



AS Silvano Fashion Group

Consolidated Interim Financial Report for Q4 and 12 months of 2023 (unaudited)

(translation of the Estonian original) *

Beginning of the reporting period	1 January 2023
End of the reporting period	31 December 2023
Business name	AS Silvano Fashion Group
Registration number	10175491
Legal address	Tulika 17, 10613 Tallinn
Telephone	+372 684 5000
Fax	+372 684 5300
E-mail	info@silvanofashion.com
Website	www.silvanofashion.com
Core activities	Design, manufacturing and distribution of women's lingerie
Auditor	Ernst & Young Baltic AS

** This version of our report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.*

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Management Report

General information about AS Silvano Fashion Group

AS Silvano Fashion Group (hereinafter “the Group”) is a holding company that controls group of entities involved in the design, manufacturing, wholesale, franchise and retail sales of Ladies lingerie. The Group’s revenue is generated by sales of Milavitsa, Alisee, Aveline, Lauma Lingerie, Laumelle and Hidalgo brand products through wholesale channels, franchised sales and own retail operated via Milavitsa and Lauma Lingerie retail stores. Key sales markets for the Group are Russia, Belarus, other CIS countries and the Baltics.

The parent company of the Group is AS Silvano Fashion Group (hereinafter “the Parent company”), which is domiciled in Estonia. AS Silvano Fashion Group registered address is Tulika 17, Tallinn, Estonia.

The shares of the Group are listed on the Nasdaq OMX Tallinn Stock Exchange and on the Warsaw Stock Exchange.

As of 31 December 2023 the Group employed 1 626 people (as of 31 December 2022: 1 616 people).

The Group comprises of the following entities:

	Location	Main activity	Ownership interest 31.12.2023	Ownership interest 31.12.2022
Parent company				
Silvano Fashion Group AS	Estonia	Holding		
Entities belonging to the Silvano Fashion Group:				
CJSC Silvano Fashion*	Russia	Retail and wholesale	100%	100%
LLC Silvano Fashion	Belarus	Retail and wholesale	100%	100%
LLC Silvano Fashion	Ukraine	Wholesale	100%	100%
Silvano Fashion SIA	Latvia	Retail	100%	100%
CJSC Milavitsa	Belarus	Manufacturing and wholesale	85.02%	85.02%
JSC Sewing firm Yunona	Belarus	Manufacturing and wholesale	58.33%	58.33%
LLC Gimil	Belarus	Manufacturing and wholesale	100%	100%
JSC Lauma Lingerie	Latvia	Manufacturing and wholesale	100%	100%
Alisee SARL	Monaco	Holding	99%	99%
JCS Metropolitan Trade Company Milavitsa **	Russia	Holding	100%	100%
LLC Baltsped logistik	Belarus	Logistics	50%	50%

* Silvano Fashion CJSC is 100% owned by Metropolitan Trade Company Milavitsa CJSC (same was effective as of 31.12.2022).

** Metropolitan Trade Company Milavitsa LLC is owned by AS Silvano Fashion Group and SIA Silvano Fashion, each holding 50% (same was effective as of 31.12.2022).

In addition, as of 31.12.2023 the subsidiary of AS Silvano Fashion Group, CJSC Milavitsa, had investment in associate LLC Trade house „Milavitsa “Novosibirsk with a 25% ownership interest (same was effective as of 31.12.2022).

Business environment and results

The Group's sales amounted to 58 597 thousand EUR during the 12 months of 2023, representing a 1.6% increase as compared to the same period for the previous year. The Group's gross profit during the 12 months of 2023 amounted to 33 743 thousand EUR and increased by 9.3% compared to 12 months of 2022. The Gross margin during the 12 months of 2023 increased to 57.6% from 53.6% as compared to 12 months of 2022.

Consolidated operating profit for 12 months of 2023 increased by 22.6% to 17 973 thousand EUR, compared to 14 665 thousand EUR for 12 months of 2022. Consolidated EBITDA for 12 months of 2023 increased by 15.5% and was 21 120 thousand EUR, compared to 18 283 thousand EUR for 12 months of 2022.

Reported consolidated net profit for 12 months of 2023 amounted to 11 107 thousand EUR, as compared to net profit of 12 544 thousand EUR in the prior year's same period. Net profit attributable to equity holders of the Parent company for 12 months of 2023 amounted 9 927 thousand EUR.

Russia Economic Outlook

The Group's sales on the Russian market totalled 34 692 thousand EUR, decrease is 1.5% compared to 12 months of 2022. Local currency sales increased by 29.1% during 12 months of 2023 compared to the same 12 months of 2022. Group will focus on improving profitability of its retail business, we will also continue to expand our store chain there depending on the availability of reasonably priced sales areas. At the end of the reporting period, there were a total of 58 stores operated by the Group itself (as of 31 December 2022: 49 stores).

Belarus Economic Outlook

The Group's sales in Belarus in the 12 months of 2023 were 15 013 thousand EUR and increased by 2.7% compared to the 12 months of 2022. Sales in local currency increased by 17.8% during the same period. At the end of the reporting period, there were a total of 59 stores operated by the Group itself (as of 31 December 2022: 59 stores).

Ukraine Economic Outlook

The Group's sales in Ukraine in the 12 months of 2023 were 161 thousand EUR and decreased by 30.9% compared to the 12 months of 2022.

Sales structure

Sales by markets

Group sales in its 2 major markets – Russia and Belarus– were 84.8% of its total sales. Measured in local currencies sales increase was accordingly – 29.1% in Russia, 17.8% in Belarus.

	12m 2023	12m 2022	Change	Change, %
Russia, th RUB	3 163 150	2 451 014	712 136	29.1%
Belarus, th BYN	48 725	41 350	7 375	17.8%

Group's sales results by markets measured in EUR are presented below:

in thousands of EUR	12m 2023	12m 2022	Change, EUR	Change, %	12m 2023, % of sales	12m 2022, % of sales
Russia	34 692	35 215	-523	-1.5%	59.2%	61.1%
Belarus	15 013	14 619	394	2.7%	25.6%	25.3%
Ukraine	161	233	-72	-30.9%	0.3%	0.4%
Baltics	1 443	1 490	-47	-3.2%	2.5%	2.6%
Other markets	7 288	6 110	1 178	19.3%	12.4%	10.6%
Total	58 597	57 667	930	1.6%	100.0%	100.0%

AS Silvano Fashion Group Consolidated Interim Financial Report for Q4 and 12 months of 2023

The majority of lingerie sales revenue during 12 months of 2023 in the amount 34 692 thousand EUR was generated in Russia, accounting for 59.2% of total sales. The second largest market was Belarus, where sales were 15 013 thousand EUR, contributing 25.6% of lingerie sales (both retail and wholesale).

Sales by business segments

in thousands of EUR	12m 2023	12m 2022	Change, EUR	Change, %	12m 2023, % of sales	12m 2022, % of sales
Wholesale	37 335	36 323	1 012	2.8%	63.7%	63.0%
Retail	21 203	21 304	-101	-0.5%	36.2%	36.9%
Other operations	59	40	19	47.5%	0.1%	0.1%
Total	58 597	57 667	930	1.6%	100.0%	100.0%

During 12 months of 2023 wholesale revenue amounted to 37 335 thousand EUR, representing 63.7% of the Group's total revenue (12 months of 2022: 63.0%). The main wholesale regions were Russia and Belarus.

Our retail revenue decreased by 0.5% and amounted 21 203 thousand EUR, this represents 36.2% of the Group's total revenue.

Own & franchise store locations, geography

	Own	Franchise	Total
Russia	58	334	392
Belarus	59	0	59
Baltics	5	20	25
Other regions	0	94	94
Total	122	448	570

At the end of the reporting period the Group and its franchising partners operated 540 Milavitsa and 30 Lauma Lingerie brand stores, including 122 stores operated directly by the Group (as of 31 December 2022: 114 stores).

Selected Financial Indicators

Summarized selected financial indicators of the Group for 12 months of 2023 compared to 12 months of 2022 and 31.12.2023 compared to 31.12.2022 were as follows:

in thousands of EUR	12m 2023	12m 2022	Change
Revenue	58 597	57 667	1.6%
Gross Profit	33 743	30 884	9.3%
Operating profit	17 973	14 665	22.6%
EBITDA	21 120	18 283	15.5%
Net profit for the period	11 107	12 544	-11.5%
Net profit attributable equity holders of the Parent company	9 927	11 796	-15.8%
Earnings per share (EUR)	0,28	0,33	-15.2%
Operating cash flow for the period	11 703	14 062	-16.8%

in thousands of EUR	31.12.2023	31.12.2022	Change
Total assets	72 252	63 991	12.9%
Total current assets	59 395	50 309	18.1%
Total equity attributable to equity holders of the Parent company	54 120	44 786	20.8%
Cash and cash equivalents	32 878	25 909	26.9%

Margin analysis, %	12m 2023	12m 2022	Change
Gross profit	57.6	53.6	7.5%
Operating profit	30.7	25.4	20.9%
EBITDA	36.0	31.7	13.6%
Net profit	19.0	21.8	-12.8%
Net profit attributable to equity holders of the Parent company	16.9	20.5	-17.6%

Financial ratios, %	31.12.2023	31.12.2022	Change
ROA	14.5	19.0	-23.7%
ROE	20.2	28.1	-28.1%
Price to earnings ratio (P/E)	4.1	3.4	20.6%
Current ratio	5.8	5.1	13.7%
Quick ratio	3.4	2.8	21.4%

Underlying formulas:

EBITDA = net profit for the period + depreciation and amortisation + net finance income + income tax expense

Gross profit margin = gross profit / revenue

EBITDA margin = EBITDA / revenue

Net profit margin = net profit / revenue

Net profit margin attributable to equity holders of the Parent company = net profit attributable to equity holders of the Parent company / revenue

ROA (return on assets) = net profit attributable to owners of the Company for the last 4 quarters/ average total assets

ROE (return on equity) = net profit attributable to owners of the Company for the last 4 quarters/ average equity attributable to equity holders of the Company

EPS (earnings per share) = net profit attributable to owners of the Company/ weighted average number of ordinary shares

Price to earnings ratio = Share price at the end of reporting period/earnings per share, calculated based on the net profit attributable to owners of the Company for the last 4 quarters

Current ratio = current assets / current liabilities

Quick ratio = (current assets – inventories) / current liabilities

Financial performance

The Group's sales amounted 58 597 thousand EUR during 12 months of 2023, representing a 1.6% increase as compared to the same period of previous year. Overall, wholesale increased by 2.8%, measured in EUR.

The Group's gross profit during 12 months of 2023 amounted to 33 743 thousand EUR and increase by 9.3% compared to previous year. The gross margin during 12 months of 2023 increased by 7.5% compared to 12 months of 2022. The cost of sold goods decreased by 7.2%.

Consolidated operating profit for 12 months of 2023 amounted to 17 973 thousand EUR, compared to 14 665 thousand EUR for 12 months of 2022, increase by 22.6%. The consolidated operating profit margin was 30.7% for 12 months of 2023 (25.4% for 12 months of 2022). Consolidated EBITDA for 12 months of 2023 increased by 15.5% and amounted to 21 120 thousand EUR, which is 36.0% in margin terms (18 283 thousand EUR and 31.7% for 12 months of 2022).

Reported consolidated net profit attributable to equity holders of the Parent company for 12 months of 2023 amounted to 9 927 thousand EUR, compared to net profit of 11 796 thousand EUR for 12 months of 2022, net profit margin attributable to equity holders of the Parent company for 12 months of 2023 was 16.9% against net profit 20.5% for 12 months of 2022.

Financial position

As of 31 December 2023 consolidated assets amounted to 72 252 thousand EUR representing increase by 12.9% as compared to the position as of 31 December 2022.

Trade and other receivables increased by 310 thousand EUR as compared to 31 December 2022 and amounted to 1 354 thousand EUR as of 31 December 2023. Inventory balance increased by 1 676 thousand EUR and amounted to 23 940 thousand EUR as of 31 December 2023.

Equity attributable to equity holders of the Parent company increased by 9 334 thousand EUR and amounted to 54 120 thousand EUR as of 31 December 2023. Current liabilities increased by 384 thousand EUR during 12 months of 2023.

Investments

During 12 months of 2023 the Group's investments into property, plant and equipment totalled 1 133 thousand EUR, in previous year same period 445 thousand EUR. Investments were made mainly into opening and renovating own stores, as well into equipment and facilities to maintain effective production for future periods.

Personnel

As of 31 December 2023, the Group employed 1 626 employees, including 500 people in retail operations. The rest were employed in production, wholesale, administration and support operations. In 31.12.2022 there were 1 616 employees, including 499 people in retail operations.

Total salaries and related taxes during 12 months of 2023 amounted to 13 267 thousand EUR (12 759 thousand EUR in 12 months of 2022). The remuneration of key management of the Group, including the key executives of all subsidiaries, totalled 552 thousand EUR.

Decisions made by governing bodies during 12 months 2023

On the 24th of May 2023, AS Silvano Fashion Group proposed to the shareholders to adopt the resolutions of the annual general meeting of shareholders without convening the meeting.

The notice of the general meeting was published on May 24, 2023, in the information system NASDAQ OMX Tallinn <https://view.news.eu.nasdaq.com/view?id=bc3e622810054b7a49a4f706f81ac5063&lang=en&src=listed> and Warsaw Stock Exchange, on the website of SFG <https://www.silvanofashion.com/investors/company-announcements/> and in the daily newspaper Eesti Päevaleht.

On June 15, 2023 Silvano Fashion Group held its regular Annual General Meeting of Shareholders. The Meeting adopted the following decisions:

- Approved the 2022 Annual Report;
- Left the net profit undistributed and included the net profit of the financial year 2022 in retained earnings.

The protocol of the general meeting was published on the website of AS Silvano Fashion Group <https://www.silvanofashion.com/investors/company-announcements/>.

Shares of AS Silvano Fashion Group

As of 31 December 2023 registered share capital of AS Silvano Fashion Group amounted to 3 600 thousand EUR divided into 36 000 000 ordinary shares with a nominal value of 0.10 EUR each. The share register is electronic and maintained at the Estonian Central Register of Securities. The Company has been listed on Nasdaq OMX Tallinn Stock Exchange main list (since 21.11.2006) and on Warsaw Stock Exchange (since 23.07.2007).

As of 31 December 2023 AS Silvano Fashion Group 3 336 shareholders (as of 31 December 2022: 3 585 shareholders).

As of 31 December 2023 shareholders, whose interest in AS Silvano Fashion Group exceeded 5% included:

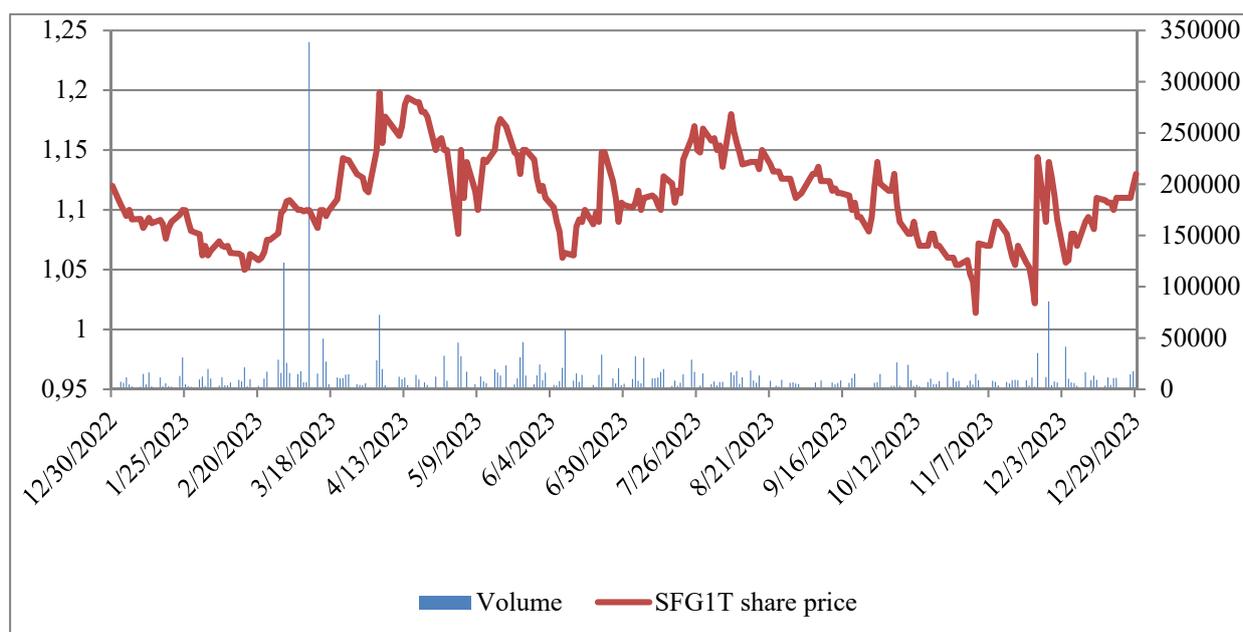
Name	Number of shares	Shareholding
Major shareholders	19 262 985	53.50%
BALTPLAST AS	9 115 798	25.32%
AS SEB PANK CLIENTS	8 000 000	22.22%
UNICREDIT BANK AUSTRIA AG	2 147 187	5.96%
Other shareholders	16 737 015	46.50%
Total number of shares	36 000 000	100.00%

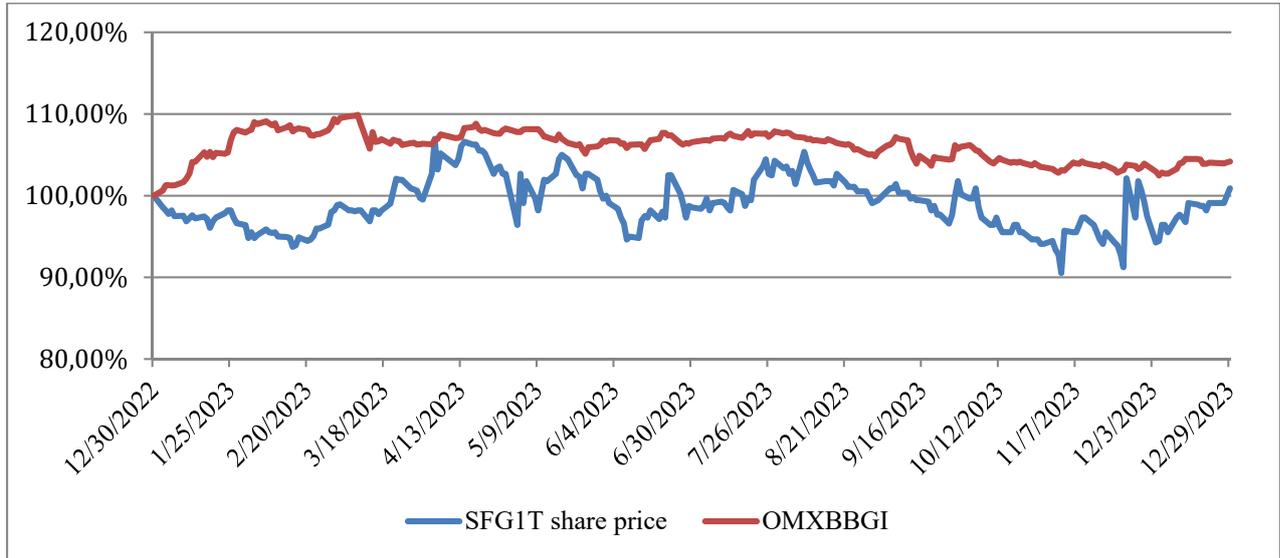
As of 31 December 2022 shareholders, whose interest in AS Silvano Fashion Group exceeded 5% included:

Name	Number of shares	Shareholding
Major shareholders	19 267 985	53.52%
BALTPLAST AS	9 115 798	25.32%
AS SEB PANK CLIENTS	8 000 000	22.22%
UNICREDIT BANK AUSTRIA AG	2 152 187	5.98%
Other shareholders	16 732 015	46.48%
Total number of shares	36 000 000	100.00%

Share price development and turnover on the Tallinn Stock Exchange during 12 months of 2023 (EUR)

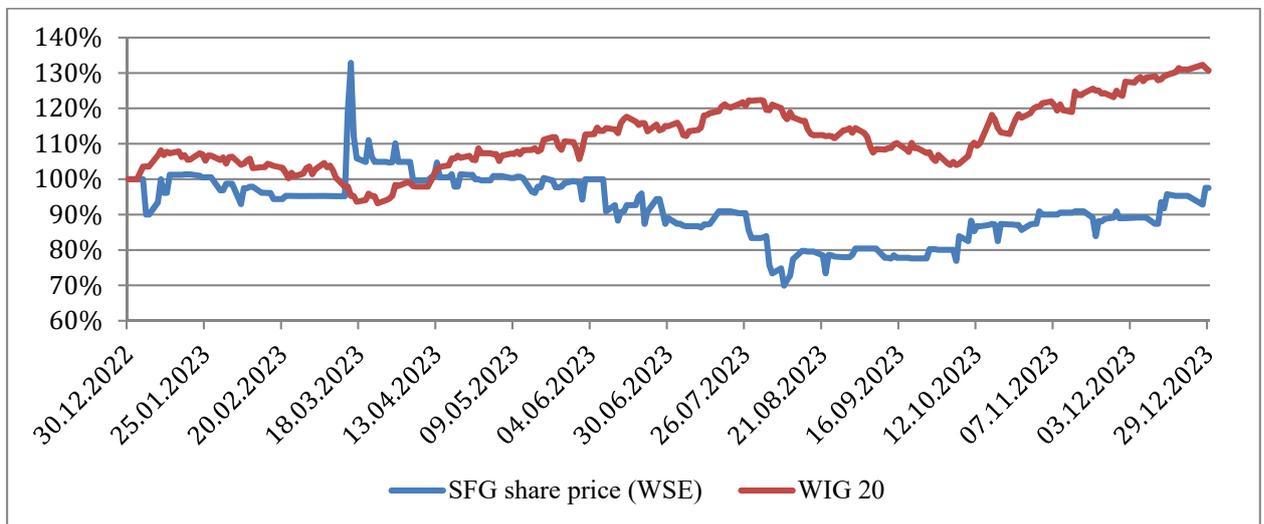
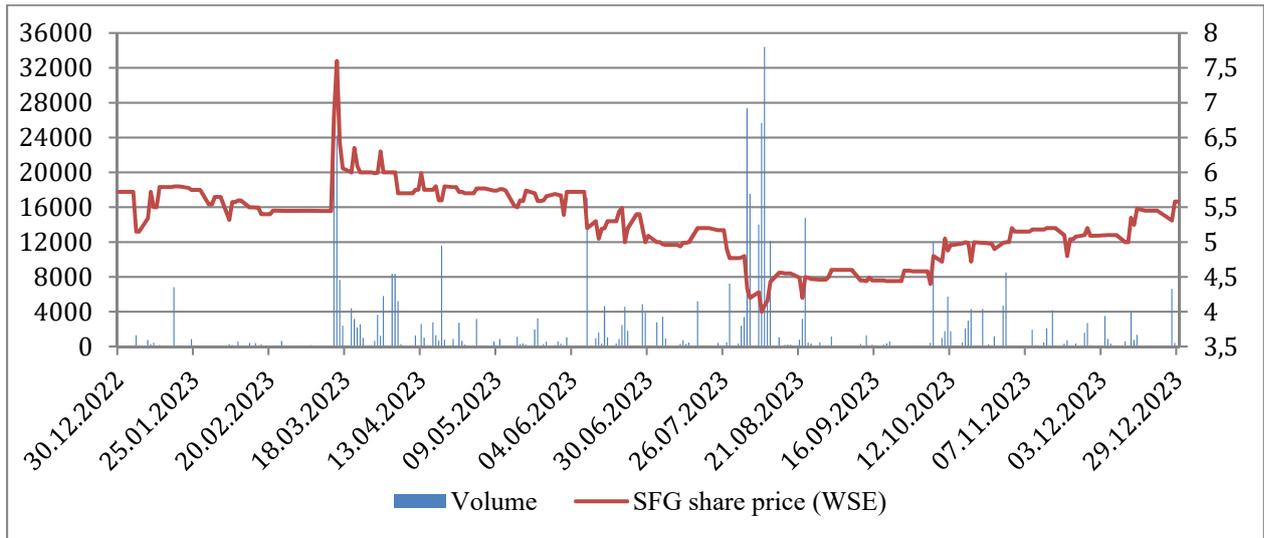
During 12 months of 2023 the highest and lowest prices of the AS Silvano Fashion Group` share on the Tallinn Stock Exchange were 1.204 EUR and 0.99 EUR, respectively





Share price development on the Warsaw Stock Exchange during 12 months of 2023(PLN)

During 12 months of 2023, the highest and lowest prices of the AS Silvano Fashion Group` share on the Warsaw Stock Exchange were 7.6 PLN and 4.00 PLN respectively.



Declaration of the Management Board

The Management Board of AS Silvano Fashion Group has reviewed and approved Consolidated Interim Financial Report for Q4 and 12 months of 2023 (hereinafter “the Interim Report”).

Member of the Management Board confirms that according to his best knowledge the Interim Report gives a true and fair view of financial position of the Group, its financial performance and its cash flows in accordance with International Financial Reporting Standards, as adopted by EU, and IAS 34 “Interim Financial Reporting”.

Furthermore, Member of the Management Board confirms that in his opinion the Interim Report provides a fair review of significant developments in the Group's activities that occurred during the reporting period and their impact and describes significant risks and uncertainties that may affect the Group during future reporting periods.

The Interim Report has not been audited or otherwise reviewed by the auditors.



Jarek Särgava
Member of the Management Board
February 29, 2024

Consolidated Statement of Financial Position

in thousands of EUR	Note	31.12.2023	31.12.2022
		Unaudited	Audited
ASSETS			
Current assets			
Cash and cash equivalents	2	32 878	25 909
Trade and other receivables	3	1 354	1 044
Prepayments and other tax receivables	3	1 115	971
Current loans granted		29	10
Other assets		79	111
Inventories	4	23 940	22 264
Total current assets		59 395	50 309
Non-current assets			
Non-current receivables		292	301
Investments in associates		85	82
Investments in other shares		213	259
Deferred tax asset		2 155	2 166
Intangible assets		579	585
Investment property		899	1 041
Property, plant and equipment	5	8 634	9 248
Total non-current assets		12 857	13 682
TOTAL ASSETS		72 252	63 991
LIABILITIES AND EQUITY			
Current liabilities			
Current lease liabilities		2 162	2 373
Trade and other payables	6	7 377	5 837
Tax liabilities		747	1 692
Total current liabilities		10 286	9 902
Non-current liabilities			
Deferred tax liability		736	1 039
Non-current lease liabilities		4 321	4 041
Non-current provisions		46	41
Total non-current liabilities		5 103	5 121
Total liabilities		15 389	15 023
Equity			
Share capital	7	3 600	3 600
Share premium		4 967	4 967
Statutory reserve capital		1 306	1 306
Unrealised exchange rate differences		-20 002	-19 409
Retained earnings		64 249	54 322
Total equity attributable to equity holders of the Parent company		54 120	44 786
Non-controlling interest		2 743	4 182
Total equity		56 863	48 968
TOTAL EQUITY AND LIABILITIES		72 252	63 991

Consolidated Income Statement

in thousands of EUR	Note	4Q 2023	4Q 2022	12m 2023	12m 2022
		Unaudited	Unaudited	Unaudited	Audited
Revenue from contracts with customers	9	11 858	13 693	58 597	57 667
Cost of goods sold		-6 193	-4 875	-24 854	-26 783
Gross Profit		5 665	8 818	33 743	30 884
Distribution expenses		-2 501	-3 023	-10 572	-11 143
Administrative expenses		-1 198	-1 255	-4 501	-4 391
Other operating income		92	176	286	525
Other operating expenses		-352	-662	-983	-1 210
Operating profit		1 706	4 054	17 973	14 665
Currency exchange income/(expense)		237	-3 919	-3 345	1 117
Other finance income/(expenses)		93	-350	-93	-453
Net finance income		330	-4 269	-3 438	664
Profit (loss) from associates using equity method		5	2	24	1
Profit before tax		2 041	-213	14 559	15 330
Income tax expense		224	241	-3 452	-2 786
Profit for the period		2 265	28	11 107	12 544
Attributable to :					
Equity holders of the Parent company		2 015	-39	9 927	11 796
Non-controlling interest		250	67	1 180	748
Earnings per share from profit attributable to equity holders of the Parent company, both basic and diluted (EUR)	8	0,06	0,00	0,28	0,33

Consolidated Statement of Comprehensive Income

in thousands of EUR	Note	4Q 2023	4Q 2022	12m 2023	12m 2022
		Unaudited	Unaudited	Unaudited	Audited
Profit for the period		2 265	28	11 107	12 544
Other comprehensive income (loss) that will be reclassified to profit or loss in subsequent periods :					
Exchange differences on translation of foreign operations		-2 799	-3 052	-2 520	-877
Total other comprehensive income for the period		-2 799	-3 052	-2 520	-877
Total comprehensive income (loss) for the period		-534	-3 024	8 587	11 667
Attributable to :					
Equity holders of the Parent company		1 625	-3 307	9 334	10 638
Non-controlling interest		-2 159	283	-747	1 029

Consolidated Statement of Cash Flows

in thousands of EUR	Note	12m 2023	12m 2022
		Unaudited	Audited
Cash flow from operating activities			
Profit for the period		11 107	12 544
Adjustments for:			
Depreciation and amortization of non-current assets		3 147	3 618
Share of profit of equity accounted investees		-24	-1
Gains/Losses on the sale of property, plant and equipment		1	8
Net finance income / costs		3 438	-664
Provision for impairment losses on trade receivables		54	2
Provision for inventories		1 198	683
Income tax expense		3 452	2 786
Change in inventories		-7 845	-1 358
Change in trade and other receivables		-839	199
Change in trade and other payables		2 530	-667
Income tax paid		-4 516	-3 088
Net cash flow from operating activities		11 703	14 062
Cash flow from investing activities			
Interest received		601	38
Dividends received		11	3
Proceeds from disposal of property, plant and equipment		39	58
Loans granted		-19	-8
Acquisition of property, plant and equipment		-1 133	-445
Acquisition of intangible assets		-144	-113
Net cash flow from investing activities		-645	-467
Cash flow from financing activities			
Payment of principal portion of lease liabilities		-2 307	-2 634
Interest paid on lease liabilities		-688	-546
Dividends paid		-692	-560
Net cash flow from financing activities		-3 687	-3 740
Net increase in cash and cash equivalents		7 371	9 855
Cash and cash equivalents at the beginning of period		25 909	17 098
Effect of translation to presentation currency		-845	-509
Effect of exchange rate fluctuations on cash held		443	-535
Cash and cash equivalents at the end of period		32 878	25 909

Consolidated Statement of Changes in Equity

in thousands of EUR	Share Capital	Share Premium	Statutory reserve capital	Unrealised exchange rate differences	Retained earnings	Total equity attributable to equity holders of the Parent company	Non- controlling interest	Total equity
Balance as at 31 December 2021 (Audited)	3 600	4 967	1 306	-18 251	42 526	34 148	3 713	37 861
Profit for the period	0	0	0	0	11 796	11 796	748	12 544
Other comprehensive income for the period	0	0	0	-1 158	0	-1 158	281	-877
Total comprehensive income for the period	0	0	0	-1 158	11 796	10 638	1 029	11 667
Transactions with owners, recognised directly in equity								
Dividends declared	0	0	0	0	0	0	-560	-560
Total transactions with owners, recognised directly in equity	0	0	0	0	0	0	-560	-560
Balance as at 31 December 2022 (Audited)	3 600	4 967	1 306	-19 409	54 322	44 786	4 182	48 968
Balance as at 31 December 2022 (Audited)	3 600	4 967	1 306	-19 409	54 322	44 786	4 182	48 968
Profit for the period	0	0	0	0	9 927	9 927	1 180	11 107
Other comprehensive income for the period	0	0	0	-593	0	-593	-1 927	-2 520
Total comprehensive income for the period	0	0	0	-593	9 927	9 334	-747	8 587
Transactions with owners, recognised directly in equity								
Dividends declared	0	0	0	0	0	0	-692	-692
Total transactions with owners, recognised directly in equity	0	0	0	0	0	0	-692	-692
Balance as at 31 December 2023 (Unaudited)	3 600	4 967	1 306	-20 002	64 249	54 120	2 743	56 863

Notes to the Interim Report

Note 1 Summary of significant accounting policies

AS Silvano Fashion Group is a company registered in Estonia. This Interim Report of the Group is prepared for the reporting period ended 31 December 2023 and comprises parent company and its subsidiaries.

The principal accounting policies applied in the preparation of this Interim Report are set out below. The policies have been consistently applied to all the years presented unless otherwise stated.

The Interim Report has not been audited or reviewed by external auditors.

Basis for preparation

This Interim Report of AS Silvano Fashion Group for 12 months of 2023 ended on 31 December 2023 has been prepared in accordance with IAS 34 “Interim financial reporting” as adopted by the European Union. The Interim Report should be read in conjunction with the Annual Report for the financial year ended on 31 December 2022, which have been prepared in accordance with IFRS as adopted by the European Union.

This Interim Report is comprised in thousands of Euros (EUR).

The Group’s performance is not significantly affected by any seasonal or cyclical factors. Nevertheless, revenue during vacation periods and holidays in CIS countries is usually higher compared to other periods.

New standards and interpretations

In additions to disclosures already made in the Annual Report for the financial year ended on 31 December 2022 there are no new IFRSs or IFRIC interpretations that are effective for the financial year beginning on or after 1 January 2023 and that would be expected to have a material impact on the Group.

Note 2 Cash and cash equivalents

in thousands of EUR	31.12.23	31.12.22
Cash on hand	53	171
Current bank accounts in EUR	1 925	2 956
Current bank accounts in other currencies than EUR	466	300
Short-term bank deposits in EUR	29 500	22 000
Short-term bank deposits in other currencies than EUR	566	191
Short-term guarantee deposits	0	7
Cash in transit	368	284
Total	32 878	25 909

in thousands of EUR	31.12.23	31.12.22
Estonia	29 763	22 329
Latvia	61	122
Russia	943	1 785
Belarus	1 536	1 266
Ukraine	150	195
Monaco	425	212
Total	32 878	25 909

Note 3 Trade receivables and other assets

in thousands of EUR	31.12.23	31.12.22
Trade receivables from third parties	1 301	939
Trade receivables from related parties	0	0
Receivables on services rendered	33	30
Other receivables	133	134
Total gross trade and other receivables	1 467	1 103
Allowance for expected credit losses	-113	-59
Total net trade and other receivables	1 354	1 044

in thousands of EUR	31.12.23	31.12.22
Prepayments and other tax receivables		
Prepayments issued to suppliers	409	450
VAT recoverable	704	520
Other tax prepayments	2	1
Total prepayments and other tax receivables	1 115	971

The fair values of trade and other receivables are not materially different from the carrying values based on the expected discounted cash flows.

Note 4 Inventories

in thousands of EUR	31.12.23	31.12.22
Raw and other materials	6 501	6 042
Work in progress	1 321	1 079
Finished goods	14 220	14 143
Other inventories	1 898	1 000
Total	23 940	22 264

Note 5 Property, plant and equipment

in thousands of EUR						
	Land and buildings	Plant and equipment	Other equipment and fixtures	Right- of-use asset	Assets under construction	Total
31.12.2021						
Cost	4 065	14 992	4 625	12 499	64	36 245
Accumulated depreciation	-2 209	-13 325	-4 118	-6 622	0	-26 274
Net book amount	1 856	1 667	507	5 877	64	9 971
Movements during 12m 2022						
Additions	0	14	270	2 605	148	3 037
Modifications				-18	0	-18
Disposals	0	0	-43	-412	0	-455
Reclassifications	0	97	88	0	-185	0
Depreciation	-100	-498	-287	-2 542	0	-3 427
Unrealised exchange rate differences	-16	-2	26	126	6	140
Closing net book amount	1 740	1 278	561	5 636	33	9 248
31.12.2022						
Cost	4 020	14 838	4 688	14 350	33	37 929
Accumulated depreciation	-2 280	-13 560	-4 127	-8 714	0	-28 681
Net book amount	1 740	1 278	561	5 636	33	9 248
Movements during 12m 2023						
Additions	0	21	529	1 557	583	2 690
Modifications	0	0	0	1 967	0	1 967
Disposals	0	0	-40	-197	0	-237
Transfers to Investment property	-74	0	0	0	0	-74
Reclassifications	0	408	197	0	-605	0
Depreciation	-72	-335	-339	-2 327	0	-3 073
Unrealised exchange rate differences	-293	-245	-141	-1 203	-5	-1 887
Closing net book amount	1 301	1 127	767	5 433	6	8 634
31.12.2023						
Cost	3 242	12 775	4 464	13 470	6	33 957
Accumulated depreciation	-1 941	-11 648	-3 697	-8 037	0	-25 323
Net book amount	1 301	1 127	767	5 433	6	8 634

The Group didn't have any significant binding commitments to purchase property plant and equipment as of 31 December 2023.

Note 6 Trade and other payables

in thousands of EUR	31.12.23	31.12.22
Trade accounts payable to third parties	5 349	4 055
Prepayments received from customers	669	690
Accrued expenses	552	505
Accounts payables to employees	422	429
Other payables	385	158
Total trade and other payables	7 377	5 837

Fair values of trade and other payables are not materially different from book values due to short maturities.

Note 7 Equity

Shares

As of 31 December 2023 registered share capital of AS Silvano Fashion Group amounted to 3 600 thousand EUR divided into 36 000 000 shares with a nominal value of 0.10 EUR each (as of 31 December 2022, 3 600 thousand EUR 36 000 000 shares and 0.10 EUR nominal value, respectively). All shares of AS Silvano Fashion Group are ordinary shares and all are registered. Each ordinary share gives a shareholder one vote in General Meeting of Shareholders. No share certificates are issued for registered shares. The share register is electronic and maintained at the Estonian Central Depository for Securities. All shares are fully paid shares.

As of 31 December 2023 AS Silvano Fashion Group had 3 336 shareholders (as of 31 December 2022: 3 585 shareholders).

Note 8 Earnings per share

The calculation of basic earnings per share for 12 months of 2023 (12 months of 2022) is based on profit attributable to owners and a weighted average number of ordinary shares.

in thousands of shares	12m 2023	12m 2022
Number of ordinary shares at the beginning of the period	36 000	36 000
Effect of own shares held at the beginning of the period	0	0
Number of ordinary shares at the end of the period	36 000	36 000
Effect of own shares held at the end of the period	0	0
Weighted average number of ordinary shares for the Period	36 000	36 000

in thousands of EUR	12m 2023	12m 2022
Profit (loss) for the period attributable to equity holders of the Parent company	9 927	11 796
Basic earnings per share (EUR)	0.28	0.33
Diluted earnings per share (EUR)	0.28	0.33

Diluted earnings per share do not differ from basic earnings per share as the Group has no financial instruments issued that could potentially dilute the earnings per share.

Note 9 Revenue from contracts with customers

in thousands of EUR	12m 2023	12m 2022
Revenue from wholesale	37 335	36 323
Revenue from retail	21 203	21 304
Subcontracting and services	35	25
Other sales	24	15
Total	58 597	57 667

Note 10 Transactions with related parties

The following parties are considered to be related;

- a) Shareholders owning, directly or indirectly, a voting power in the parent company or its significant subsidiaries that gives them significant influence over the parent company or its significant subsidiaries and companies under their control.
- b) Associates - enterprises in which parent company or its subsidiaries have significant influence;
- c) Members of the Management Board and Supervisory Boards of parent company and its significant subsidiaries and their immediate family members and companies under their control or significant influence.

The Group's owners are legal and physical persons and no sole shareholder has control over the Group's activities. According to management's assessment, the prices applied in transactions with related parties did not differ significantly from the market terms.

Sales of goods and services

in thousands of EUR	12m 2023	12m 2022
Associates	569	637
Total	569	637

Balances with related parties

in thousands of EUR	31.12.2023	31.12.2022
Trade receivables from associates	0	0
Total	0	0

Benefits to key management of the group

in thousands of EUR	12m 2023	12m 2022
Remunerations and benefits	552	677
Total	552	677

Note 11 Operating segments

The Group's operating segments have been determined based on regular reports being monitored and analysed by Management and Supervisory Boards of the parent company on an on-going basis.

The Management and Supervisory Board consider the business primarily from the activity perspective, monitoring separately wholesale and retail activities.

- The wholesale segment includes purchasing and production of women's lingerie, and distribution to external wholesale customers and the retail segment. The Group's manufacturing facilities are located in Latvia and Belarus.
- The retail segment sells the lingerie through own retail network in Latvia, Belarus and Russia.

There is a strong integration between wholesale and retail segments. The accounting policies of reportable segments are the same. Management estimates that intersegment transactions have been done on arm's length basis.

Primary measures monitored by the Supervisory Board are segment revenues, segment EBITDA (which is defined as profit before depreciation, amortisation, net financial income, income tax expense and gain on net monetary position) and segment net profit. These measures are included in the internal management reports that are reviewed by the Management Board and the Supervisory Board. Segment EBITDA is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segment relative to other entities that operate within the industry.

Interest income and interest expenses are not core activities of operating segments and are not provided to management and are not evaluated by management as performance assessment criteria of segments' performance. Therefore, interest income and interest expenses are presented on net basis.

Unallocated revenues include revenues from services, commissions and rental income. Unallocated assets include cash and bank deposits not used in daily operations of either of the segments.

Operating segments <i>in thousands of EUR</i>	12m 2023 and as of 31.12.2023			Unallocated	Eliminations	Total
	Lingerie retail	Lingerie wholesale	Total segments			
Revenue from external customers	21 203	37 335	58 538	59		58 597
Intersegment revenues	0	-32 482	-32 482	-3 083	35 565	0
EBITDA	8 888	12 376	21 264	-144		21 120
Amortization and depreciation	-2 105	-596	-2 701	-446		-3 147
Operating income, EBIT	6 783	11 780	18 563	-590	0	17 973
Profit from associates using equity method	0	24	24	0		24
Net financial income	-704	-233	-937	-2 501		-3 438
Income tax	-819	-2 082	-2 901	-551		-3 452
Net profit	5 260	9 489	14 749	-3 642	0	11 107
Investments in associates	0	85	85	0		85
Other operating segments assets	16 331	23 641	39 972	32 195		72 167
Reportable segments liabilities	9 840	3 304	13 144	2 245		15 389
Capital expenditures	1 927	871	2 798	36		2 834
Number of employees as of reporting date	500	1 028	1 528	98		1 626
Operating segments <i>in thousands of EUR</i>	12m 2022 and as of 31.12.2022					
	Lingerie retail	Lingerie wholesale	Total segments	Unallocated	Eliminations	Total
Revenue from external customers	21 304	36 323	57 627	40		57 667
Intersegment revenues	0	31 519	31 519	3 032	-34 551	0
EBITDA	10 288	7 824	18 112	171		18 283
Amortization and depreciation	-1 936	-1 055	-2 991	-627		-3 618
Operating income, EBIT	8 352	6 769	15 121	-456	0	14 665
Profit from associates using equity method	0	1	1	0		1
Net financial income	-195	-1 075	-1 270	1 934		664
Income tax	-1 011	-1 322	-2 333	-453		-2 786
Net profit	7 146	4 373	11 519	1 025	0	12 544
Investments in associates	0	82	82	0		82
Other operating segments assets	5 108	32 936	38 044	25 865		63 909
Reportable segments liabilities	1 361	11 248	12 609	2 414		15 023
Capital expenditures	2 262	290	2 552	2		2 554
Number of employees as of reporting date	499	1 010	1 509	107		1 616

Revenue and non-current assets breakdown by geographical areas

Revenues in the table below are based on the geographical location of customers; segment assets are based on the geographical location of the assets.

Geographical segments

in thousands of EUR	Revenue 12m 2023	Revenue 12m 2022	Non-current assets 31.12.2023	Non-current assets 31.12.2022
Russia	34 692	35 215	3 638	3 316
Belarus	15 013	14 619	8 784	10 023
Ukraine	161	233	0	0
Baltics	1 443	1 490	410	318
Other countries	7 288	6 110	25	25
Total	58 597	57 667	12 857	13 682