



AS Silvano Fashion Group

Consolidated Interim Financial Report for Q3 and 9 months of 2022 (unaudited)

(translation of the Estonian original) *

Beginning of the reporting period	1 January 2022
End of the reporting period	30 September 2022
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 30 September 2022 the Group employed 1 601 people (as of 31 December 2021: 1 602 people).

The Group comprises of the following entities:

	Location	Main activity	Ownership interest 30.09.2022	Ownership interest 31.12.2021
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 31.12.2021).

** Metropolitan Trade Company Milavitsa LLC is owned by AS Silvano Fashion Group and SIA Silvano Fashion, each holding 50% (same was effective as of 31.12.2021).

In addition, as of 31.12.2021 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 31.12.2021).

Business environment and results

The Group's sales amounted to 43 974 thousand EUR during the 9 months of 2022, representing a 19.2% increase as compared to the same period for the previous year. The Group's gross profit during the 9 months of 2022 amounted to 22 066 thousand EUR and increased by 4.6% compared to 9 months of 2021. The Gross margin during the 9 months of 2022 decreased to 50.2% from 57.2% as compared to 9 months of 2021.

Consolidated operating profit for 9 months of 2022 decreased by 13.9% to 10 611 thousand EUR, compared to 12 325 thousand EUR in 9 months of 2021. Consolidated EBITDA for 9 months of 2022 decreased by 10.6% and was 13 180 thousand EUR, compared to 14 744 thousand EUR in 9 months of 2021.

Reported consolidated net profit for 9 months of 2022 amounted to 12 516 thousand EUR, as compared to net profit of 10 518 thousand EUR in the prior year's same period. Net profit attributable to equity holders of the Parent company for 9 months of 2022 amounted 11 835 thousand EUR.

Russia Economic Outlook

The Group's sales on the Russian market totalled 26 851 thousand EUR, increase is 22.6% compared to 9 months of 2021. Local currency sales increased by 0.2% during 9 months of 2022 compared to the same 9 months of 2021. 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 48 stores operated by the Group itself.

Belarus Economic Outlook

The Group's sales in Belarus in the 9 months of 2022 were 11 193 thousand EUR and increased by 27.3% compared to the 9 months of 2021. Sales in local currency increased by 17.7% during the same period. There are currently a total of 59 stores operated by the Group itself.

Ukraine Economic Outlook

The Group's sales in Ukraine in the 9 month of 2022 were 221 thousand EUR and decreased by 83.1% compared to the 9 month of 2021.

Starting from March 2022, sales in Ukraine have been suspended.

Sales structure

Sales by markets

Group sales in its 2 major markets – Russia and Belarus– were 86.5% of its total sales. Measured in local currencies sales increase was accordingly – 0.2% in Russia, 17.7% in Belarus.

	09m 2022	09m 2021	Change	Change, %
Russia, th RUB	1 925 226	1 921 325	3 901	0.2%
Belarus, th BYN	31 658	26 889	4 769	17.7%

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

in thousands of EUR	09m 2022	09m 2021	Change, EUR	Change, %	09m 2022, % of sales	09m 2021, % of sales
Russia	26 851	21 905	4 946	22.6%	61.1%	59.4%
Belarus	11 193	8 795	2 398	27.3%	25.4%	23.8%
Ukraine	221	1 307	-1 086	-83.1%	0.5%	3.5%
Baltics	1 388	959	429	44.7%	3.2%	2.6%
Other markets	4 321	3 925	396	10.1%	9.8%	10.7%
Total	43 974	36 891	7 083	19.2%	100.0%	100.0%

The majority of lingerie sales revenue during 9 months of 2022 in the amount 26 851 thousand EUR was generated in Russia, accounting for 61.1% of total sales. The second largest market was Belarus, where sales were 11 193 thousand EUR, contributing 25.4% of lingerie sales (both retail and wholesale).

Sales by business segments

	09m 2022	09m 2021	Change, EUR	Change, %	09m 2022, % of sales	09m 2021, % of sales
in thousands of EUR						
Wholesale	27 864	24 656	3 208	13.0%	63.4%	66.8%
Retail	16 085	12 157	3 928	32.3%	36.6%	33.0%
Other operations	25	78	-53	-67.9%	0.0%	0.2%
Total	43 974	36 891	7 083	19.2%	100.0%	100.0%

During 9 months of 2022 wholesale revenue amounted to 27 864 thousand EUR, representing 63.4% of the Group's total revenue (9 months of 2021: 66.8%). The main wholesale regions were Russia and Belarus.

Our retail revenue increased by 32.3% and amounted to 16 085 thousand EUR, this represents 36.6% of the Group's total revenue.

Own & franchise store locations, geography

	Own	Franchise	Total
Russia	48	345	393
Belarus	59	0	59
Baltics	6	20	26
Other regions	0	85	85
Total	113	450	563

At the end of the reporting period the Group and its franchising partners operated 530 Milavitsa and 33 Lauma Lingerie brand stores, including 113 stores operated directly by the Group.

Selected Financial Indicators

Summarized selected financial indicators of the Group for 9 months of 2022 compared to 9 months of 2021 and 30.09.2022 compared to 31.12.2021 were as follows:

in thousands of EUR	09m 2022	09m 2021	Change
Revenue	43 974	36 891	19.2%
Gross Profit	22 066	21 095	4.6%
Operating profit	10 611	12 325	-13.9%
EBITDA	13 180	14 744	-10.6%
Net profit for the period	12 516	10 518	19.0%
Net profit attributable equity holders of the Parent company	11 835	9 562	23.8%
Earnings per share (EUR)	0,33	0,27	22.2%
Operating cash flow for the period	12 493	12 910	-3.2%

in thousands of EUR	30.09.2022	31.12.2021	Change
Total assets	69 731	53 753	29.7%
Total current assets	52 795	40 331	30.9%
Total equity attributable to equity holders of the Parent company	48 093	34 148	40.8%
Cash and cash equivalents	26 263	17 098	53.6%

Margin analysis, %	09m 2022	09m 2021	Change
Gross profit	50.2	57.2	-12.2%
Operating profit	24.1	33.4	-27.8%
EBITDA	30.0	40.0	-25.0%
Net profit	28.5	28.5	0.0%
Net profit attributable to equity holders of the Parent company	26.9	25.9	3.9%

Financial ratios, %	30.09.2022	31.12.2021	Change
ROA	19.0	17.9	6.1%
ROE	28.8	28.7	0.3%
Price to earnings ratio (P/E)	2.9	7.8	-62.8%
Current ratio	6.4	4.3	48.8%
Quick ratio	3.5	2.1	66.7%

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 to 43 974 thousand EUR during 9 months of 2022, representing a 19.2% increase as compared to the same period of previous year. Overall, retail increased by 32.3%, measured in EUR.

The Group's gross profit during 9 months of 2022 amounted to 22 066 thousand EUR and increase by 4.6% compared to previous year. The gross margin during 9 months of 2022 decreased to 50.2%, from 57.2% in the respective period of previous year. The cost of sold goods increased by 38.7%.

Consolidated operating profit for 9 months of 2022 amounted to 10 611 thousand EUR, compared to 12 325 thousand EUR in 9 months of 2021, decrease by 13.9%. The consolidated operating profit margin was 24.1% for 9 months of 2022 (33.4% in 9 months of 2021). Consolidated EBITDA for 9 months of 2022 decreased by 10.6% and amounted to 13 180 thousand EUR, which is 30.0% in margin terms (14 744 thousand EUR and 40.0% for 9 months of 2021).

Reported consolidated net profit attributable to equity holders of the Parent company for 9 months of 2022 amounted to 11 835 thousand EUR, compared to net profit of 9 562 thousand EUR in 9 months of 2021, net profit margin attributable to equity holders of the Parent company for 9 months of 2022 was 26.9% against net profit 25.9% in 9 months of 2021.

Financial position

As of 30 September 2022 consolidated assets amounted to 69 731 thousand EUR representing increase by 29.7% as compared to the position as of 31 December 2021.

Trade and other receivables increased by 266 thousand EUR as compared to 31 December 2021 and amounted to 2 591 thousand EUR as of 30 September 2022. Inventory balance increased by 3 022 thousand EUR and amounted to 23 928 thousand EUR as of 30 September 2022.

Equity attributable to equity holders of the Parent company increased by 13 945 thousand EUR and amounted to 48 093 thousand EUR as of 30 September 2022. Current liabilities decreased by 1 148 thousand EUR during 9 months of 2022.

Investments

During 9 months of 2022 the Group's investments into property, plant and equipment totalled 228 thousand EUR, in previous year same period 177 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 30 September 2022, the Group employed 1 601 employees, including 501 people in retail operations. The rest were employed in production, wholesale, administration and support operations. In 31.12.2021 there were 1 602 employees, including 485 people in retail operations.

Total salaries and related taxes during 9 months of 2022 amounted to 8 938 thousand EUR (7 158 thousand EUR in 9 months of 2021). The remuneration of key management of the Group, including the key executives of all subsidiaries, totalled 497 thousand EUR.

Decisions made by governing bodies during 9 months 2022

On the 8th of June 2022, the 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 June 8, 2022, in the information system NASDAQ OMX Tallinn <https://nasdaqbaltic.com/statistics/en/instrument/EE3100001751/news?date=2022-06-29> 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 30, 2022 Silvano Fashion Group held its regular Annual General Meeting of Shareholders.

The Meeting adopted the following decisions:

- Approved the 2021 Annual Report;
- Left the net profit undistributed and included the net profit of the financial year 2021 in retained earnings;
- Approved the "Principles of Remuneration of a Member of the Management Board of AS Silvano Fashion Group".

Shares of AS Silvano Fashion Group

As of 30 September 2022 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 30 September 2022 AS Silvano Fashion Group 3 524 shareholders (as of 31 December 2021: 3 389 shareholders).

As of 30 September 2022 shareholders, whose interest in AS Silvano Fashion Group exceeded 5% included:

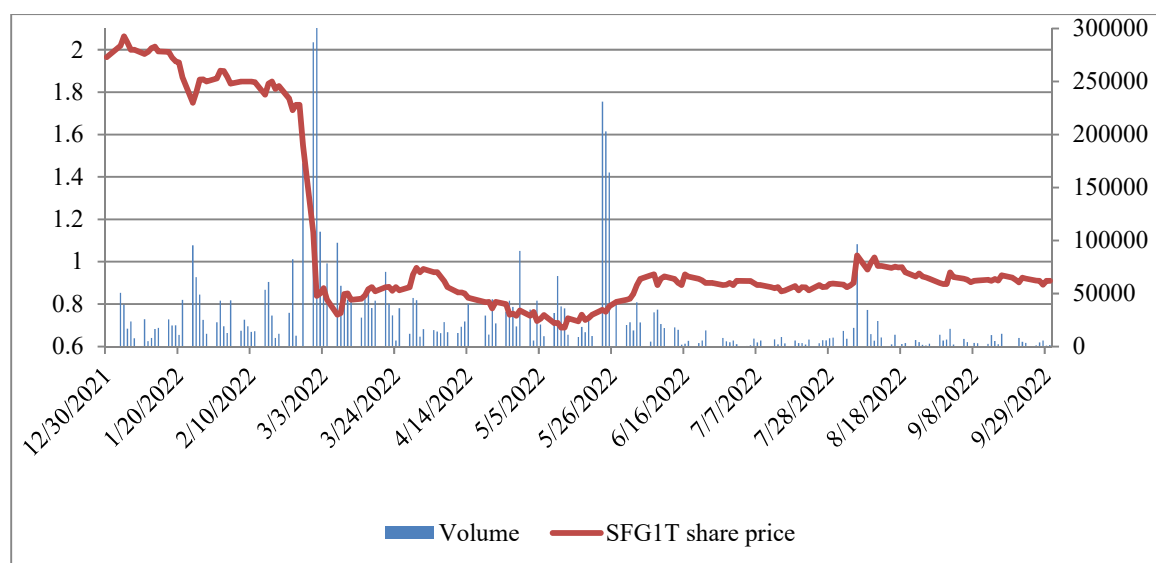
Name	Number of shares	Shareholding
Major shareholders	19 267 985	53.52%
BALTPLAST AS	9 115 798	25.32%
AS SEB PANK CLIENTS	8 000 000	22.22%
UNICREDIT BANK AUSTRIA AG	2 152 187	5.98%
Other shareholders	16 732 015	46.48%
Total number of shares	36 000 000	100.00%

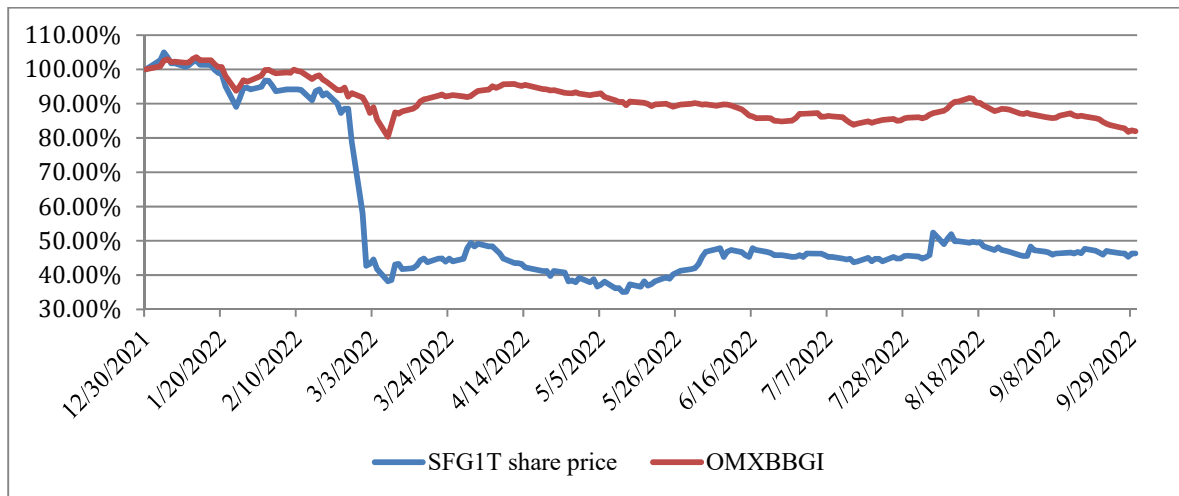
As of 31 December 2021 shareholders, whose interest in AS Silvano Fashion Group exceeded 5% included:

Name	Number of shares	Shareholding
Major shareholders	18 882 079	52.45%
BALTPLAST AS	9 049 804	25.14%
AS SEB PANK CLIENTS	8 000 000	22.22%
Clearstream Banking AG	1 832 275	5.09%
Other shareholders	17 117 921	47.55%
Total number of shares	36 000 000	100.00%

Share price development and turnover on the Tallinn Stock Exchange during 9 months of 2022 (EUR)

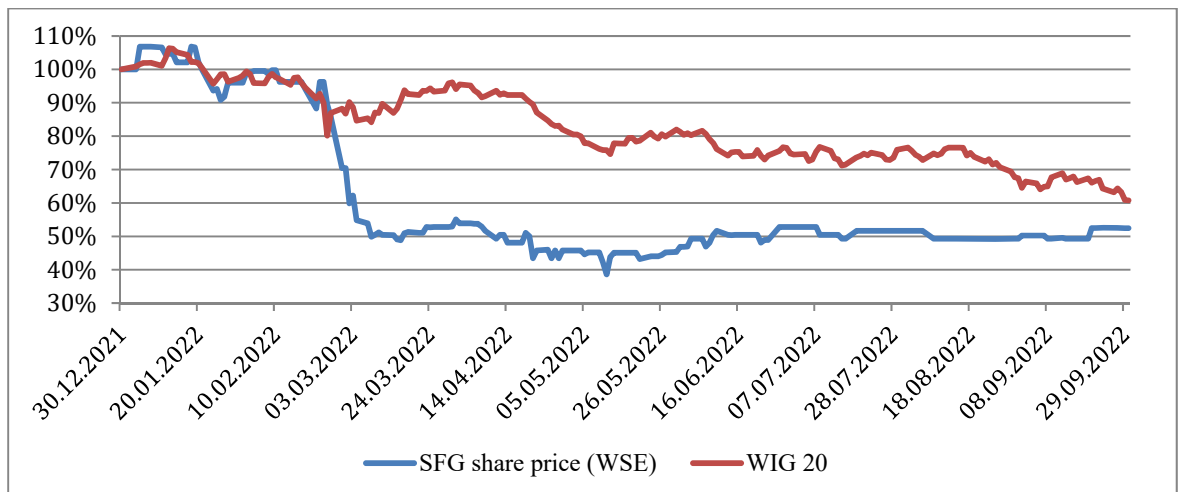
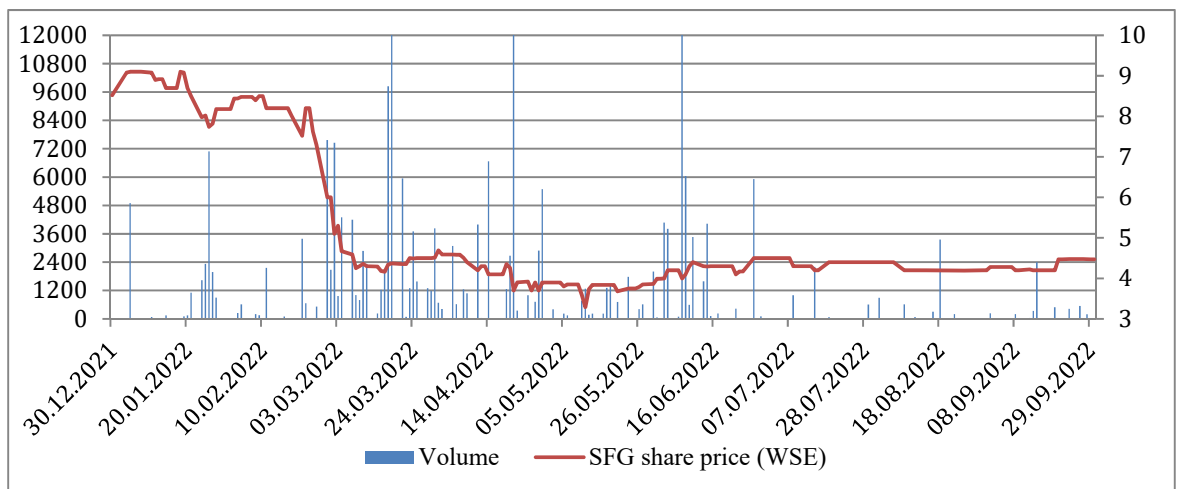
During 9 months of 2022 the highest and lowest prices of the AS Silvano Fashion Group` share on the Tallinn Stock Exchange were 2.078 EUR and 0.6601 EUR, respectively





Share price development on the Warsaw Stock Exchange during 9 months of 2022 (PLN)

During 9 months of 2022, the highest and lowest prices of the AS Silvano Fashion Group` share on the Warsaw Stock Exchange were 9.1 PLN and 3.29 PLN respectively.



Declaration of the Management Board

The Management Board of AS Silvano Fashion Group has reviewed and approved Consolidated Interim Financial Report for 9 months of 2022 (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
November 25, 2022

Consolidated Statement of Financial Position

in thousands of EUR	Note	30.09.2022	31.12.2021
		Unaudited	Audited
ASSETS			
Current assets			
Cash and cash equivalents	2	26 263	17 098
Current loans granted		13	2
Trade and other receivables	3	2 591	2 325
Inventories	4	23 928	20 906
Total current assets		52 795	40 331
Non-current assets			
Long-term receivables		406	262
Investments in associates		111	80
Investments in other shares		315	262
Deferred tax asset		1 575	1 226
Intangible assets		683	535
Investment property		1 276	1 086
Property, plant and equipment	5	12 570	9 971
Total non-current assets		16 936	13 422
TOTAL ASSETS		69 731	53 753
LIABILITIES AND EQUITY			
Current liabilities			
Short-term lease liabilities		1 136	2 193
Trade and other payables	6	4 343	6 504
Tax liabilities		2 741	671
Total current liabilities		8 220	9 368
Non-current liabilities			
Deferred tax liability		2 259	1 746
Long-term lease liabilities		7 309	4 727
Long-term provisions		61	51
Total non-current liabilities		9 629	6 524
Total liabilities		17 849	15 892
Equity			
	7		
Share capital		3 600	3 600
Share premium		4 967	4 967
Statutory reserve capital		1 306	1 306
Unrealised exchange rate differences		-16 141	-18 251
Retained earnings		54 361	42 526
Total equity attributable to equity holders of the Parent company		48 093	34 148
Non-controlling interest		3 789	3 713
Total equity		51 882	37 861
TOTAL EQUITY AND LIABILITIES		69 731	53 753

Consolidated Income Statement

in thousands of EUR	Note	3Q 2022	3Q 2021	09m 2022	09m 2021
		Unaudited	Unaudited	Unaudited	Unaudited
Revenue from contracts with customers	9	17 604	13 666	43 974	36 891
Cost of goods sold		-8 423	-6 232	-21 908	-15 796
Gross Profit		9 181	7 434	22 066	21 095
Distribution expenses		-3 093	-2 249	-8 120	-6 453
Administrative expenses		-1 094	-875	-3 136	-2 663
Other operating income		130	247	349	813
Other operating expenses		-198	-173	-548	-467
Operating profit		4 926	4 384	10 611	12 325
Currency exchange income/(expense)		-949	347	5 036	1 407
Other finance income/(expense)		127	-100	-103	-316
Net finance income/(expense)		-822	247	4 933	1 091
Profit (loss) from associates using equity method		10	7	-1	6
Profit before tax		4 114	4 638	15 543	13 422
Income tax expense		-1 425	-816	-3 027	-2 904
Profit for the period		2 689	3 822	12 516	10 518
Attributable to :					
Equity holders of the Parent company		2 489	3 531	11 835	9 562
Non-controlling interest		200	291	681	956
Earnings per share from profit attributable to equity holders of the Parent company, both basic and diluted (EUR)	8	0,07	0,10	0,33	0,27

Consolidated Statement of Comprehensive Income

in thousands of EUR	Note	3Q 2022	3Q 2021	09m 2022	09m 2021
		Unaudited	Unaudited	Unaudited	Unaudited
Profit for the period		2 689	3 822	12 516	10 518
Other comprehensive income (loss) that will be reclassified to profit or loss in subsequent periods :					
Exchange differences on translation of foreign operations		2 894	439	2 175	708
Total other comprehensive income for the period		2 894	439	2 175	708
Total comprehensive income (loss) for the period		5 583	4 261	14 691	11 226
Attributable to :					
Equity holders of the Parent company		5 489	4 004	13 945	9 997
Non-controlling interest		94	257	746	1 229

Consolidated Statement of Cash Flows

in thousands of EUR	Note	09m 2022	09m 2021
		Unaudited	Unaudited
Cash flow from operating activities			
Profit for the period		12 516	10 518
Adjustments for:			
Depreciation and amortization of non-current assets		2 569	2 419
Share of profit of equity accounted investees		1	-6
Gains/Losses on the sale of property, plant and equipment		9	11
Net finance income / costs		-522	-395
Provision for impairment losses on trade receivables		0	1
Provision for inventories		5	5
Receipt of government grants		0	550
Movements in provisions and government grants		0	-550
Income tax expense		3 027	2 904
Change in inventories		-3 022	-1 231
Change in trade and other receivables		-266	32
Change in trade and other payables		-91	330
Interest paid		0	-2
Income tax paid		-1 733	-1 676
Net cash flow from operating activities		12 493	12 910
Cash flow from investing activities			
Interest received		29	14
Dividends received		3	0
Proceeds from disposal of property, plant and equipment		31	60
Loans granted		-11	0
Acquisition of property, plant and equipment		-228	-177
Acquisition of intangible assets		-74	-121
Net cash flow from investing activities		-250	-224
Cash flow from financing activities			
Repayment of borrowings		0	-800
Payment of principal portion of lease liabilities		-1 879	-1 761
Interest paid on lease liabilities		-356	-326
Dividends paid		-670	-739
Net cash flow from financing activities		-2 905	-3 626
Net increase in cash and cash equivalents		9 338	9 060
Cash and cash equivalents at the beginning of period		17 098	8 980
Effect of exchange rate fluctuations on cash held		-173	57
Cash and cash equivalents at the end of period		26 263	18 097

Consolidated Statement of Changes in Equity

in thousands of EUR	Share Capital	Share Premium	Statutory reserve capital	Revaluation reserve	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 2020 (Audited)	3 600	4 967	1 306	355	-18 864	33 140	24 504	3 314	27 818
Profit for the period	0	0	0	0	0	9 562	9 562	956	10 518
Other comprehensive income for the period	0	0	0	0	435	0	435	273	708
Transfer of revaluation reserve				-355		355	0	0	0
Total comprehensive income for the period	0	0	0	-355	435	9 917	9 997	1 229	11 226
Transactions with owners, recognised directly in equity									
Dividends declared	0	0	0	0	0	0	0	-739	-739
Total transactions with owners, recognised directly in equity	0	0	0	0	0	0	0	-739	-739
Balance as at 30 September 2021 (Unaudited)	3 600	4 967	1 306	0	-18 429	43 057	34 501	3 804	38 305
Balance as at 31 December 2021 (Audited)	3 600	4 967	1 306	0	-18 251	42 526	34 148	3 713	37 861
Profit for the period	0	0	0	0	0	11 835	11 835	681	12 516
Other comprehensive income for the period	0	0	0	0	2 110	0	2 110	65	2 175
Total comprehensive income for the period	0	0	0	0	2 110	11 835	13 945	746	14 691
Transactions with owners, recognised directly in equity									
Dividends declared	0	0	0	0	0	0	0	-670	-670
Total transactions with owners, recognised directly in equity	0	0	0	0	0	0	0	-670	-670
Balance as at 30 September 2022 (Unaudited)	3 600	4 967	1 306	0	-16 141	54 361	48 093	3 789	51 882

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 30 September 2022 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 9 months of 2022 ended on 30 September 2022 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 2021, 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 2021 there are no new IFRSs or IFRIC interpretations that are effective for the financial year beginning on or after 1 January 2022 and that would be expected to have a material impact on the Group.

Note 2 Cash and cash equivalents

in thousands of EUR	30.09.2022	31.12.2021
Cash on hand	55	123
Current bank accounts in EUR	10 599	11 591
Current bank accounts in various currencies than EUR	410	552
Short-term bank deposits in all currencies	15 115	4 661
Short-term guarantee deposits	7	13
Cash in transit	77	158
Total	26 263	17 098

in thousands of EUR	30.09.2022	31.12.2021
Europe	21 301	12 139
Russia	1 050	3 563
Belarus	3 689	1 093
Ukraine	223	303
Total	26 263	17 098

Note 3 Trade receivables and other assets

Trade receivables and other assets	30.09.2022	31.12.2021
Trade accounts receivable from third parties	1 295	910
Trade accounts receivable from related parties	11	56
Receivables on services rendered	103	79
Other receivables	105	97
Deffered expenses	82	91
	<u>1 596</u>	<u>1 233</u>
Allowance for expected credit losses	-63	-57
Total trade and other receivables	1 533	1 176
Prepayments and other tax receivables		
Prepayments issued to suppliers	532	502
VAT recoverable	523	646
Other tax prepayments	3	1
Total prepayments and other tax receivables	1 058	1 149
Total trade receivables and other assets	2 591	2 325

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	30.09.2022	31.12.2021
Raw and other materials	6 202	4 760
Work in progress	1 296	1 010
Finished goods	14 389	13 914
Other inventories	2 041	1 222
Total	23 928	20 906

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
31.12.2020						
Cost	3 709	13 734	4 271	9 372	34	31 120
Accumulated depreciation	-1 932	-11 789	-3 671	-4 037	0	-21 429
Net book amount	1 777	1 945	600	5 335	34	9 691
Movements during 09m 2021						
Additions	0	15	88	1 350	74	1 527
Disposals	0	0	-49	0	0	-49
Reclassifications	0	2	60	0	-62	0
Depreciation	-80	-405	-224	-1 690	0	-2 399
Unrealised exchange rate differences	157	154	51	399	3	764
Closing net book amount	1 854	1 711	526	5 394	49	9 534
30.09.2021						
Cost	4 009	14 749	4 612	11 438	49	34 857
Accumulated depreciation	-2 155	-13 038	-4 086	-6 044	0	-25 323
Net book amount	1 854	1 711	526	5 394	49	9 534
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 09m 2022						
Additions	0	13	173	1 615	42	1 843
Disposals	0	0	-22	-57	0	-79
Reclassifications	0	47	35	0	-82	0
Depreciation	-74	-372	-313	-1 771	0	-2 530
Unrealised exchange rate differences	477	279	683	1 911	15	3 365
Closing net book amount	2 259	1 634	1 063	7 575	39	12 570
30.09.2022						
Cost	4 869	17 758	5 644	18 085	39	46 395
Accumulated depreciation	-2 610	-16 124	-4 581	-10 510	0	-33 825
Net book amount	2 259	1 634	1 063	7 575	39	12 570

The Group didn't have any significant binding commitments to purchase property plant and equipment as of 30 September 2022.

Note 6 Trade and other payables

in thousands of EUR		
	30.09.2022	31.12.2021
Trade accounts payable to third parties	2 493	4 795
Prepayments received from customers	637	581
Accrued expenses	375	459
Accounts payables to employees	613	386
Other payables	225	283
Total trade and other payables	4 343	6 504

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

Note 7 Equity

Shares

As of 30 September 2022 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 2021, 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 30 September 2022 AS Silvano Fashion Group had 3 524 shareholders (as of 31 December 2021: 3 389 shareholders).

Note 8 Earnings per share

The calculation of basic earnings per share for 9 months of 2022 (9 months of 2021) is based on profit attributable to owners and a weighted average number of ordinary shares.

in thousands of shares	09m 2022	09m 2021
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	09m 2022	09m 2021
Profit (loss) for the period attributable to equity holders of the Parent company	11 835	9 562
Basic earnings per share (EUR)	0.33	0.27
Diluted earnings per share (EUR)	0.33	0.27

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	09m 2022	09m 2021
Revenue from wholesale	27 864	24 656
Revenue from retail	16 085	12 157
Subcontracting and services	19	66
Other sales	6	12
Total	43 974	36 891

Note 10 Transactions with related parties

The following parties are considered to be related;

- 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.
- Associates - enterprises in which parent company or its subsidiaries have significant influence;
- 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	09m 2022	09m 2021
Associates	473	507
Total	473	507

Balances with related parties

in thousands of EUR	30.09.2022	31.12.2021
Trade receivables from associates	11	56
Total	11	56

Benefits to key management of the group

in thousands of EUR	09m 2022	09m 2021
Remunerations and benefits	497	443
Total	497	443

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.

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Operating segments <i>in thousands of EUR</i>	09m 2022 and as of 30.09.2022					
	Lingerie retail	Lingerie wholesale	Total segments	Unallocated	Eliminations	Total
Revenue from external customers	16 085	27 864	43 949	25		43 974
Intersegment revenues	0	23 508	23 508	2 177	-25 685	0
EBITDA	7 863	5 150	13 013	167		13 180
Amortization and depreciation	-1 199	-903	-2 102	-467		-2 569
Operating income, EBIT	6 664	4 247	10 911	-300	0	10 611
Profit from associates using equity method	0	-1	-1	0		-1
Net financial income	180	-749	-569	5 502		4 933
Income tax	-908	-1 093	-2 001	-1 026		-3 027
Net profit	5 936	2 404	8 340	4 176	0	12 516
Investments in associates	0	111	111	0		111
Other operating segments assets	6 016	38 623	44 639	24 981		69 620
Reportable segments liabilities	3 583	10 662	14 245	3 604		17 849
Capital expenditures	1 716	199	1 915	2		1 917
Number of employees as of reporting date	501	999	1 500	101		1 601
Operating segments <i>in thousands of EUR</i>	09m 2021 and as of 30.09.2021					
	Lingerie retail	Lingerie wholesale	Total segments	Unallocated	Eliminations	Total
Revenue from external customers	12 157	24 656	36 813	78		36 891
Intersegment revenues	0	20 865	20 865	1 919	-22 784	0
EBITDA	5 806	8 521	14 327	417		14 744
Amortization and depreciation	-1 563	-440	-2 003	-416		-2 419
Operating income, EBIT	4 243	8 081	12 324	1	0	12 325
Profit from associates using equity method	0	6	6	0		6
Net financial income	122	-191	-69	1 160		1 091
Income tax	-562	-1 592	-2 154	-750		-2 904
Net profit	3 803	6 304	10 107	411	0	10 518
Investments in associates	0	67	67	0		67
Other operating segments assets	4 514	28 426	32 940	19 670		52 610
Reportable segments liabilities	1 436	9 206	10 642	3 730		14 372
Capital expenditures	1 381	265	1 646	2		1 648
Number of employees as of reporting date	490	1 029	1 519	114		1 633

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 09m 2022	Revenue 09m 2021	Non-current assets 30.09.2022	Non-current assets 31.12.2021
Russia	26 851	21 905	4 900	2 646
Belarus	11 193	8 795	11 728	10 379
Ukraine	221	1 307	0	0
Baltics	1 388	959	285	372
Other countries	4 321	3 925	23	25
Total	43 974	36 981	16 936	13 422