	**1 215 824**
Receivables			
Trade receivables	12	466 048	470 396
Other receivables		780	4 021
Prepaid expenses	13	10 282	10 270
Accrued income		26 781	20 775
Receivables total		**503 891**	**505 462**
Cash	14	**135 487**	**82 385**
Current assets total		**1 832 886**	**1 803 671**
Assets total		**2 222 335**	**2 268 344**

Balance sheet

Shareholders' equity and liabilities	**Note**	**2025 EUR**	**2024 EUR**
Shareholders' equity			
Share capital	15	591 416	591 416
Retained earnings or loss carried forward from previous years		1 300 187	1 219 399
Profit or loss of the reporting year		29 111	80 788
Shareholders' equity total		**1 920 714**	**1 891 603**
Payables			
Long-term payables			
Other loans	16	56 264	87 965
Long-term payables total		**56 264**	**87 965**
Short-term payables			
Other loans	17	31 701	29 796
Prepayment received from customers		4 120	1 103
Trade payables		96 529	163 057
Taxes and social insurance payments	18	53 548	44 565
Other payables		30 039	28 840
Accrued liabilities	19	29 420	21 415
Short-term payables total		**245 357**	**288 776**
Payables total		**301 621**	**376 741**
Shareholders' equity and liabilities total		**2 222 335**	**2 268 344**

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20 March 2026

Cash flow statement

	Note	2025 EUR	2024 EUR
Cash flow from operating activities			
Income from sale of goods and provision of services		2 379 226	1 998 027
Payments to suppliers, employees, other expenses arising from basic operations		(2 291 049)	(1 984 359)
Gross cash flow from basic operations		**88 177**	**13 668**
Expenses for interest payments		(5 754)	(6 530)
Expenses for enterprise income tax payments		(2 879)	(2 583)
Net cash flow from operating activities		**79 544**	**4 555**
Cash flow from investing activities			
Purchase of fixed assets and intangible investments		(26 738)	(77 022)
Income from dispossession of fixed assets		9 275	44 642
Net cash flow from investing activities		**(17 463)**	**(32 380)**
Cash flow from financing activities			
Subsidies received as a state support		29 053	6 397
Expenses for the redemption of a leased fixed asset		(29 796)	(21 605)
Dividends paid		-	(21 122)
Net cash flow from financing activities		**(743)**	**(36 330)**
Result of foreign exchange rate fluctuations		**(8 236)**	**(7 695)**
Net increase or decrease of cash and its equivalents		**53 102**	**(71 850)**
Cash and its equivalents balance at the beginning of the reporting year		**82 385**	**154 235**
Cash and its equivalents balance at the end of the reporting year	14	**135 487**	**82 385**

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

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20 March 2026

Statement on changes in shareholders’ equity

	Share capital **EUR**	**Retained earnings carried forward from previous years** **EUR**	**Profit of the reporting year** **EUR**	**Shareholders’ equity total** **EUR**
31.12.2023	**591 416**	**1 175 086**	**65 435**	**1 831 937**
Profit of 2023 transferred to retained earnings of previous years	-	65 435	(65 435)	-
Dividends distributed	-	(21 122)	-	(21 122)
Profit of the reporting year	-	-	80 788	80 788
31.12.2024	**591 416**	**1 219 399**	**80 788**	**1 891 603**
Profit of 2024 transferred to retained earnings of previous years	-	80 788	(80 788)	-
Profit of the reporting year	-	-	29 111	29 111
31.12.2025	**591 416**	**1 300 187**	**29 111**	**1 920 714**

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

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

20 March 2026

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 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.

Accountig 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.

Notes to the Financial Statements

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.

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 twelve months from 1 January to 31 December 2025.

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.

	31.12.2025	**31.12.2024**
CAD	1.608800	1.494800
USD	1.175000	1.103890

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.

Notes to the Financial Statements

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.

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
Productive animals	2 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.

Notes to the Financial Statements

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.

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

2025 – LTD 'Eiroeksperts'

2024 – 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.

Notes to the Financial Statements

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.

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	**2025 EUR**	**2024 EUR**
Products and services in the genetics industry	1 491 507	1 246 036
Milk testing laboratory services	351 212	320 030
Other income	100 172	90 267
	1 942 891	**1 656 333**

Distribution of net sales according to the geographical markets:

	2025 EUR	**2024 EUR**
Latvia	1 942 891	1 656 333
	1 942 891	**1 656 333**

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

	2025 EUR	**2024 EUR**
Changes in the value of semen stocks produced	46 878	88 538
Written-off sperm	(74 240)	(66 598)
	(27 362)	**21 940**

(5) Other operating income

	2025 EUR	**2024 EUR**
Income from investment property revaluation	2 000	8 000
Net income from dispossession of fixed assets	5 819	20 480
State support for agricultural	29 053	6 397
Recovered doubtful and bad debts	20 902	47 463
Other income	1 676	441
	59 450	**82 781**

Notes to the Financial Statements

(6) Personnel costs

	2025 EUR	2024 EUR
Salaries for work	459 569	413 990
State social insurance contributions	109 428	99 777
Changes in liabilities to personnel for unused vacation	6 158	1 741
Health insurance	10 188	10 683
Other costs	2 163	3 776
	587 506	**529 967**

(7) Other operating expenses

	2025 EUR	2024 EUR
Insurance payments	5 972	5 016
Selling expenses	2 174	1 980
The costs of accreditation and employee training	3 220	3 220
Business trip expenses	12 985	2 577
Labour protection expenditure	3 397	2 612
Company’s management and administrative expenses	11 308	10 077
Regulated securities market expenses	13 688	17 928
Mandatory audit of the annual report	4 800	4 600
Loss from foreign currency exchange rate fluctuations	1 619	11 311
Employees’ leisure and similar costs	6 502	5 272
Real estate tax	1 862	1 862
Other costs	17 317	14 898
	84 844	**81 353**

Notes to the Financial Statements

(8) Intangible assets

	Concessions, patents, licenses, trademarks and similar rights EUR
Initial value	
31.12.2024	**8 943**
Purchased	-
Disposed	-
31.12.2025	**8 943**
Accrued depreciation adjustments	
31.12.2024	**8 943**
Annual write-off of the value	-
Adjustments to accrued depreciation of excluded intangible assets	-
31.12.2025	**8 943**
Book value as at 31.12.2024	**-**
Book value as at 31.12.2025	**-**

	Concessions, patents, licenses, trademarks and similar rights EUR
Initial value	
31.12.2023	**8 943**
Purchased	-
Disposed	-
31.12.2024	**8 943**
Accrued depreciation adjustments	
31.12.2023	**8 943**
Annual write-off of the value	-
Adjustments to accrued depreciation of excluded intangible assets	-
31.12.2024	**8 943**
Book value as at 31.12.2023	**-**
Book value as at 31.12.2024	**-**

Notes to the Financial Statements

(9) Report on movement of fixed assets

	Land, buildings and con-structions	Productive animals	Technological equipment and machinery	Other fixed assets and inventory	Total
	EUR	EUR	EUR	EUR	EUR
Initial value					
31.12.2024	**467 494**	**66 281**	**471 810**	**350 643**	**1 356 228**
Purchased, restored	14 835	3 745	-	8 158	26 738
Dispossessed or liquidated	-	(18 384)	-	(20 004)	(38 388)
31.12.2025	**482 329**	**51 642**	**471 810**	**338 797**	**1 344 578**
Accrued depreciation adjustments					
31.12.2024	**376 459**	**12 233**	**369 431**	**278 116**	**1 036 239**
Calculated depreciation	9 530	27 382	34 283	25 566	96 761
Depreciation of dispossessed or liquidated fixed assets	-	(11 736)	-	(19 451)	(31 187)
31.12.2025	**385 989**	**27 879**	**403 714**	**284 231**	**1 101 813**
Book value as on 31.12.2024	**91 035**	**54 048**	**102 379**	**72 527**	**319 989**
Book value as on 31.12.2025	**96 340**	**23 763**	**68 096**	**54 566**	**242 765**

As on 31 December 2025, the cadastral value of **real estate – land and buildings** – was **EUR 156 134**.

Notes to the Financial Statements

	Land, buildings and constructions	Productive animals	Technological equipment and machinery	Other fixed assets and inventory	Total
	EUR	**EUR**	**EUR**	**EUR**	**EUR**
Initial value					
31.12.2023	**467 494**	**56 107**	**467 810**	**321 724**	**1 313 135**
Purchased	-	56 064	4 000	62 545	122 609
Dispossessed or liquidated	-	(45 890)	-	(33 626)	(79 516)
31.12.2024	**467 494**	**66 281**	**471 810**	**350 643**	**1 356 228**
Accrued depreciation adjustments					
31.12.2023	**366 855**	**29 546**	**336 316**	**273 705**	**1 006 422**
Calculated depreciation	9 604	21 989	33 115	20 387	85 095
Depreciation of dispossessed or liquidated fixed assets	-	(39 302)	-	(15 976)	(55 278)
31.12.2024	**376 459**	**12 233**	**369 431**	**278 116**	**1 036 239**
Book value as on 31.12.2023	**100 639**	**26 561**	**131 494**	**48 019**	**306 713**
Book value as on 31.12.2024	**91 035**	**54 048**	**102 379**	**72 527**	**319 989**

As on 31 December 2024, the cadastral value of **real estate – land and constructions** – was **EUR 158 539**.

(10) Investment properties

	Land
	EUR
Book value as on 31.12.2023	**136 000**
Increase/decrease of value due to revaluation	8 000
Book value as on 31.12.2024	**144 000**
Increase/decrease of value due to revaluation	2 000
Book value as on 31.12.2025	**146 000**

(11) Ready-made products and goods for sale

	2025	2024
	EUR	**EUR**
Bull semen	1 156 103	1 148 170
Other goods for sale	20 806	14 763
	1 176 909	**1 162 933**

Notes to the Financial Statements

(12) Trade receivables

	2025 EUR	2024 EUR
Accounting value of trade receivables	536 017	521 060
Provisions for doubtful trade receivables	(69 969)	(50 664)
	466 048	**470 396**

(13) Prepaid expenses

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

	2025 EUR	2024 EUR
Insurance	7 975	7 394
Other prepaid expenses	2 307	2 876
	10 282	**10 270**

(14) Cash

Break-down of cash according to currencies:		**2025**		**2024**	
		Currency	**EUR**	**Currency**	**EUR**
Cash in hand	EUR	-	666	-	785
Cash in bank	EUR	-	134 821	-	81 600
			135 487		**82 385**

(15) 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 31.12.2025 is 422 440, the nominal value of one share is 1.40 euro.
The total number of shares as per 31.12.2024 was 422 440, the nominal value of one share – 1.40 euro.

	2025 EUR	2024 EUR
Dematerialized shares with voting rights	591 416	591 416
	591 416	**591 416**

422 440 shares or 100 % of the share capital are dematerialized 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 voting shares of the Company

	31.12.2025 %	31.12.2024 %
'Siguldas mākslīgās apsēklošanas stacija' Ltd	49.80	49.80
Inita Bedrīte, chairwoman of the Supervisory Board	0.26	0.26
Guntis Mecaucis, deputy chairman of the Supervisory Board	1.29	1.29
Baiba Mecauce, member of the Supervisory Board	2.44	2.44
Nils Ivars Feodorovs, chairman of the Management Board	0.09	0.09
Sarmīte Arcimoviča, member of the Management Board	0.98	0.98
Valda Mālniece, member of the Management Board	3.38	3.38
Other shareholders	41.76	41.76
	100.00	**100.00**

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.

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

	2025 EUR	2024 EUR
Profit or loss of the reporting period	29 111	80 788
Average weighted number of shares during the year	422 440	422 440
	0.069	**0.191**

(16) Long-terms payables

	2025 EUR	2024 EUR
Financial lease agreement of Swedbank Līzings SIA (expiration date – 15.01.2028)	24 115	44 919
Financial lease agreement of Swedbank Līzings SIA (expiration date – 15.05.2029)	15 005	20 598
Financial lease agreement of Swedbank Līzings SIA (expiration date – 15.11.2029)	17 144	22 448
	56 264	**87 965**

(17) Short-term payables

	2025 EUR	2024 EUR
Financial lease agreement of Swedbank Līzings SIA (expiration date – 15.01.2028)	20 803	19 496
Financial lease agreement of Swedbank Līzings SIA (expiration date – 15.05.2029)	5 594	5 265
Financial lease agreement of Swedbank Līzings SIA (expiration date – 15.11.2029)	5 304	5 035
	31 701	**29 796**

Notes to the Financial Statements

(18) Taxes and social insurance payments

Tax type	**2025 EUR**	**2024 EUR**
Value added tax	26 849	16 105
Personal income tax	7 905	8 211
Social insurance payments	16 546	17 274
Nature resource tax	312	128
Corporate income tax	1 926	2 836
Business risk state fee	10	11
	53 548	**44 565**

Tax overpaid declared in position 'Other receivables'

(19) Accrued liabilities

	2025 EUR	**2024 EUR**
Calculated liabilities to personnel for unused vacation	23 744	17 586
Accrued accounts payable	5 676	3 829
	29 420	**21 415**

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

	2025 EUR	**2024 EUR**
Remuneration to five Supervisory Board members for execution of functions	10 560	10 560
Social insurance payments from remuneration to five Supervisory Board members for execution of functions	4 690	4 510
Remuneration to three Management Board members for execution of functions	49 770	46 990
Social insurance payments from remuneration to three Management Board members for execution of functions	10 571	9 973
Total remuneration to the management members	**75 591**	**72 033**

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.

Notes to the Financial Statements

(21) Average number of employees

	2025 number	2024 number
Supervisory Board members (all employees perform the functions of the Supervisory Board member as an extra work in addition to principal work duties)	2	2
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	25	23
Total average number of employees	**30**	**28**

(22) Post-Balance-Sheet Events

In the period from the last day of the reporting year to the day of signing the financial report, there were no events that significantly affect the Company's financial position as of 31 December 2025.

The war between Russia and Ukraine has no significant impact on the Company's economic activity, financial situation and economic indicators.

Nils Ivars Feodorovs	Sarmīte Arcimoviča	Valda Mālniece
Chairman of the Management Board	*Member of the Management Board, Manager of the Production and Marketing department*	*Member of the Management Board, Manager of the Financial and Accounting department*

20 March 2026

Report on Management Liability

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 31 December 2025 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. 3-23 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.

Management is responsible for ensuring an appropriate accounting system, preserving the Company's assets, as well as detecting and preventing fraud and other violations committed at the Company. The Management is also responsible for fulfilling the legislative requirements of the Republic of Latvia, as well as the requirements of the European Union regulations that are applicable to the Company.

Nils Ivars Feodorovs	Sarmīte Arcimoviča	Valda Mālniece
Chairman of the Management Board	*Member of the Management Board, Manager of the Production and Marketing department*	*Member of the Management Board, Manager of the Financial and Accounting department*

20 March 2026

Translation

Independent Auditor's Report

To the shareholders of JSC ''Siguldas ciltslietu un mākslīgās apsēklošanas stacija''

Our Opinion on the Financial Statements

We have audited the accompanying financial statements of JSC ''Siguldas ciltslietu un mākslīgās apsēklošanas stacija'' ("the Company") set out on pages 5 to 23 of the accompanying annual report, which comprises:

- the balance sheet as of 31 December 2025,
- the profit and loss statement for the year then ended,
- the statement of changes in equity for the year then ended,
- the statement of cash flows for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of *JSC ''Siguldas ciltslietu un mākslīgās apsēklošanas stacija''* as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Basis for Opinion

In accordance with the Law on Audit Services of the Republic of Latvia, we conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements included in the Law on Audit Services of the Republic of Latvia that are relevant to audits of the financial statements of public interest entities in the Republic of Latvia. We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) and Law on Audit Services of the Republic of Latvia.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed that matter
Inventory valuation As disclosed in Note 11 to the financial statements, as of December 31, 2025, the Company's finished goods and goods for sale amount to EUR 1‘176’909, which is 53% of the Company's total assets as of December 31, 2025. The calculation of the cost of the inventory is a complex process due to the specifics of the Company’s operation. The process requires management assumptions regarding the allocation of the production overhead costs. Due to the above circumstances, we consider the valuation of inventory to be a key audit matter.	We obtained an understanding of the manufacturing process by discussing it with the Company's management and evaluated whether the accounting policies for inventory valuation meet the requirements of the Latvian legislation. On a random selection basis, we tested the adequacy of the cost of specific goods items. We performed analytical procedures over the accuracy of the costing elements and cost of inventory by comparing them to prior periods. We selected a sample of finished goods and compared their book value to the subsequent selling price to identify whether the selling price of any items was lower than the book value. We have also assessed whether the disclosures in the financial statements are in accordance with Latvian legislation.

Other Matter

Reporting on Other Information

The Company management is responsible for the other information. The other information comprises:

- Information about the Company, as set out on page 3 of the accompanying Annual Report,
- the Management Report, as set out on page 4 of the accompanying Annual Report,
- the Statement on Management Responsibility, as set out on page 24 of the accompanying Annual Report,
- Corporate governance report prepared by the Company's management as a separate document and publicly available on the Company's website http://www.sigmas.lv/
- Remuneration Report prepared by the Company's management as a separate document and publicly available on the Company's website http://www.sigmas.lv/.

Our opinion on the financial statements does not cover the other information included in the Annual Report, and we do not express any form of assurance conclusion thereon, except as described in the *Other reporting responsibilities in accordance with the legislation of the Republic of Latvia related to other information* section of our report.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and in light of the knowledge and understanding of the entity and its environment obtained in the course of our audit, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other reporting responsibilities in accordance with the legislation of the Republic of Latvia related to other information

In addition, in accordance with the Law on Audit Services of the Republic of Latvia with respect to the Management Report, our responsibility is to consider whether the Management Report is prepared in accordance with the requirements of the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Based solely on the work required to be undertaken in the course of our audit, in our opinion:

- the information given in the Management Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Management Report has been prepared in accordance with the requirements of the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

In accordance with the Law on Audit Services of the Republic of Latvia with respect to the Statement of Corporate Governance, our responsibility is to consider whether the Statement of Corporate Governance includes the information required in section 56.1, first paragraph, clause 3, 4, 6,, 8 and 9, as well as section 56.2, second paragraph, clause 5, and third paragraph of the Financial Instruments Market Law and if it includes the information stipulated in section 56.2 second paragraph, clause 1, 2, 3, 4, 7 and 8 of the Financial Instruments Market Law.

In our opinion, the Statement of Corporate Governance includes the information required in section 56.1, first paragraph, clause 3, 4, 6, 8, and 9, as well as section 56.2, second paragraph, clause 5, and third paragraph of the Financial Instruments Market Law and it includes the information stipulated in section 56.2 second paragraph, clause 1, 2, 3, 4, 7 and 8 of the Financial Instruments Market Law.

In accordance with the Law on Audit Services of the Republic of Latvia with respect to the Remuneration Statement, our responsibility is to consider whether the Remuneration Statement includes the information required in Section $59.^4$ of the Financial Instrument Market Law and whether significant non-conformities have been established in the Remuneration Statement in relation to the financial information indicated in the annual Statement;

In our opinion, the Remuneration Statement includes the information required in section $59.^4$ of the Financial Instrument Market Law and no material inconsistencies with the annual report identified.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and objectivity, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other reporting responsibilities and confirmations required by the legislation of the Republic of Latvia and the European Union when providing audit services to public interest entities

We were appointed as auditors by shareholders' resolution of 25 April 2025 to audit the financial statements of JSC "Siguldas ciltslietu un mākslīgās apsēklošanas stacija" for the year ended 31 December 2025. Our total uninterrupted period of engagement is seven [7] years, covering the periods ending 31 December 2019 to 31 December 2025.

We confirm that:

- we have not provided to the Company the prohibited non-audit services referred to in Article 5(1) of EU Regulation (EU) No 537/2014 and specified in paragraph 37.6 of the Law on Audit Services of the Republic of Latvia. We also remained independent of the audited entity in conducting the audit.

Report on the Auditors' Examination of the European Single Electronic Format (ESEF) Report

In addition to our audit of the accompanying financial statements, as included in the Annual Report, we have also been engaged by the management of the company to express an opinion on the compliance of the financial statements prepared in a format that enables uniform electronic reporting ("the ESEF Report") with the requirements of the commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "RTS on ESEF ").

Responsibilities of Management and Those Charged with Governance for the ESEF Report

Management is responsible for the preparation of the financial statements in a format that enables uniform electronic reporting that complies with the RTS on ESEF This responsibility includes:

- the preparation of the financial statements in the applicable xHTML format;
- the design, implementation, and maintenance of internal control relevant to the application of the RTS on ESEF '

Those charged with governance are responsible for overseeing the financial reporting process.

Auditors' Responsibility for the Examination of the ESEF Report

Our responsibility is to express an opinion on whether the ESEF report complies, in all material respects, with the RTS on ESEF, based on the evidence we have obtained. The assurance engagement was performed in accordance with International Standard on Assurance Engagements 3000 (Revised), which is not an audit or review of historical financial information (SAUS 3000), issued by the International Auditing Standards Board.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with the RTS on ESEF. The nature, timing, and extent of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements of set out in the RTS on ESEF, whether due to fraud or error. Our procedures included, among other things, evaluating the appropriateness of the format of the financial statements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Company's financial statements prepared in the unified electronic reporting format, identifiable by Hash Code SHA256:

64afa77e048d9c3b3516c172f3395b0da714f7f09893b792d8d42b2ffd0cc67d for the year ended December 31, 2025, comply in all material respects with the requirements of ESEF RTS.

During the period covered by our statutory audit, we have not provided other services to the Company in addition to the audit.

The responsible certified auditor on the audit resulting in this independent auditors' report is Olga Kuzmiča.

This report is an English translation of the original Latvian. Between the two reports, the Latvian version prevails.

Certified Auditor Company
SIA Orients Audit & Finance
License No. 28

Olga Kuzmiča
Sworn Auditor
Member of the Board
Certificate No. 207

Riga, Latvia
March 20, 2026