



## **AS Silvano Fashion Group**

### **Consolidated Interim Financial Report for Q4 and 12 months of 2021 (unaudited)**

(translation of the Estonian original) \*

Beginning of the reporting period	1 January 2021
End of the reporting period	31 December 2021
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, Ukraine, 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 2021 the Group employed 1 602 people (as of 31 December 2020: 1 744 people).

The Group comprises of the following entities:

<b>Parent company</b>	<b>Location</b>	<b>Main activity</b>	<b>Ownership interest 31.12.2021</b>	<b>Ownership interest 31.12.2020</b>
AS Silvano Fashion Group	Estonia	Holding		
<b>Entities belonging to the Silvano Fashion Group</b>				
Silvano Fashion ZAO	Russia	Retail and Wholesale	100%	100%
Silvano Fashion OOO	Belarus	Retail and Wholesale	100%	100%
Silvano Fashion TOV	Ukraine	Wholesale	100%	100%
Silvano Fashion SIA	Latvia	Retail and Wholesale	100%	100%
Milavitsa SP ZAO	Belarus	Manufacturing and Wholesale	85.02%	85.02%
Yunona OAO	Belarus	Manufacturing and Wholesale	58.33%	58.33%
Gimil OOO	Belarus	Manufacturing and Wholesale	100%	100%
Lauma Lingerie AS	Latvia	Manufacturing and Wholesale	100%	100%
Alisee SARL	Monaco	Holding	99%	99%
Stolichnaja Torgovaja Kompanija “Milavitsa” ZAO	Russia	Holding	100%	100%
Baltsped logistik OOO	Belarus	Logistics	50%	50%

## Business environment and results

The Group's sales amounted to 46 686 thousand EUR during the 12 months of 2021, representing a 21.3% increase as compared to the same period for the previous year. The Group's gross profit during the 12 months of 2021 amounted to 25 410 thousand EUR and increased by 9.5% compared to 12 months of 2020. The Gross margin during the 12 months of 2021 decreased to 54.4% from 60.3% as compared to 12 months of 2020.

Consolidated operating profit for 12 months of 2021 increased by 23.3% to 13 005 thousand EUR, compared to 10 544 thousand EUR in 12 months of 2020. Consolidated EBITDA for 12 months of 2021 increased by 15.1% and was 16 242 thousand EUR, compared to 14 111 thousand EUR in 12 months of 2020.

Reported consolidated net profit for 12 months of 2021 amounted to 9 924 thousand EUR, as compared to net profit of 1 667 thousand EUR in the prior year's same period. Net profit attributable to equity holders of the Parent company for 12 months of 2021 increased by 570.5% and amounted 9 031 thousand EUR.

### Russia Economic Outlook

The Group's sales on the Russian market totalled 27 511 thousand EUR, increase is 24.4% compared to 12 months of 2020. Local currency sales increased by 32.3% during 12 months of 2021 compared to the same 12 months of 2020. 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 44 stores operated by the Group itself.

### Belarus Economic Outlook

The Group's sales in Belarus in the 12 months of 2021 were 11 569 thousand EUR and increased by 5.9% compared to the 12 months of 2020. Sales in local currency increased by 14.6% during the same period. There are currently a total of 60 stores operated by the Group itself.

### Ukraine Economic Outlook

The Group's sales in Ukraine in the 12 months of 2021 were 1 565 thousand EUR and increased by 38.9% compared to the 12 months of 2020. Sales in local currency increased by 44.2% during the same period.

## Sales structure

### Sales by markets

Group sales in its 3 major markets – Russia, Belarus and Ukraine – were 87.0% of its total sales. Measured in local currencies sales increase was accordingly – 32.3% in Russia, 14.6% in Belarus and 44.2% in Ukraine.

	12m 2021	12m 2020	Change	Change, %
Russia, th RUB	2 380 773	1 799 417	581 356	32.3%
Belarus, th BYN	34 751	30 331	4 420	14.6%
Ukraine, th UAH	50 622	35 117	15 505	44.2%

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

	12m 2021	12m 2020	Change, EUR	Change, %	12m 2021, % of sales	12m 2020, % of sales
in thousands of EUR						
Russia	27 511	22 120	5 391	24.4%	58.9%	57.5%
Belarus	11 569	10 927	642	5.9%	24.8%	28.4%
Ukraine	1 565	1 127	438	38.9%	3.3%	2.9%
Baltics	1 241	1 089	152	14.0%	2.7%	2.8%
Other markets	4 800	3 216	1 584	49.3%	10.3%	8.4%
<b>Total</b>	<b>46 686</b>	<b>38 479</b>	<b>8 207</b>	<b>21.3%</b>	<b>100.0%</b>	<b>100.0%</b>

The majority of lingerie sales revenue during 12 months of 2021 in the amount 27 511 thousand EUR was generated in Russia, accounting for 58.9% of total sales. The second largest market was Belarus, where sales were 11 569 thousand EUR, contributing 24.8% of lingerie sales (both retail and wholesale). Volumes in Ukraine were 1 565 thousand EUR, accounting for 3.3% of total sales.

**Sales by business segments**

	<b>12m 2021</b>	<b>12m 2020</b>	<b>Change, EUR</b>	<b>Change, %</b>	<b>12m 2021, % of sales</b>	<b>12m 2020, % of sales</b>
in thousands of EUR						
Wholesale	30 828	24 771	6 057	24.5%	66.0%	64.4%
Retail	15 757	13 608	2 149	15.8%	33.8%	35.4%
Other operations	101	100	1	1.0%	0.2%	0.2%
<b>Total</b>	<b>46 686</b>	<b>38 479</b>	<b>8 207</b>	<b>21.3%</b>	<b>100.0%</b>	<b>100.0%</b>

During 12 months of 2021 wholesale revenue amounted to 30 828 thousand EUR, representing 66.0% of the Group's total revenue (12 months of 2020: 64.4%). The main wholesale regions were Russia, Belarus and Ukraine.

Our retail revenue increased by 15.8% and amounted to 15 757 thousand EUR, this represents 33.8% of the Group's total revenue.

**Own & franchise store locations, geography**

	<b>Own</b>	<b>Franchise</b>	<b>Total</b>
Russia	44	353	397
Ukraine	0	20	20
Belarus	60	0	60
Baltics	6	21	27
Other regions	0	91	91
<b>Total</b>	<b>110</b>	<b>485</b>	<b>595</b>

At the end of the reporting period the Group and its franchising partners operated 562 Milavitsa and 33 Lauma Lingerie brand stores, including 110 stores operated directly by the Group.

## Selected Financial Indicators

Summarized selected financial indicators of the Group for 12 months of 2021 compared to 12 months of 2020 and 31.12.2021 compared to 31.12.2020 were as follows:

in thousands of EUR	12m 2021	12m 2020	Change
Revenue	46 686	38 479	21.3%
Gross Profit	25 410	23 209	9.5%
Operating profit	13 005	10 544	23.3%
EBITDA	16 242	14 111	15.1%
Net profit for the period	9 924	1 667	495.3%
Net profit attributable equity holders of the Parent company	9 031	1 347	570.5%
Earnings per share (EUR)	0.25	0.04	525.0%
Operating cash flow for the period	12 996	6 356	104.5%

in thousands of EUR	31.12.2021	31.12.2020	Change
Total assets	53 753	42 256	27.2%
Total current assets	40 331	29 597	36.3%
Total equity attributable to equity holders of the Parent company	34 148	24 504	39.4%
Cash and cash equivalents	17 098	8 980	90.4%

Margin analysis, %	12m 2021	12m 2020	Change
Gross profit	54.4	60.3	-9.8%
Operating profit	27.9	27.4	1.8%
EBITDA	34.8	36.7	-5.2%
Net profit	21.3	4.3	395.3%
Net profit attributable to equity holders of the Parent company	19.3	3.5	451.4%

Financial ratios, %	31.12.2021	31.12.2020	Change
ROA	17.9	3.2	459.4%
ROE	28.7	5.6	412.5%
Price to earnings ratio (P/E)	7.8	41.7	-81.3%
Current ratio	4.3	3.4	26.5%
Quick ratio	2.1	1.3	61.5%

### 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 46 686 thousand EUR during 12 months of 2021, representing a 21.3% increase as compared to the same period of previous year. Overall, wholesale increased by 24.5%, measured in EUR.

The Group's gross profit during 12 months of 2021 amounted to 25 410 thousand EUR and increase by 9.5% compared to previous year. The gross margin during 12 months of 2021 decreased to 54.4%, from 60.3% in the respective period of previous year. The cost of sold goods increased by 39.3%.

Consolidated operating profit for 12 months of 2021 amounted to 13 005 thousand EUR, compared to 10 544 thousand EUR in 12 months of 2020, increase by 23.3%. The consolidated operating profit margin was 27.9% for 12 months of 2021 (27.4 in 12 months of 2020). Consolidated EBITDA for 12 months of 2021 increased by 15.1% and amounted to 16 242 thousand EUR, which is 34.8% in margin terms (14 111 thousand EUR and 36.7% for 12 months of 2020).

Reported consolidated net profit attributable to equity holders of the Parent company for 12 months of 2021 amounted to 9 031 thousand EUR, compared to net profit of 1 347 thousand EUR in 12 months of 2020, net profit margin attributable to equity holders of the Parent company for 12 months of 2021 was 19.3% against 3.5% in 12 months of 2020.

## **Financial position**

As of 31 December 2021 consolidated assets amounted to 53 753 thousand EUR representing increase by 27.2% as compared to the position as of 31 December 2020.

Trade and other receivables increased by 237 thousand EUR as compared to 31 December 2020 and amounted to 2 325 thousand EUR as of 31 December 2021. Inventory balance increased by 2 379 thousand EUR and amounted to 20 906 thousand EUR as of 31 December 2021.

Equity attributable to equity holders of the Parent company increased by 9 644 thousand EUR and amounted to 34 148 thousand EUR as of 31 December 2021. Current liabilities increased by 589 thousand EUR during 12 months of 2021.

## **Investments**

During 12 months of 2021 the Group's investments into property, plant and equipment totalled 312 thousand EUR, in previous year same period 289 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 2021, the Group employed 1 602 employees, including 485 people in retail operations. The rest were employed in production, wholesale, administration and support operations. In 31.12.2020 there were 1 744 employees, including 500 people in retail operations.

Total salaries and related taxes during 12 months of 2021 amounted to 9 388 thousand EUR (9 854 thousand EUR in 12 months of 2020). The remuneration of key management of the Group, including the key executives of all subsidiaries, totalled 598 thousand EUR.

## **Decisions made by governing bodies during 12 months 2021**

On June 22, 2021 Silvano Fashion Group held its regular Annual General Meeting of Shareholders. The Meeting adopted the following decisions.

- The Meeting approved the 2020 Consolidated Annual Report.
- The Meeting decided to leave the net profit undistributed and include the net profit of the financial year 2020 in retained earnings.

## **Shares of AS Silvano Fashion Group**

As of 31 December 2021 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 Silvano Fashion Group Consolidated Interim Financial Report for Q4 and 12 months of 2021*

As of 31 December 2021 AS Silvano Fashion Group 3 389 shareholders (as of 31 December 2020: 2 931 shareholders).

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

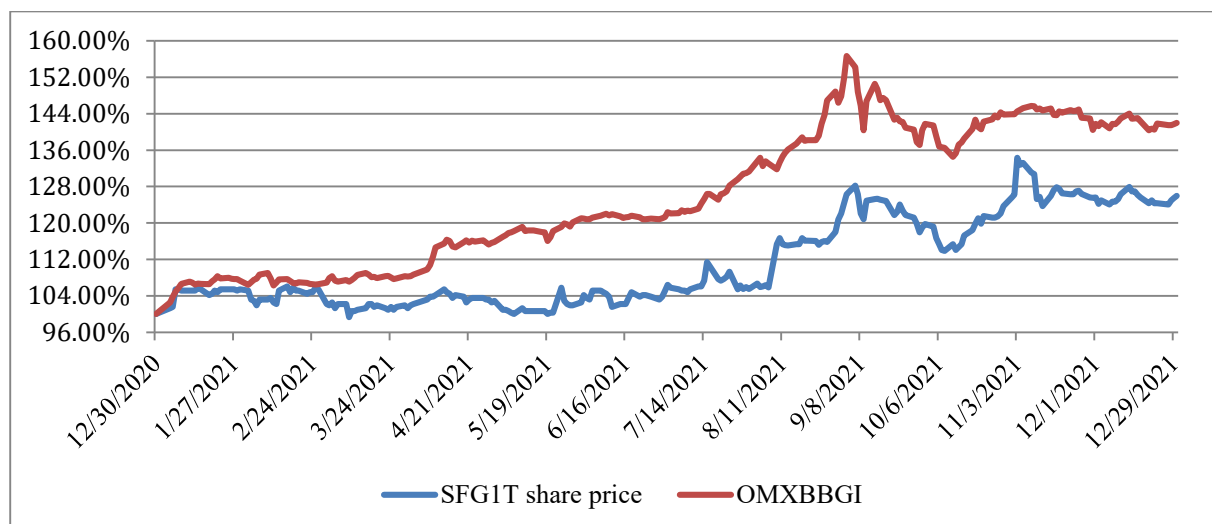
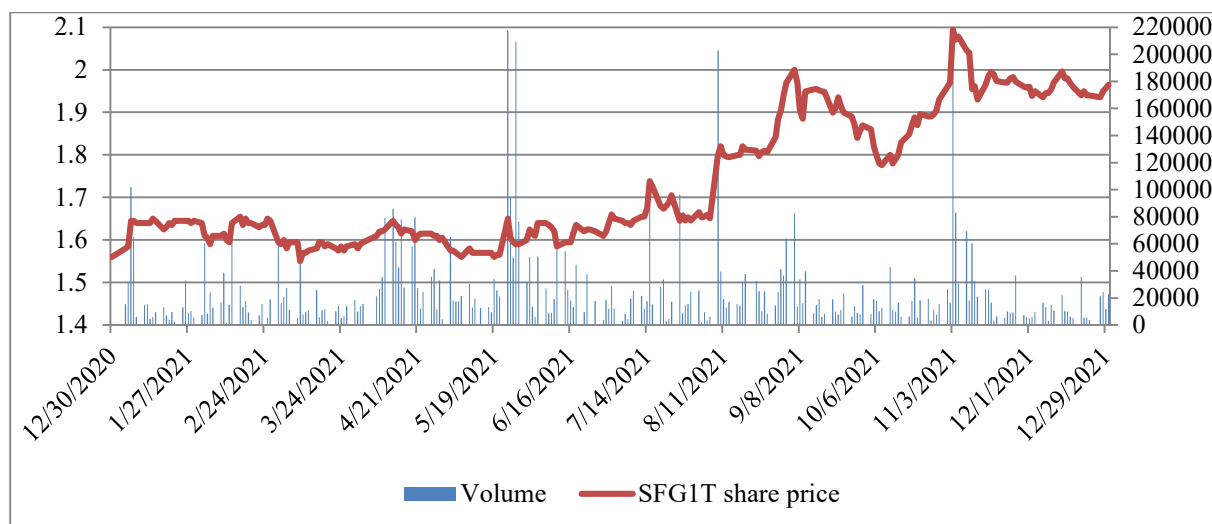
Name	Number of shares	Shareholding
<b>Major shareholders</b>	<b>18 882 079</b>	<b>52.45%</b>
BALTPLAST AS	9 049 804	25.14%
AS SEB PANK CLIENTS	8 000 000	22.22%
Clearstream Banking AG	1 832 275	5.09%
<b>Other shareholders</b>	<b>17 117 921</b>	<b>47.55%</b>
<b>Total number of shares</b>	<b>36 000 000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

As of 31 December 2020 shareholders, whose interest in AS Silvano Fashion Group exceeded 5% included:

Name	Number of shares	Shareholding
<b>Major shareholders</b>	<b>16 820 000</b>	<b>46.72%</b>
BALTPLAST AS	8 820 000	24.50%
AS SEB PANK CLIENTS	8 000 000	22.22%
<b>Other shareholders</b>	<b>19 180 000</b>	<b>53.28%</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 12 months of 2021 (EUR)**

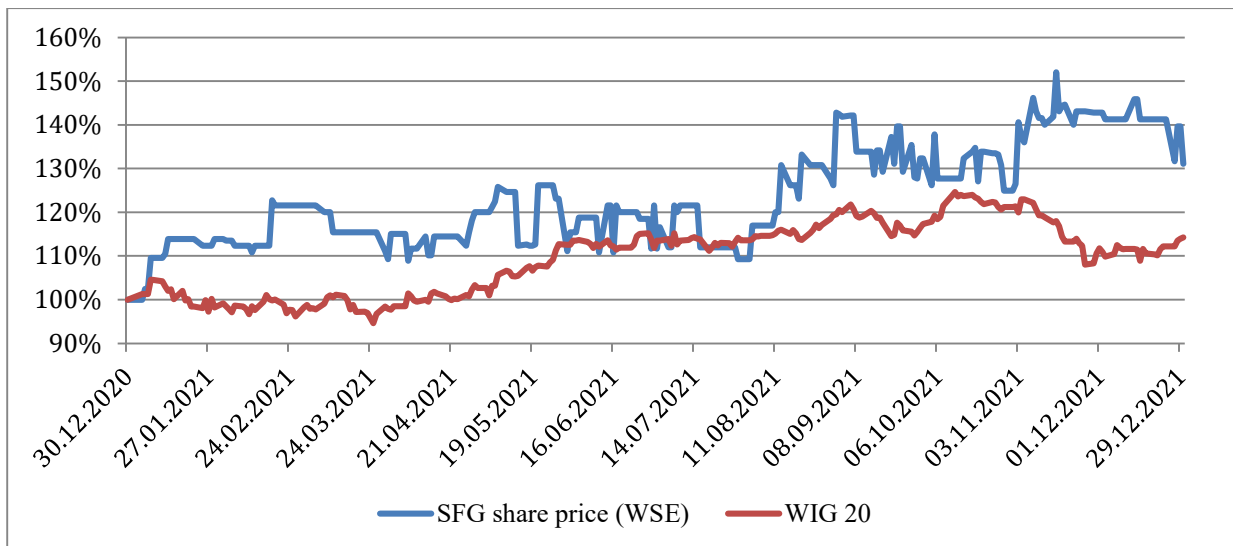
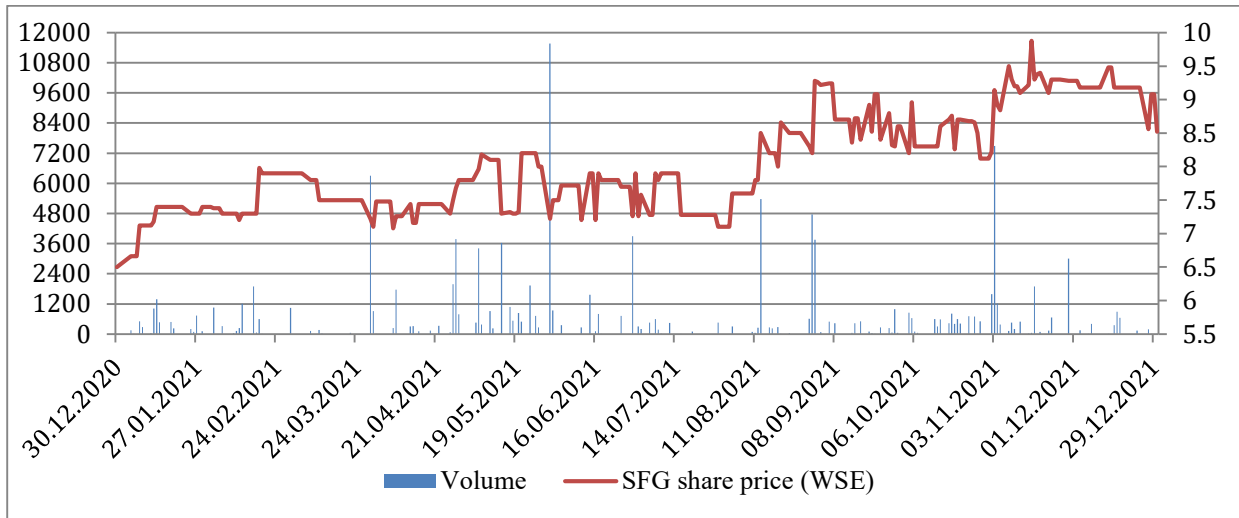
During 12 months of 2021 the highest and lowest prices of the AS Silvano Fashion Group` share on the Tallinn Stock Exchange were 2.09 EUR and 1.55 EUR, respectively





**Share price development on the Warsaw Stock Exchange during 12 months of 2021 (PLN)**

During 12 months of 2021, the highest and lowest prices of the AS Silvano Fashion Group` share on the Warsaw Stock Exchange were 9.88 PLN and 6.66 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 2021 (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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Member of the Management Board  
February 28, 2022

## Consolidated Statement of Financial Position

in thousands of EUR	Note	31.12.2021	31.12.2020
		Unaudited	Audited
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	17 098	8 980
Current loans granted		2	2
Trade and other receivables	3	2 325	2 088
Inventories	4	20 906	18 527
<b>Total current assets</b>		<b>40 331</b>	<b>29 597</b>
<b>Non-current assets</b>			
Long-term receivables		262	249
Investments in associates		80	57
Investments in other shares		262	238
Deferred tax asset		1 226	1 032
Intangible assets		535	374
Investment property		1 086	1 018
Property, plant and equipment	5	9 971	9 691
<b>Total non-current assets</b>		<b>13 422</b>	<b>12 659</b>
<b>TOTAL ASSETS</b>		<b>53 753</b>	<b>42 256</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Short-term borrowings		0	400
Short-term lease liabilities		2 193	2 121
Trade and other payables	6	6 504	5 583
Tax liabilities		671	675
<b>Total current liabilities</b>		<b>9 368</b>	<b>8 779</b>
<b>Non-current liabilities</b>			
Deferred tax liability		1 746	500
Long-term borrowings		0	400
Long-term lease liabilities		4 727	4 707
Long-term provisions		51	52
<b>Total non-current liabilities</b>		<b>6 524</b>	<b>5 659</b>
<b>Total liabilities</b>		<b>15 892</b>	<b>14 438</b>
<b>Equity</b>			
Share capital	7	3 600	3 600
Share premium		4 967	4 967
Statutory reserve capital		1 306	1 306
Revaluation reserve		0	355
Unrealised exchange rate differences		-18 251	-18 864
Retained earnings		42 526	33 140
<b>Total equity attributable to equity holders of the Parent company</b>		<b>34 148</b>	<b>24 504</b>
Non-controlling interest		3 713	3 314
<b>Total equity</b>		<b>37 861</b>	<b>27 818</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>53 753</b>	<b>42 256</b>

## Consolidated Income Statement

in thousands of EUR	Note	4Q 2021	4Q 2020	12m 2021	12m 2020
		Unaudited	Unaudited	Unaudited	Audited
Revenue from contracts with customers	9	9 795	8 720	46 686	38 479
Cost of goods sold		-5 480	-3 608	-21 276	-15 270
<b>Gross Profit</b>		<b>4 315</b>	<b>5 112</b>	<b>25 410</b>	<b>23 209</b>
Distribution expenses		-2 120	-1 940	-8 573	-8 548
Administrative expenses		-892	-911	-3 555	-3 779
Other operating income		-407	113	406	336
Other operating expenses		-216	-200	-683	-674
<b>Operating profit</b>		<b>680</b>	<b>2 174</b>	<b>13 005</b>	<b>10 544</b>
Currency exchange income/(expense)		158	324	1 565	-6 062
Other finance income/(expenses)		-116	-83	-432	-428
<b>Net finance income</b>		<b>42</b>	<b>241</b>	<b>1 133</b>	<b>-6 490</b>
Profit (loss) from associates using equity method		13	4	19	1
<b>Profit before tax</b>		<b>735</b>	<b>2 419</b>	<b>14 157</b>	<b>4 055</b>
Income tax expense		-1 329	-1 950	-4 233	-2 388
<b>Profit for the period</b>		<b>-594</b>	<b>469</b>	<b>9 924</b>	<b>1 667</b>
Attributable to :					
Equity holders of the Parent company		-531	347	9 031	1 347
Non-controlling interest		-63	122	893	320
Earnings per share from profit attributable to equity holders of the Parent company, both basic and diluted (EUR)	8	-0.01	0.01	0.25	0.04

## Consolidated Statement of Comprehensive Income

in thousands of EUR	Note	4Q 2021	4Q 2020	12m 2021	12m 2020
		Unaudited	Unaudited	Unaudited	Audited
<b>Profit for the period</b>		<b>-594</b>	<b>469</b>	<b>9 924</b>	<b>1 667</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		161	-437	869	-3 187
<b>Total other comprehensive income for the period</b>		<b>161</b>	<b>-437</b>	<b>869</b>	<b>-3 187</b>
<b>Total comprehensive income (loss) for the period</b>		<b>-433</b>	<b>32</b>	<b>10 793</b>	<b>-1 520</b>
Attributable to :					
Equity holders of the Parent company		-353	318	9 644	-1 820
Non-controlling interest		-80	-286	1 149	300

## Consolidated Statement of Cash Flows

in thousands of EUR	Note	12m 2021	12m 2020
		Unaudited	Audited
<b>Cash flow from operating activities</b>			
<b>Profit for the period</b>		<b>9 924</b>	<b>1 667</b>
Adjustments for:			
Depreciation and amortization of non-current assets		3 237	3 567
Share of profit of equity accounted investees		-19	-1
Gains/Losses on the sale of property, plant and equipment		24	9
Net finance income / costs		-1 133	450
Provision for impairment losses on trade receivables		-1	20
Provision for inventories		187	202
Provision for benefits to employees		0	52
Income tax expense		4 233	2 388
Change in inventories		-1 979	832
Change in trade and other receivables		-237	427
Change in trade and other payables		917	-1 512
Interest paid		-2	-9
Income tax paid		-2 155	-1 736
<b>Net cash flow from operating activities</b>		<b>12 996</b>	<b>6 356</b>
<b>Cash flow from investing activities</b>			
Interest received		19	13
Dividends received		0	46
Proceeds from disposal of property, plant and equipment		143	75
Acquisition of property, plant and equipment		-312	-289
Acquisition of intangible assets		-147	-110
<b>Net cash flow from investing activities</b>		<b>-297</b>	<b>-265</b>
<b>Cash flow from financing activities</b>			
Acquisition of non-controlling interests		0	-26
Proceeds from borrowings		0	800
Repayment of borrowings		-800	0
Payment of principal portion of lease liabilities		-2 402	-2 003
Interest paid on lease liabilities		-450	-492
Dividends paid		-750	-413
<b>Net cash flow from financing activities</b>		<b>-4 402</b>	<b>-2 134</b>
<b>Net increase in cash and cash equivalents</b>		<b>8 297</b>	<b>3 957</b>
<b>Cash and cash equivalents at the beginning of period</b>		<b>8 980</b>	<b>5 152</b>
Effect of translation to presentation currency		75	0
Effect of exchange rate fluctuations on cash held		-254	-129
<b>Cash and cash equivalents at the end of period</b>		<b>17 098</b>	<b>8 980</b>

### 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
<b>Balance as at 31 December 2019</b>	<b>3 600</b>	<b>4 967</b>	<b>1 306</b>	<b>355</b>	<b>-15 697</b>	<b>31 793</b>	<b>26 324</b>	<b>3 427</b>	<b>29 751</b>
Profit for the period	0	0	0	0	0	1 347	1 347	320	1 667
Other comprehensive income for the period	0	0	0	0	-3 167	0	-3 167	-20	-3 187
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-3 167</b>	<b>1 347</b>	<b>-1 820</b>	<b>300</b>	<b>-1 520</b>
<b>Transactions with owners, recognised directly in equity</b>									
Dividends declared	0	0	0	0	0	0	0	-413	-413
<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>-413</b>	<b>-413</b>
<b>Balance as at 31 December 2020 (Audited)</b>	<b>3 600</b>	<b>4 967</b>	<b>1 306</b>	<b>355</b>	<b>-18 864</b>	<b>33 140</b>	<b>24 504</b>	<b>3 314</b>	<b>27 818</b>
<b>Balance as at 31 December 2020 (Audited)</b>	<b>3 600</b>	<b>4 967</b>	<b>1 306</b>	<b>355</b>	<b>-18 864</b>	<b>33 140</b>	<b>24 504</b>	<b>3 314</b>	<b>27 818</b>
Profit for the period	0	0	0	0	0	9 031	9 031	893	9 924
Other comprehensive income for the period	0	0	0	0	613	0	613	256	869
Transfer of revaluation reserve	0	0	0	-355	0	355	0	0	0
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-355</b>	<b>613</b>	<b>9 386</b>	<b>9 644</b>	<b>1 149</b>	<b>10 793</b>
<b>Transactions with owners, recognised directly in equity</b>									
Dividends declared	0	0	0	0	0	0	0	-750	-750
<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>-750</b>	<b>-750</b>
<b>Balance as at 31 December 2021 (Unaudited)</b>	<b>3 600</b>	<b>4 967</b>	<b>1 306</b>	<b>0</b>	<b>-18 251</b>	<b>42 526</b>	<b>34 148</b>	<b>3 713</b>	<b>37 861</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 December 2021 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 2021 ended on 31 December 2021 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 2020, 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 2020 there are no new IFRSs or IFRIC interpretations that are effective for the financial year beginning on or after 1 January 2021 and that would be expected to have a material impact on the Group.

### Note 2 Cash and cash equivalents

in thousands of EUR	31.12.21	31.12.20
Cash on hand	123	66
Current bank accounts in EUR	11 591	8 302
Current bank accounts in other currencies than EUR	552	208
Short-term bank deposits in all currencies	4 661	211
Short-term guarantee deposits	13	20
Cash in transit	158	173
<b>Total</b>	<b>17 098</b>	<b>8 980</b>

### Note 3 Trade and other receivables

in thousands of EUR	31.12.21	31.12.20
Trade receivables from third parties	910	1 079
Trade receivables from related parties	56	0
Impairment of receivables	-57	-57
Tax prepayments	647	471
Other receivables	769	595
<b>Total</b>	<b>2 325</b>	<b>2 088</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	31.12.21	31.12.20
Raw and other materials	4 760	3 691
Work in progress	1 010	954
Finished goods	13 914	13 065
Other inventories	1 222	817
<b>Total</b>	<b>20 906</b>	<b>18 527</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>31.12.2019</b>						
Cost	5 781	17 834	5 354	11 564	63	<b>40 596</b>
Accumulated depreciation	-2 729	-14 623	-4 171	-2 821	0	<b>-24 344</b>
<b>Net book amount</b>	<b>3 052</b>	<b>3 211</b>	<b>1 183</b>	<b>8 743</b>	<b>63</b>	<b>16 252</b>
<b>Movements during 12m 2020</b>						
Additions	0	15	92	867	182	<b>1 156</b>
Disposals	0	-1	-65	-112	0	<b>-178</b>
Transfers to Investment property	-446	0	0	0	0	<b>-446</b>
Reclassifications	2	94	101	0	-197	<b>0</b>
Depreciation	-115	-659	-521	-2 232	0	<b>-3 527</b>
Unrealised exchange rate differences	-716	-715	-190	-1 931	-14	<b>-3 566</b>
<b>Closing net book amount</b>	<b>1 777</b>	<b>1 945</b>	<b>600</b>	<b>5 335</b>	<b>34</b>	<b>9 691</b>
<b>31.12.2020</b>						
Cost	3 709	13 734	4 271	9 372	34	<b>31 120</b>
Accumulated depreciation	-1 932	-11 789	-3 671	-4 037	0	<b>-21 429</b>
<b>Net book amount</b>	<b>1 777</b>	<b>1 945</b>	<b>600</b>	<b>5 335</b>	<b>34</b>	<b>9 691</b>
<b>Movements during 12m 2021</b>						
Additions	0	19	138	2 350	155	<b>2 662</b>
Disposals	0	0	-119	-13	0	<b>-132</b>
Reclassifications	0	62	67	0	-129	<b>0</b>
Depreciation	-93	-590	-256	-2 272	0	<b>-3 211</b>
Unrealised exchange rate differences	172	231	77	477	4	<b>961</b>
<b>Closing 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>31.12.2021</b>						
Cost	4 065	14 992	4 625	12 499	64	<b>36 245</b>
Accumulated depreciation	-2 209	-13 325	-4 118	-6 622	0	<b>-26 274</b>
<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>

The Group didn't have any significant binding commitments to purchase property plant and equipment as of 31 December 2021.



### Note 6 Trade and other payables

in thousands of EUR	31.12.21	31.12.20
Trade payables	4 795	4 086
Accrued expenses	422	405
Provisions	37	37
Other payables	1 250	1 055
<b>Total</b>	<b>6 504</b>	<b>5 583</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 December 2021 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 2020, 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 2021 AS Silvano Fashion Group had 3 389 shareholders (as of 31 December 2020: 2 931 shareholders).

### Note 8 Earnings per share

The calculation of basic earnings per share for 12 months of 2021 (12 months of 2020) is based on profit attributable to owners and a weighted average number of ordinary shares.

in thousands of shares	12m 2021	12m 2020
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	12m 2021	12m 2020
Profit for the period attributable to equity holders of the Parent company	9 031	1 347
Basic earnings per share (EUR)	0.25	0.04
Diluted earnings per share (EUR)	0.25	0.04

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 2021	12m 2020
Revenue from wholesale	30 828	24 771
Revenue from retail	15 757	13 608
Subcontracting and services	88	87
Other sales	13	13
<b>Total</b>	<b>46 686</b>	<b>38 479</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.

in thousands of EUR	12m 2021	12m 2020
Associates	551	639
<b>Total</b>	<b>551</b>	<b>639</b>

#### Balances with related parties

in thousands of EUR	31.12.2021	31.12.2020
Trade receivables from associates	56	0
<b>Total</b>	<b>56</b>	<b>0</b>

#### Benefits to key management of the group

in thousands of EUR	12m 2021	12m 2020
Remunerations and benefits	598	710
<b>Total</b>	<b>598</b>	<b>710</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.

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Operating segments <i>in thousands of EUR</i>	12m 2021 and as of 31.12.2021			Unallocated	Eliminations	Total
	Lingerie retail	Lingerie wholesale	Total segments			
Revenue from external customers	15 757	30 828	46 585	101		46 686
Intersegment revenues	0	26 390	26 390	2 522	-28 912	0
<b>EBITDA</b>	<b>6 878</b>	<b>8 884</b>	<b>15 762</b>	<b>480</b>		<b>16 242</b>
Amortization and depreciation	-2 041	-630	-2 671	-566		-3 237
<b>Operating income, EBIT</b>	<b>4 837</b>	<b>8 254</b>	<b>13 091</b>	<b>-86</b>	<b>0</b>	<b>13 005</b>
Profit from associates using equity method	0	19	19	0		19
Net financial income	129	-354	-225	1 358		1 133
Income tax	-835	-2 690	-3 525	-708		-4 233
<b>Net profit</b>	<b>4 131</b>	<b>5 229</b>	<b>9 360</b>	<b>564</b>	<b>0</b>	<b>9 924</b>
Investments in associates	0	80	80	0		80
Other operating segments assets	4 485	30 683	35 168	18 505		53 673
Reportable segments liabilities	1 985	10 402	12 387	3 505		15 892
Capital expenditures	2 463	343	2 806	3		2 809
Number of employees as of reporting date	485	1 009	1 494	108		1 602
<b>Operating segments</b> <i>in thousands of EUR</i>	<b>12m 2020 and as of 31.12.2020</b>					
	Lingerie retail	Lingerie wholesale	Total segments	Unallocated	Eliminations	Total
Revenue from external customers	13 608	24 771	38 379	100		38 479
Intersegment revenues	0	22 433	22 433	2 358	-24 791	0
<b>EBITDA</b>	<b>5 849</b>	<b>7 993</b>	<b>13 842</b>	<b>269</b>		<b>14 111</b>
Amortization and depreciation	-2 221	-728	-2 949	-618	0	-3 567
<b>Operating income, EBIT</b>	<b>3 628</b>	<b>7 265</b>	<b>10 893</b>	<b>-349</b>	<b>0</b>	<b>10 544</b>
Profit from associates using equity method	0	1	1	0	0	1
Net financial income	-686	-670	-1 356	-5 134	0	-6 490
Income tax	-303	-1 311	-1 614	-774	0	-2 388
<b>Net profit</b>	<b>2 639</b>	<b>5 285</b>	<b>7 924</b>	<b>-6 257</b>	<b>0</b>	<b>1 667</b>
Investments in associates	0	57	57	0	0	57
Other operating segments assets	4 311	27 017	31 328	10 871	0	42 199
Reportable segments liabilities	1 999	8 678	10 677	3 761	0	14 438
Capital expenditures	1 032	180	1 212	54	0	1 266
Number of employees as of reporting date	500	1 126	1 626	118		1 744

**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 12m 2021</b>	<b>Revenue 12m 2020</b>	<b>Non-current assets 31.12.2021</b>	<b>Non-current assets 31.12.2020</b>
Russia	27 511	22 120	2 646	1 968
Belarus	11 569	10 927	10 269	10 341
Ukraine	1 565	1 127	0	1
Baltics	1 241	1 089	372	324
Other countries	4 800	3 216	25	25
<b>Total</b>	<b>46 686</b>	<b>38 479</b>	<b>13 312</b>	<b>12 659</b>