



## **AS Silvano Fashion Group**

### **Consolidated Interim Financial Report for Q1 of 2023 (unaudited)**

(translation of the Estonian original) \*

Beginning of the reporting period	1 January 2023
End of the reporting period	31 March 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	<a href="mailto:info@silvanofashion.com">info@silvanofashion.com</a>
Website	<a href="http://www.silvanofashion.com">www.silvanofashion.com</a>
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 March 2023 the Group employed 1 643 people (as of 31 December 2022: 1 616 people).

The Group comprises of the following entities:

	Location	Main activity	Ownership interest 31.03.2023	Ownership interest 31.12.2022
<b>Parent company</b>				
Silvano Fashion Group AS	Estonia	Holding		
<b>Entities belonging to the Silvano Fashion Group:</b>				
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 31.03.2023 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 14 141 thousand EUR during the Q1 of 2023, representing a 28.1% increase as compared to the same period for the previous year. The Group's gross profit during the Q1 of 2023 amounted to 8 124 thousand EUR and increased by 24.6% compared to Q1 of 2022. The Gross margin during the Q1 of 2023 decreased to 57.4% from 59.1% as compared to Q1 of 2022.

Consolidated operating profit for Q1 of 2023 increased by 23.0% to 3 963 thousand EUR, compared to 3 221 thousand EUR for Q1 of 2022. Consolidated EBITDA for Q1 of 2023 increased by 19.2% and was 4 761 thousand EUR, compared to 3 993 thousand EUR for Q1 of 2022.

Reported consolidated net profit for Q1 of 2023 amounted to 1 867 thousand EUR, as compared to net loss of 193 thousand EUR in the prior year's same period. Net profit attributable to equity holders of the Parent company for Q1 of 2023 amounted 1 616 thousand EUR.

## Russia Economic Outlook

The Group's sales on the Russian market totalled 8 495 thousand EUR, increase is 36.4% compared to Q1 of 2022. Local currency sales increased by 10.9% during Q1 of 2023 compared to the same Q1 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 52 stores operated by the Group itself (as of 31 December 2022: 49 stores).

## Belarus Economic Outlook

The Group's sales in Belarus in the Q1 of 2023 were 3 582 thousand EUR and increased by 35.3% compared to the Q1 of 2022. Sales in local currency increased by 27.8% during the same period. At the end of the reporting period, there were a total of 58 stores operated by the Group itself (as of 31 December 2022: 59 stores).

## Ukraine Economic Outlook

The Group's sales in Ukraine in the Q1 of 2023 were 47 thousand EUR and decreased by 78.8% compared to the Q1 of 2022.

## Sales structure

### Sales by markets

Group sales in its 2 major markets – Russia and Belarus– were 85.4% of its total sales. Measured in local currencies sales increase was accordingly – 10.9% in Russia, 27.8% in Belarus.

	03m 2023	03m 2022	Change	Change, %
Russia, th RUB	661 611	596 486	65 125	10.9%
Belarus, th BYN	10 580	8 278	2 302	27.8%
Ukraine, th UAH	1 759	7 127	-5 368	-75.3%

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

	03m 2023	03m 2022	Change, EUR	Change, %	03m 2023, % of sales	03m 2022, % of sales
in thousands of EUR						
Russia	8 495	6 228	2 267	36.4%	60.1%	56.4%
Belarus	3 582	2 648	934	35.3%	25.3%	24.0%
Ukraine	47	222	-175	-78.8%	0.3%	2.0%
Baltics	283	311	-28	-9.0%	2.0%	2.8%
Other markets	1 734	1 627	107	6.6%	12.3%	14.8%
<b>Total</b>	<b>14 141</b>	<b>11 036</b>	<b>3 105</b>	<b>28.1%</b>	<b>100.0%</b>	<b>100.0%</b>

The majority of lingerie sales revenue during Q1 of 2023 in the amount 8 495 thousand EUR was generated in Russia, accounting for 60.1% of total sales. The second largest market was Belarus, where sales were 3 582 thousand EUR, contributing 25.3% of lingerie sales (both retail and wholesale).

**Sales by business segments**

in thousands of EUR	03m 2023	03m 2022	Change, EUR	Change, %	03m 2023, % of sales	03m 2022, % of sales
Wholesale	9 112	7 440	1 672	22.5%	64.4%	67.4%
Retail	5 020	3 584	1 436	40.1%	35.5%	32.5%
Other operations	9	12	-3	-25.0%	0.1%	0.1%
<b>Total</b>	<b>14 141</b>	<b>11 036</b>	<b>3 105</b>	<b>28.1%</b>	<b>100.0%</b>	<b>100.0%</b>

During Q1 of 2023 wholesale revenue amounted to 9 112 thousand EUR, representing 64.4% of the Group's total revenue (Q1 of 2022: 67.4%). The main wholesale regions were Russia and Belarus.

Our retail revenue increased by 40.1% and amounted 5 020 thousand EUR, this represents 35.5% of the Group's total revenue.

**Own & franchise store locations, geography**

	Own	Franchise	Total
Russia	52	326	378
Belarus	58	0	58
Baltics	6	21	27
Other regions	0	89	89
<b>Total</b>	<b>116</b>	<b>436</b>	<b>552</b>

At the end of the reporting period the Group and its franchising partners operated 519 Milavitsa and 33 Lauma Lingerie brand stores, including 116 stores operated directly by the Group (as of 31 December 2022: 114 stores).

## Selected Financial Indicators

Summarized selected financial indicators of the Group for Q1 of 2023 compared to Q1 of 2022 and 31.03.2023 compared to 31.12.2022 were as follows:

in thousands of EUR	03m 2023	03m 2022	Change
Revenue	14 141	11 036	28.1%
Gross Profit	8 124	6 518	24.6%
Operating profit	3 963	3 221	23.0%
EBITDA	4 761	3 993	19.2%
Net profit (loss) for the period	1 867	-193	N/A
Net profit (loss) attributable equity holders of the Parent company	1 616	-266	N/A
Earnings per share (EUR)	0.04	-0.01	N/A
Operating cash flow for the period	4 133	3 143	31.5%

in thousands of EUR	31.03.2023	31.12.2022	Change
Total assets	65 068	63 991	1.7%
Total current assets	51 933	50 309	3.2%
Total equity attributable to equity holders of the Parent company	45 369	44 786	1.3%
Cash and cash equivalents	27 573	25 909	6.4%

Margin analysis, %	03m 2023	03m 2022	Change
Gross profit	57.4	59.1	-2.9%
Operating profit	28.0	29.2	-4.1%
EBITDA	33.7	36.2	-6.9%
Net profit (loss)	13.2	-1.7	N/A
Net profit (loss) attributable to equity holders of the Parent company	11.4	-2.4	N/A

Financial ratios, %	31.03.2023	31.12.2022	Change
ROA	20.8	19.0	9.5%
ROE	30.3	28.1	7.8%
Price to earnings ratio (P/E)	2.9	3.4	-14.7%
Current ratio	5.4	5.1	5.9%
Quick ratio	3.2	2.8	14.3%

### 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 14 141 thousand EUR during Q1 of 2023, representing a 28.1% increase as compared to the same period of previous year. Overall, retail increased by 40.1%, measured in EUR.

The Group's gross profit during Q1 of 2023 amounted to 8 124 thousand EUR and increase by 24.6% compared to previous year. The gross margin during Q1 of 2023 decreased to 57.4%, from 59.1% in the respective period of previous year. The cost of sold goods increased by 33.2%.

Consolidated operating profit for Q1 of 2023 amounted to 3 963 thousand EUR, compared to 3 221 thousand EUR for Q1 of 2022, increase by 23.0%. The consolidated operating profit margin was 28.0% for Q1 of 2023 (29.2% for Q1 of 2022). Consolidated EBITDA for Q1 of 2023 increased by 19.2% and amounted to 4 761 thousand EUR, which is 33.7% in margin terms (3 993 thousand EUR and 36.2% for Q1 of 2022).

Reported consolidated net profit attributable to equity holders of the Parent company for Q1 of 2023 amounted to 1 616 thousand EUR, compared to net loss of 266 thousand EUR for Q1 of 2022, net profit margin attributable to equity holders of the Parent company for Q1 of 2023 was 13.2% against net loss -1.7% for Q1 of 2022.

## Financial position

As of 31 March 2023 consolidated assets amounted to 65 068 thousand EUR representing increase by 1.7% as compared to the position as of 31 December 2022.

Trade and other receivables increased by 595 thousand EUR as compared to 31 December 2022 and amounted to 2 721 thousand EUR as of 31 March 2023. Inventory balance decreased by 648 thousand EUR and amounted to 21 616 thousand EUR as of 31 March 2023.

Equity attributable to equity holders of the Parent company increased by 583 thousand EUR and amounted to 45 369 thousand EUR as of 31 March 2023. Current liabilities decreased by 347 thousand EUR during Q1 of 2023.

## Investments

During Q1 of 2023 the Group's investments into property, plant and equipment totalled 314 thousand EUR, in previous year same period 60 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 March 2023, the Group employed 1 643 employees, including 505 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 Q1 of 2023 amounted to 3 492 thousand EUR ( 2 546 thousand EUR in Q1 of 2022). The remuneration of key management of the Group, including the key executives of all subsidiaries, totalled 156 thousand EUR.

## Shares of AS Silvano Fashion Group

As of 31 March 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 March 2023 AS Silvano Fashion Group 3 591 shareholders (as of 31 December 2022: 3 585 shareholders).

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

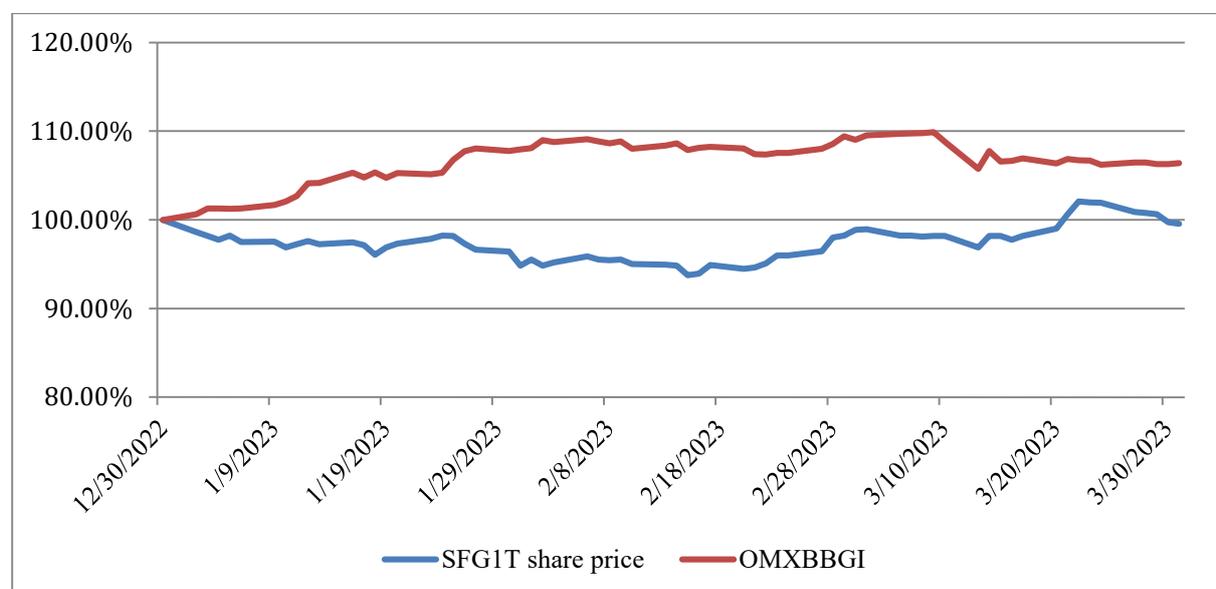
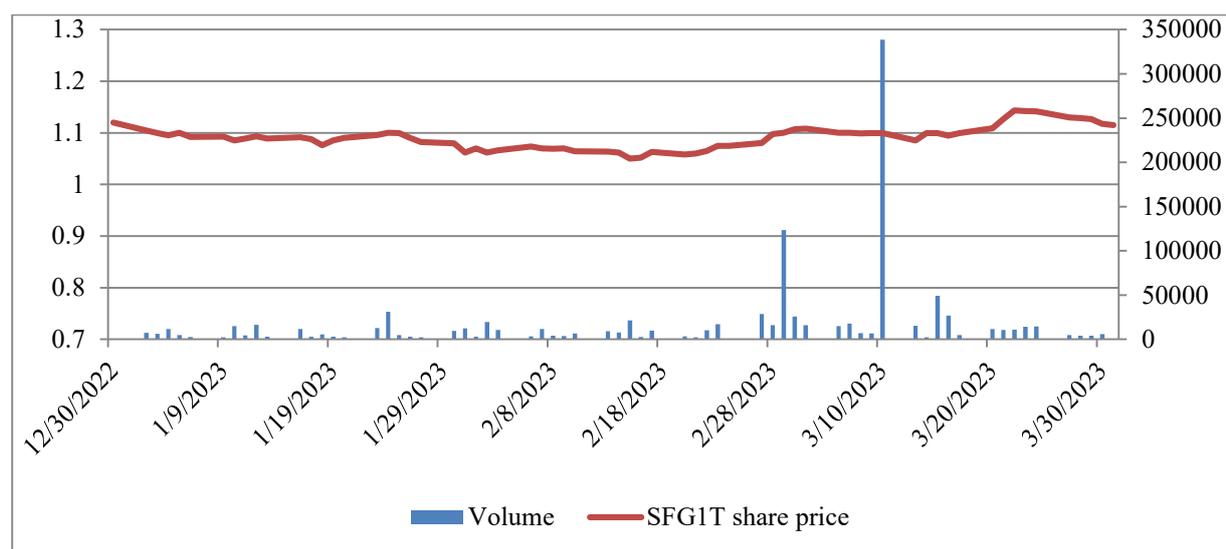
<b>Name</b>	<b>Number of shares</b>	<b>Shareholding</b>
<b>Major shareholders</b>	<b>19 267 985</b>	<b>53.52%</b>
BALTPLAST AS	9 115 798	25.32%
AS SEB PANK CLIENTS	8 000 000	22.22%
UNICREDIT BANK AUSTRIA AG	2 152 187	5.98%
<b>Other shareholders</b>	<b>16 732 015</b>	<b>46.48%</b>
<b>Total number of shares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

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

Name	Number of shares	Shareholding
<b>Major shareholders</b>	<b>19 267 985</b>	<b>53.52%</b>
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%
<b>Other shareholders</b>	<b>16 732 015</b>	<b>46.48%</b>
<b>Total number of shares</b>	<b>36 000 000</b>	<b>100.00%</b>

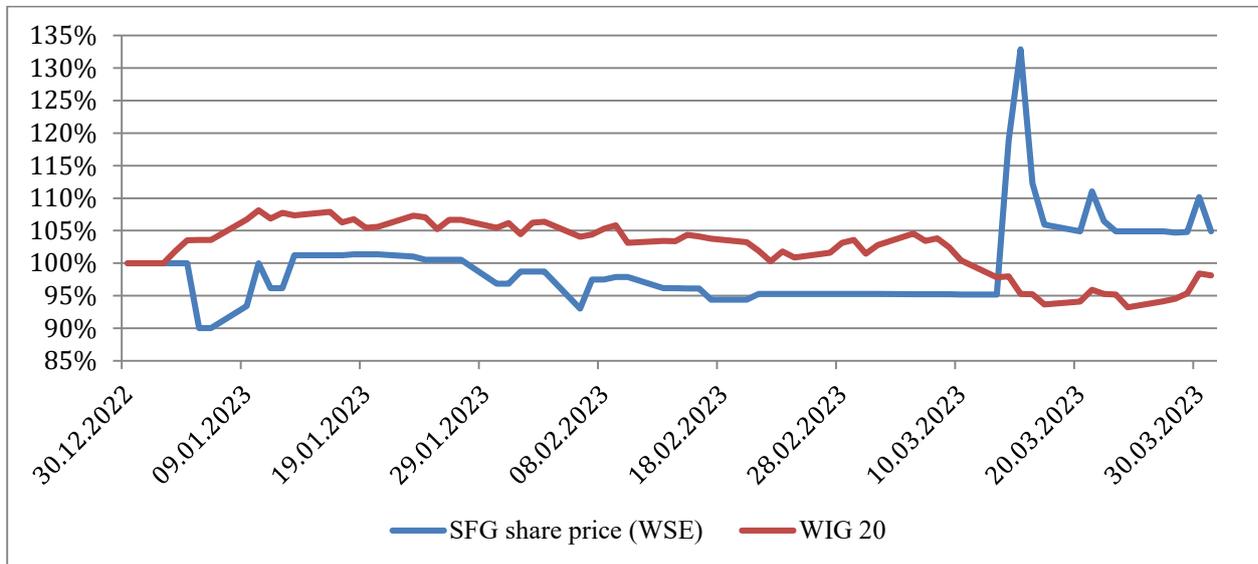
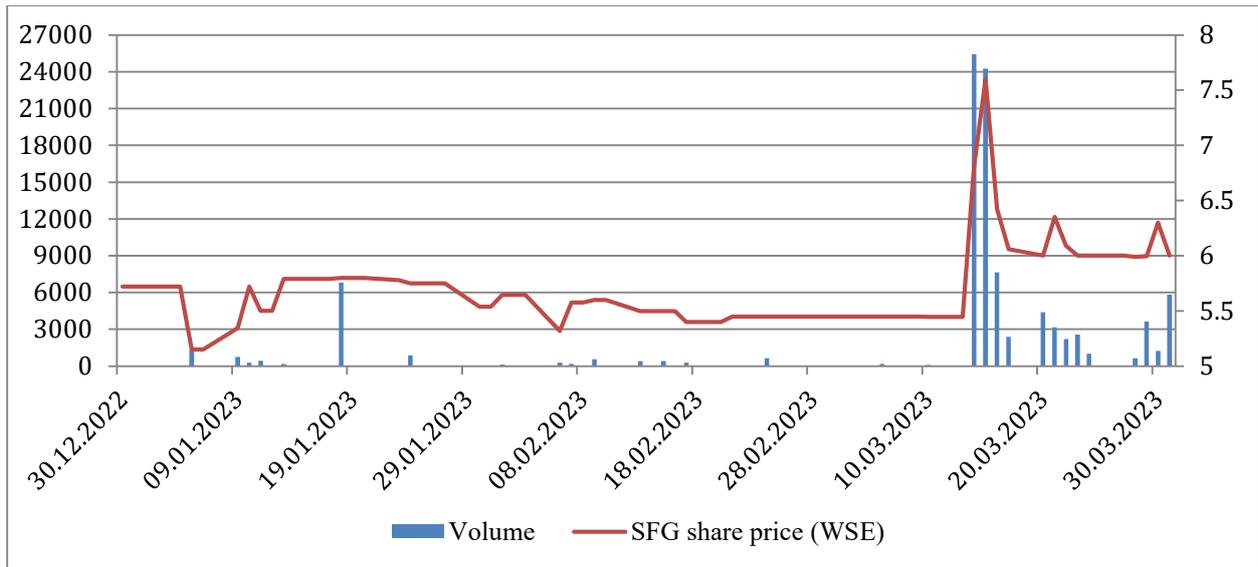
### Share price development and turnover on the Tallinn Stock Exchange during Q1 of 2023 (EUR)

During Q1 of 2023 the highest and lowest prices of the AS Silvano Fashion Group` share on the Tallinn Stock Exchange were 1.148 EUR and 1.0498 EUR, respectively



**Share price development on the Warsaw Stock Exchange during Q1 of 2023(PLN)**

During Q1 of 2023, the highest and lowest prices of the AS Silvano Fashion Group` share on the Warsaw Stock Exchange were 7.6 PLN and 5.15 PLN respectively.



## **Declaration of the Management Board**

The Management Board of AS Silvano Fashion Group has reviewed and approved Consolidated Interim Financial Report for Q1 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.



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Jarek Sārgava  
Member of the Management Board  
May 12, 2023

## Consolidated Statement of Financial Position

in thousands of EUR	Note	31.03.2023	31.12.2022
		Unaudited	Audited
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	27 573	25 909
Trade and other receivables	3	1 672	1 044
Prepayments and other tax receivables	3	956	971
Current loans granted		23	10
Other assets	3	93	111
Inventories	4	21 616	22 264
<b>Total current assets</b>		<b>51 933</b>	<b>50 309</b>
<b>Non-current assets</b>			
Non-current receivables		318	301
Investments in associates		80	82
Investments in other shares		243	259
Deferred tax asset		2 097	2 166
Intangible assets		589	585
Investment property		970	1 041
Property, plant and equipment	5	8 838	9 248
<b>Total non-current assets</b>		<b>13 135</b>	<b>13 682</b>
<b>TOTAL ASSETS</b>		<b>65 068</b>	<b>63 991</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Current lease liabilities		1 824	2 373
Trade and other payables	6	5 401	5 837
Tax liabilities		2 330	1 692
<b>Total current liabilities</b>		<b>9 555</b>	<b>9 902</b>
<b>Non-current liabilities</b>			
Deferred tax liability		980	1 039
Non-current lease liabilities		4 420	4 041
Non-current provisions		38	41
<b>Total non-current liabilities</b>		<b>5 438</b>	<b>5 121</b>
<b>Total liabilities</b>		<b>14 993</b>	<b>15 023</b>
<b>Equity</b>			
Share capital	7	3 600	3 600
Share premium		4 967	4 967
Statutory reserve capital		1 306	1 306
Unrealised exchange rate differences		-20 442	-19 409
Retained earnings		55 938	54 322
<b>Total equity attributable to equity holders of the Parent company</b>		<b>45 369</b>	<b>44 786</b>
Non-controlling interest		4 706	4 182
<b>Total equity</b>		<b>50 075</b>	<b>48 968</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>65 068</b>	<b>63 991</b>

## Consolidated Income Statement

in thousands of EUR	Note	1Q 2023	1Q 2022
		Unaudited	Unaudited
Revenue from contracts with customers	9	14 141	11 036
Cost of goods sold		-6 017	-4 518
<b>Gross Profit</b>		<b>8 124</b>	<b>6 518</b>
Distribution expenses		-2 779	-2 251
Administrative expenses		-1 186	-952
Other operating income		57	90
Other operating expenses		-253	-184
<b>Operating profit</b>		<b>3 963</b>	<b>3 221</b>
Currency exchange income/(expense)		-1 099	-2 470
Other finance income/(expenses)		-156	-104
<b>Net finance income</b>		<b>-1 255</b>	<b>-2 574</b>
Profit (loss) from associates using equity method		4	-13
<b>Profit before tax</b>		<b>2 712</b>	<b>634</b>
Income tax expense		-845	-827
<b>Profit for the period</b>		<b>1 867</b>	<b>-193</b>
Attributable to :			
Equity holders of the Parent company		1 616	-266
Non-controlling interest		251	73
Earnings per share from profit attributable to equity holders of the Parent company, both basic and diluted (EUR)	8	0,04	-0,01

## Consolidated Statement of Comprehensive Income

in thousands of EUR	Note	1Q 2023	1Q 2022
		Unaudited	Unaudited
<b>Profit for the period</b>		<b>1 867</b>	<b>-193</b>
<b>Other comprehensive income (loss) that will be reclassified to profit or loss in subsequent periods :</b>			
Exchange differences on translation of foreign operations		-760	-1 295
<b>Total other comprehensive income for the period</b>		<b>-760</b>	<b>-1 295</b>
<b>Total comprehensive income (loss) for the period</b>		<b>1 107</b>	<b>-1 488</b>
Attributable to :			
Equity holders of the Parent company		583	-1 838
Non-controlling interest		524	350

**Consolidated Statement of Cash Flows**

in thousands of EUR	Note	03m 2023	03m 2022
		Unaudited	Unaudited
<b>Cash flow from operating activities</b>			
<b>Profit for the period</b>		<b>1 867</b>	<b>-193</b>
Adjustments for:			
Depreciation and amortization of non-current assets		798	772
Share of profit of equity accounted investees		-4	13
Gains/Losses on the sale of property, plant and equipment		2	2
Net finance income / costs		1 255	2 574
Provision for impairment losses on trade receivables		-1	0
Provision for inventories		1	0
Income tax expense		845	827
Change in inventories		648	2 199
Change in trade and other receivables		-595	-772
Change in trade and other payables		-282	-1 716
Income tax paid		-401	-563
<b>Net cash flow from operating activities</b>		<b>4 133</b>	<b>3 143</b>
<b>Cash flow from investing activities</b>			
Interest received		23	3
Dividends received		11	1
Proceeds from disposal of property, plant and equipment		2	6
Loans granted		-13	-7
Acquisition of property, plant and equipment		-314	-60
Acquisition of intangible assets		-53	-14
<b>Net cash flow from investing activities</b>		<b>-344</b>	<b>-71</b>
<b>Cash flow from financing activities</b>			
Payment of principal portion of lease liabilities		-518	-509
Interest paid on lease liabilities		-190	-108
Dividends paid		0	0
<b>Net cash flow from financing activities</b>		<b>-708</b>	<b>-617</b>
<b>Net increase in cash and cash equivalents</b>		<b>3 081</b>	<b>2 455</b>
<b>Cash and cash equivalents at the beginning of period</b>		<b>25 909</b>	<b>17 098</b>
Effect of translation to presentation currency		-1 629	-2 428
Effect of exchange rate fluctuations on cash held		212	99
<b>Cash and cash equivalents at the end of period</b>		<b>27 573</b>	<b>17 224</b>

**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
<b>Balance as at 31 December 2021 (Audited)</b>	<b>3 600</b>	<b>4 967</b>	<b>1 306</b>	<b>-18 251</b>	<b>42 526</b>	<b>34 148</b>	<b>3 713</b>	<b>37 861</b>
Profit for the period	0	0	0	0	-266	-266	73	-193
Other comprehensive income for the period	0	0	0	-1 572	0	-1 572	277	-1 295
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1 572</b>	<b>-266</b>	<b>-1 838</b>	<b>350</b>	<b>-1 488</b>
<b>Transactions with owners, recognised directly in equity</b>								
Dividends declared	0	0	0	0	0	0	0	0
<b>Total transactions with owners, recognised directly in equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance as at 31 March 2022 (Unaudited)</b>	<b>3 600</b>	<b>4 967</b>	<b>1 306</b>	<b>-19 823</b>	<b>42 260</b>	<b>32 310</b>	<b>4 063</b>	<b>36 373</b>
<b>Balance as at 31 December 2022 (Audited)</b>	<b>3 600</b>	<b>4 967</b>	<b>1 306</b>	<b>-19 409</b>	<b>54 322</b>	<b>44 786</b>	<b>4 182</b>	<b>48 968</b>
Profit for the period	0	0	0	0	1 616	1 616	251	1 867
Other comprehensive income for the period	0	0	0	-1 033	0	-1 033	273	-760
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1 033</b>	<b>1 616</b>	<b>583</b>	<b>524</b>	<b>1 107</b>
<b>Transactions with owners, recognised directly in equity</b>								
Dividends declared	0	0	0	0	0	0	0	0
<b>Total transactions with owners, recognised directly in equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance as at 31 March 2023 (Unaudited)</b>	<b>3 600</b>	<b>4 967</b>	<b>1 306</b>	<b>-20 442</b>	<b>55 938</b>	<b>45 369</b>	<b>4 706</b>	<b>50 075</b>

## 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 March 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 Q1 of 2023 ended on 31 March 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	31.03.23	31.12.22
Cash on hand	43	171
Current bank accounts in EUR	4 978	2 956
Current bank accounts in other currencies than EUR	397	300
Short-term bank deposits in EUR	22 000	22 000
Short-term bank deposits in other currencies than EUR	78	191
Short-term guarantee deposits	7	7
Cash in transit	70	284
<b>Total</b>	<b>27 573</b>	<b>25 909</b>

in thousands of EUR	31.03.23	31.12.22
Estonia	22 722	22 329
Latvia	96	122
Russia	2 874	1 785
Belarus	1 439	1 266
Ukraine	173	195
Monaco	269	212
<b>Total</b>	<b>27 573</b>	<b>25 909</b>

**Note 3 Trade receivables and other assets**

in thousands of EUR	<b>31.03.23</b>	<b>31.12.22</b>
Trade accounts receivable from third parties	1 550	939
Trade accounts receivable from related parties	0	0
Receivables on services rendered	39	30
Other receivables	138	134
Deffered expenses	93	111
	1 820	1 214
Allowance for expected credit losses	-55	-59
<b>Total trade and other receivables</b>	<b>1 765</b>	<b>1 155</b>
<b>Prepayments and other tax receivables</b>		
Prepayments issued to suppliers	410	450
VAT recoverable	544	520
Other tax prepayments	2	1
<b>Total prepayments and other tax receivables</b>	<b>956</b>	<b>971</b>
<b>Total trade receivables and other assets</b>	<b>2 721</b>	<b>2 126</b>

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	<b>31.03.23</b>	<b>31.12.22</b>
Raw and other materials	4 874	6 042
Work in progress	1 250	1 079
Finished goods	13 466	14 143
Other inventories	2 026	1 000
<b>Total</b>	<b>21 616</b>	<b>22 264</b>

## 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
<b>31.12.2021</b>						
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
<b>Net book amount</b>	<b>1 856</b>	<b>1 667</b>	<b>507</b>	<b>5 877</b>	<b>64</b>	<b>9 971</b>
<b>Movements during 03m 2022</b>						
Additions	0	2	49	551	9	611
Disposals	0	0	-4	-47	0	-51
Reclassifications	0	5	9	0	-14	0
Depreciation	-25	-136	-69	-530	0	-760
Unrealised exchange rate differences	-235	-188	-34	-619	-7	-1 083
<b>Closing net book amount</b>	<b>1 596</b>	<b>1 350</b>	<b>458</b>	<b>5 232</b>	<b>52</b>	<b>8 688</b>
<b>31.03.2022</b>						
Cost	3 556	13 285	4 049	11 534	52	32 476
Accumulated depreciation	-1 960	-11 935	-3 591	-6 302	0	-23 788
<b>Net book amount</b>	<b>1 596</b>	<b>1 350</b>	<b>458</b>	<b>5 232</b>	<b>52</b>	<b>8 688</b>
<b>31.12.2022</b>						
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
<b>Net book amount</b>	<b>1 740</b>	<b>1 278</b>	<b>561</b>	<b>5 636</b>	<b>33</b>	<b>9 248</b>
<b>Movements during 03m 2023</b>						
Additions	0	4	119	384	192	699
Modification	0	0	0	274	0	274
Disposals	0	0	0	-5	0	-5
Reclassifications	0	40	98	0	-138	0
Depreciation	-20	-108	-65	-585	0	-778
Unrealised exchange rate differences	-104	-73	-48	-370	-5	-600
<b>Closing net book amount</b>	<b>1 616</b>	<b>1 141</b>	<b>665</b>	<b>5 334</b>	<b>82</b>	<b>8 838</b>
<b>31.03.2023</b>						
Cost	3 784	13 943	4 642	13 686	82	36 137
Accumulated depreciation	-2 168	-12 802	-3 977	-8 352	0	-27 299
<b>Net book amount</b>	<b>1 616</b>	<b>1 141</b>	<b>665</b>	<b>5 334</b>	<b>82</b>	<b>8 838</b>

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

## Note 6 Trade and other payables

in thousands of EUR		
	31.03.23	31.12.22
Trade accounts payable to third parties	3 202	4 055
Prepayments received from customers	752	690
Accrued expenses	589	505
Accounts payables to employees	589	429
Other payables	269	158
<b>Total trade and other payables</b>	<b>5 401</b>	<b>5 837</b>

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 March 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 March 2023 AS Silvano Fashion Group had 3 591 shareholders (as of 31 December 2022: 3 585 shareholders).

## Note 8 Earnings per share

The calculation of basic earnings per share for Q1 of 2023 (Q1 of 2022) is based on profit attributable to owners and a weighted average number of ordinary shares.

in thousands of shares	Q1 2023	Q1 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
<b>Weighted average number of ordinary shares for the period</b>	<b>36 000</b>	<b>36 000</b>

in thousands of EUR	Q1 2023	Q1 2022
Profit (loss) for the period attributable to equity holders of the Parent company	1 616	-266
Basic earnings per share (EUR)	0.04	-0.01
Diluted earnings per share (EUR)	0.04	-0.01

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	03m 2023	03m 2022
Revenue from wholesale	9 112	7 440
Revenue from retail	5 020	3 584
Subcontracting and services	0	9
Other sales	9	3
<b>Total</b>	<b>14 141</b>	<b>11 036</b>

### 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.

<b>Sales of goods and services</b>		
in thousands of EUR	03m 2023	03m 2022
Associates	150	65
<b>Total</b>	<b>150</b>	<b>65</b>

<b>Balances with related parties</b>		
in thousands of EUR	31.03.2023	31.12.2022
Trade receivables from associates	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

<b>Benefits to key management of the group</b>		
in thousands of EUR	03m 2023	03m 2022
Remunerations and benefits	156	144
<b>Total</b>	<b>156</b>	<b>144</b>

### 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>	03m 2023 and as of 31.03.2023					
	Lingerie retail	Lingerie wholesale	Total segments	Unallocated	Eliminations	Total
Revenue from external customers	5 020	9 112	14 132	9		14 141
Intersegment revenues	0	8 416	8 416	807	-9 223	0
<b>EBITDA</b>	<b>2 262</b>	<b>2 536</b>	<b>4 798</b>	<b>-37</b>		<b>4 761</b>
Amortization and depreciation	-550	-110	-660	-138		-798
<b>Operating income, EBIT</b>	<b>1 712</b>	<b>2 426</b>	<b>4 138</b>	<b>-175</b>	<b>0</b>	<b>3 963</b>
Profit from associates using equity method	0	4	4	0		4
Net financial income	-121	-1	-122	-1 133		-1 255
Income tax	-183	-656	-839	-6		-845
<b>Net profit</b>	<b>1 408</b>	<b>1 773</b>	<b>3 181</b>	<b>-1 314</b>	<b>0</b>	<b>1 867</b>
Investments in associates	0	80	80	0		80
Other operating segments assets	4 463	34 779	39 242	25 746		64 988
Reportable segments liabilities	1 388	11 135	12 523	2 470		14 993
Capital expenditures	518	234	752	0		752
Number of employees as of reporting date	505	1 031	1 536	107		1 643
<b>Operating segments</b> <i>in thousands of EUR</i>	<b>03m 2022 and as of 31.03.2022</b>					
	Lingerie retail	Lingerie wholesale	Total segments	Unallocated	Eliminations	Total
Revenue from external customers	3 584	7 440	11 024	12		11 036
Intersegment revenues	0	6 870	6 870	596	-7 466	0
<b>EBITDA</b>	<b>1 741</b>	<b>2 201</b>	<b>3 942</b>	<b>51</b>		<b>3 993</b>
Amortization and depreciation	-488	-150	-638	-134		-772
<b>Operating income, EBIT</b>	<b>1 253</b>	<b>2 051</b>	<b>3 304</b>	<b>-83</b>	<b>0</b>	<b>3 221</b>
Profit from associates using equity method	0	-13	-13	0		-13
Net financial income	-205	-673	-878	-1 696		-2 574
Income tax	-99	-362	-461	-366		-827
<b>Net profit</b>	<b>949</b>	<b>1 003</b>	<b>1 952</b>	<b>-2 145</b>	<b>0</b>	<b>-193</b>
Investments in associates	0	56	56	0		56
Other operating segments assets	3 893	28 453	32 346	18 292		50 638
Reportable segments liabilities	1 900	9 051	10 951	3 370		14 321
Capital expenditures	596	27	623	2		625
Number of employees as of reporting date	484	994	1 478	108		1 586

**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	<b>Revenue Q1 2023</b>	<b>Revenue Q1 2022</b>	<b>Non-current assets 31.03.2023</b>	<b>Non-current assets 31.12.2022</b>
Russia	8 495	6 228	3 152	3 316
Belarus	3 582	2 648	9 602	10 023
Ukraine	47	222	0	0
Baltics	283	311	355	318
Other countries	1 734	1 627	26	25
<b>Total</b>	<b>14 141</b>	<b>11 036</b>	<b>13 135</b>	<b>13 682</b>