



## **AS Silvano Fashion Group**

### **Consolidated Interim Financial Report for Q4 and 12 months of 2022 (unaudited)**

(translation of the Estonian original) \*

Beginning of the reporting period	1 January 2022
End of the reporting period	31 December 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	<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 December 2022 the Group employed 1 616 people (as of 31 December 2021: 1 602 people).

The Group comprises of the following entities:

	<b>Location</b>	<b>Main activity</b>	<b>Ownership interest 31.12.2022</b>	<b>Ownership interest 31.12.2021</b>
<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 31.12.2021).

\*\* 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 31.12.2022 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 57 667 thousand EUR during the 12 months of 2022, representing a 23.5% increase as compared to the same period for the previous year. The Group's gross profit during the 12 months of 2022 amounted to 30 884 thousand EUR and increased by 21.5% compared to 12 months of 2021. The Gross margin during the 12 months of 2022 decreased to 53.6% from 54.4% as compared to 12 months of 2021.

Consolidated operating profit for 12 months of 2022 increased by 12.8% to 14 665 thousand EUR, compared to 13 005 thousand EUR for 12 months of 2021. Consolidated EBITDA for 12 months of 2022 increased by 12.6% and was 18 283 thousand EUR, compared to 16 242 thousand EUR for 12 months of 2021.

Reported consolidated net profit for 12 months of 2022 amounted to 12 544 thousand EUR, as compared to net profit of 9 924 thousand EUR in the prior year's same period. Net profit attributable to equity holders of the Parent company for 12 months of 2022 amounted 11 796 thousand EUR.

### Russia Economic Outlook

The Group's sales on the Russian market totalled 35 215 thousand EUR, increase is 28.0% compared to 12 months of 2021. Local currency sales increased by 3.0% during 12 months of 2022 compared to the same 12 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 49 stores operated by the Group itself (as of 31 December 2021: 44 stores).

### Belarus Economic Outlook

The Group's sales in Belarus in the 12 months of 2022 were 14 619 thousand EUR and increased by 26.4% compared to the 12 months of 2021. Sales in local currency increased by 19.0% during the same period. At the end of the reporting period, there were a total of 59 stores operated by the Group itself (as of 31 December 2021: 60 stores).

### Ukraine Economic Outlook

The Group's sales in Ukraine in the 12 month of 2022 were 233 thousand EUR and decreased by 85.1% compared to the 12 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 86.4% of its total sales. Measured in local currencies sales increase was accordingly – 3.0% in Russia, 19.0% in Belarus.

	12m 2022	12m 2021	Change	Change, %
Russia, th RUB	2 451 014	2 380 773	70 241	3.0%
Belarus, th BYN	41 350	34 751	6 599	19.0%
Ukraine, th UAH	7 531	50 622	-43 091	-85.1%

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

in thousands of EUR	12m 2022	12m 2021	Change, EUR	Change, %	12m 2022, % of sales	12m 2021, % of sales
Russia	35 215	27 511	7 704	28.0%	61.1%	58.9%
Belarus	14 619	11 569	3 050	26.4%	25.3%	24.8%
Ukraine	233	1 565	-1 332	-85.1%	0.4%	3.3%
Baltics	1 490	1 241	249	20.1%	2.6%	2.7%
Other markets	6 110	4 800	1 310	27.3%	10.6%	10.3%
<b>Total</b>	<b>57 667</b>	<b>46 686</b>	<b>10 981</b>	<b>23.5%</b>	<b>100.0%</b>	<b>100.0%</b>

The majority of lingerie sales revenue during 12 months of 2022 in the amount 35 215 thousand EUR was generated in Russia, accounting for 61.1% of total sales. The second largest market was Belarus, where sales were 14 619 thousand EUR, contributing 25.3% of lingerie sales (both retail and wholesale).

### Sales by business segments

in thousands of EUR	12m 2022	12m 2021	Change, EUR	Change, %	12m 2022, % of sales	12m 2021, % of sales
Wholesale	36 323	30 828	5 495	17.8%	63.0%	66.0%
Retail	21 304	15 757	5 547	35.2%	36.9%	33.8%
Other operations	40	101	-61	-60.4%	0.1%	0.2%
<b>Total</b>	<b>57 667</b>	<b>46 686</b>	<b>10 981</b>	<b>23.5%</b>	<b>100.0%</b>	<b>100.0%</b>

During 12 months of 2022 wholesale revenue amounted to 36 323 thousand EUR, representing 63.0% of the Group's total revenue (12 months of 2021: 66.0%). The main wholesale regions were Russia and Belarus.

Our retail revenue increased by 35.2% and amounted to 21 304 thousand EUR, this represents 36.9% of the Group's total revenue.

### Own & franchise store locations, geography

	Own	Franchise	Total
Russia	49	345	394
Belarus	59	0	59
Baltics	6	21	27
Other regions	0	88	88
<b>Total</b>	<b>114</b>	<b>454</b>	<b>568</b>

At the end of the reporting period the Group and its franchising partners operated 535 Milavitsa and 33 Lauma Lingerie brand stores, including 114 stores operated directly by the Group (as of 31 December 2021: 110 stores).

## Selected Financial Indicators

Summarized selected financial indicators of the Group for 12 months of 2022 compared to 12 months of 2021 and 31.12.2022 compared to 31.12.2021 were as follows:

in thousands of EUR	12m 2022	12m 2021	Change
Revenue	57 667	46 686	23.5%
Gross Profit	30 884	25 410	21.5%
Operating profit	14 665	13 005	12.8%
EBITDA	18 283	16 242	12.6%
Net profit for the period	12 544	9 924	26.4%
Net profit attributable equity holders of the Parent company	11 796	9 031	30.6%
Earnings per share (EUR)	0,33	0,25	32.0%
Operating cash flow for the period	14 062	12 996	8.2%

in thousands of EUR	31.12.2022	31.12.2021	Change
Total assets	63 991	53 753	19.0%
Total current assets	50 309	40 331	24.7%
Total equity attributable to equity holders of the Parent company	44 786	34 148	31.2%
Cash and cash equivalents	25 909	17 098	51.5%

Margin analysis, %	12m 2022	12m 2021	Change
Gross profit	53,6	54,4	-1.5%
Operating profit	25,4	27,9	-9.0%
EBITDA	31,7	34,8	-8.9%
Net profit	21,8	21,3	2.3%
Net profit attributable to equity holders of the Parent company	20,5	19,3	6.2%

Financial ratios, %	31.12.2022	31.12.2021	Change
ROA	19,0	17,9	6.1%
ROE	28,1	28,7	-2.1%
Price to earnings ratio (P/E)	3,4	7,8	-56.4%
Current ratio	5,1	4,3	18.6%
Quick ratio	2,8	2,1	33.3%

### 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 57 667 thousand EUR during 12 months of 2022, representing a 23.5% increase as compared to the same period of previous year. Overall, retail increased by 35.2%, measured in EUR.

The Group's gross profit during 12 months of 2022 amounted to 30 884 thousand EUR and increase by 21.5% compared to previous year. The gross margin during 12 months of 2022 decreased to 53.6%, from 54.4% in the respective period of previous year. The cost of sold goods increased by 25.9%.

Consolidated operating profit for 12 months of 2022 amounted to 14 665 thousand EUR, compared to 13 005 thousand EUR for 12 months of 2021, increase by 12.8%. The consolidated operating profit margin was 25.4% for 12 months of 2022 (27.9% for 12 months of 2021). Consolidated EBITDA for 12 months of 2022 increased by 12.6% and amounted to 18 283 thousand EUR, which is 31.7% in margin terms (16 242 thousand EUR and 34.8% for 12 months of 2021).

Reported consolidated net profit attributable to equity holders of the Parent company for 12 months of 2022 amounted to 11 796 thousand EUR, compared to net profit of 9 031 thousand EUR for 12 months of 2021, net profit margin attributable to equity holders of the Parent company for 12 months of 2022 was 20.5% against net profit 19.3% for 12 months of 2021.

## Financial position

As of 31 December 2022 consolidated assets amounted to 63 991 thousand EUR representing increase by 19.0% as compared to the position as of 31 December 2021.

Trade and other receivables decreased by 199 thousand EUR as compared to 31 December 2021 and amounted to 2 126 thousand EUR as of 31 December 2022. Inventory balance increased by 1 358 thousand EUR and amounted to 22 264 thousand EUR as of 31 December 2022.

Equity attributable to equity holders of the Parent company increased by 10 638 thousand EUR and amounted to 44 786 thousand EUR as of 31 December 2022. Current liabilities increased by 534 thousand EUR during 12 months of 2022.

## Investments

During 12 months of 2022 the Group's investments into property, plant and equipment totalled 445 thousand EUR, in previous year same period 312 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 2022, the Group employed 1 616 employees, including 499 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 12 months of 2022 amounted to 12 759 thousand EUR (9 388 thousand EUR in 12 months of 2021). The remuneration of key management of the Group, including the key executives of all subsidiaries, totalled 677 thousand EUR.

## Decisions made by governing bodies during 12 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 31 December 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 31 December 2022 AS Silvano Fashion Group 3 585 shareholders (as of 31 December 2021: 3 389 shareholders).

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

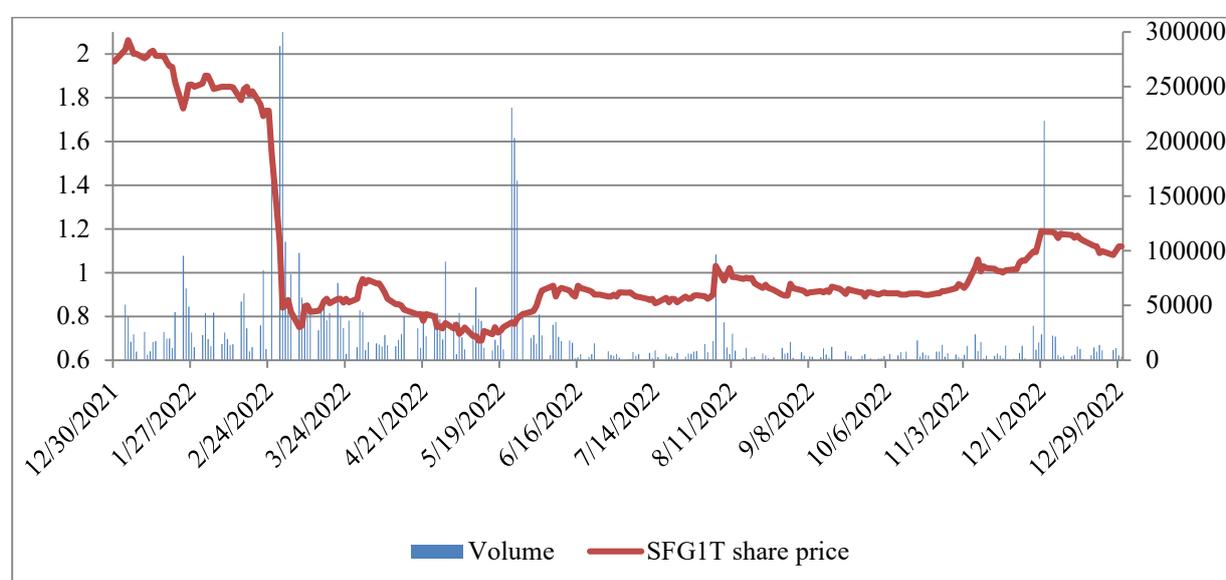
Name	Number of shares	Shareholding
<b>Major shareholders</b>	<b>19 267 985</b>	<b>53.52%</b>
BALTPLAST AS	9 115 798	25.32%
AS SEB PANK CLIENTS	8 000 000	22.22%
UNICREDIT BANK AUSTRIA AG	2 152 187	5.98%
<b>Other shareholders</b>	<b>16 732 015</b>	<b>46.48%</b>
<b>Total number of shares</b>	<b>36 000 000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

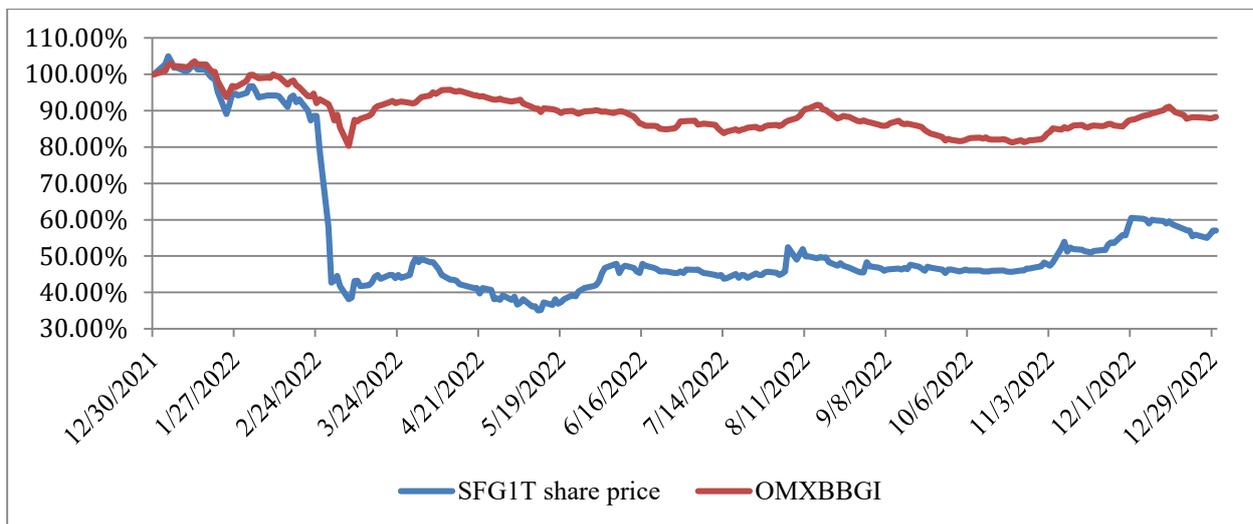
As of 31 December 2021 shareholders, whose interest in AS Silvano Fashion Group exceeded 5% included:

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>

## Share price development and turnover on the Tallinn Stock Exchange during 12 months of 2022 (EUR)

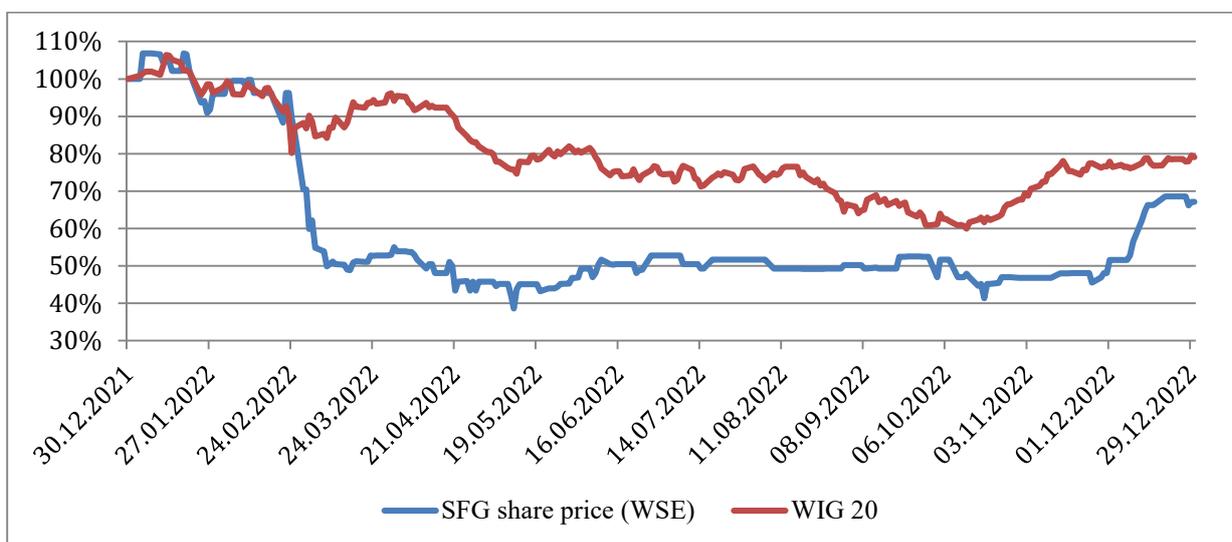
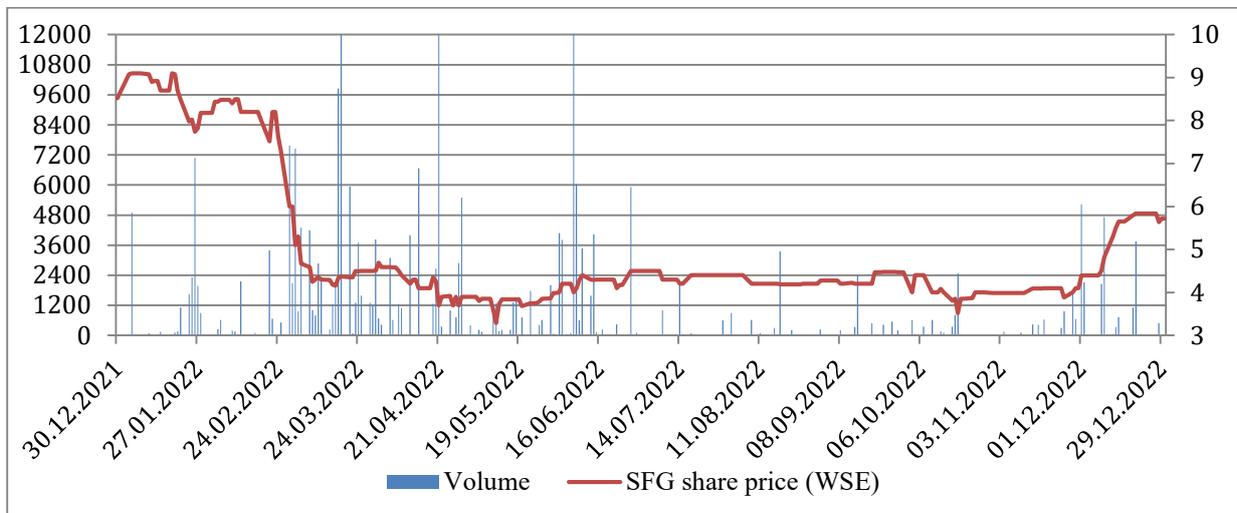
During 12 months of 2022 the highest and lowest prices of the AS Silvano Fashion Group` share on the Tallinn Stock Exchange were 2.078 EUR and 0.6601 EUR, respectively





**Share price development on the Warsaw Stock Exchange during 12 months of 2022 (PLN)**

During 12 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 12 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.



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Jarek Sārgava  
Member of the Management Board  
February 28, 2023

## Consolidated Statement of Financial Position

in thousands of EUR	Note	31.12.2022	31.12.2021
		Unaudited	Audited
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	25 909	17 098
Current loans granted		10	2
Trade and other receivables	3	2 126	2 325
Inventories	4	22 264	20 906
<b>Total current assets</b>		<b>50 309</b>	<b>40 331</b>
<b>Non-current assets</b>			
Long-term receivables		301	262
Investments in associates		82	80
Investments in other shares		259	262
Deferred tax asset		2 166	1 226
Intangible assets		585	535
Investment property		1 041	1 086
Property, plant and equipment	5	9 248	9 971
<b>Total non-current assets</b>		<b>13 682</b>	<b>13 422</b>
<b>TOTAL ASSETS</b>		<b>63 991</b>	<b>53 753</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Short-term lease liabilities		2 373	2 193
Trade and other payables		5 837	6 504
Tax liabilities		1 692	671
<b>Total current liabilities</b>		<b>9 902</b>	<b>9 368</b>
<b>Non-current liabilities</b>			
Deferred tax liability		1 039	1 746
Long-term lease liabilities		4 041	4 727
Long-term provisions		41	51
<b>Total non-current liabilities</b>		<b>5 121</b>	<b>6 524</b>
<b>Total liabilities</b>		<b>15 023</b>	<b>15 892</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		-19 409	-18 251
Retained earnings		54 322	42 526
<b>Total equity attributable to equity holders of the Parent company</b>		<b>44 786</b>	<b>34 148</b>
Non-controlling interest		4 182	3 713
<b>Total equity</b>		<b>48 968</b>	<b>37 861</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>63 991</b>	<b>53 753</b>

## Consolidated Income Statement

in thousands of EUR	Note	4Q 2022	4Q 2021	12m 2022	12m 2021
		Unaudited	Unaudited	Unaudited	Audited
Revenue from contracts with customers	9	13 693	9 795	57 667	46 686
Cost of goods sold		-4 875	-5 480	-26 783	-21 276
<b>Gross Profit</b>		<b>8 818</b>	<b>4 315</b>	<b>30 884</b>	<b>25 410</b>
Distribution expenses		-3 023	-2 120	-11 143	-8 573
Administrative expenses		-1 255	-892	-4 391	-3 555
Other operating income		176	-407	525	406
Other operating expenses		-662	-216	-1 210	-683
<b>Operating profit</b>		<b>4 054</b>	<b>680</b>	<b>14 665</b>	<b>13 005</b>
Currency exchange income/(expense)		-3 919	158	1 117	1 565
Other finance income/(expenses)		-350	-116	-453	-432
<b>Net finance income</b>		<b>-4 269</b>	<b>42</b>	<b>664</b>	<b>1 133</b>
Profit (loss) from associates using equity method		2	13	1	19
<b>Profit before tax</b>		<b>-213</b>	<b>735</b>	<b>15 330</b>	<b>14 157</b>
Income tax expense		241	-1 329	-2 786	-4 233
<b>Profit for the period</b>		<b>28</b>	<b>-594</b>	<b>12 544</b>	<b>9 924</b>
Attributable to :					
Equity holders of the Parent company		-39	-531	11 796	9 031
Non-controlling interest		67	-63	748	893
Earnings per share from profit attributable to equity holders of the Parent company, both basic and diluted (EUR)	8	0,00	-0,01	0,33	0,25

## Consolidated Statement of Comprehensive Income

in thousands of EUR	Note	4Q 2022	4Q 2021	12m 2022	12m 2021
		Unaudited	Unaudited	Unaudited	Audited
<b>Profit for the period</b>		<b>28</b>	<b>-594</b>	<b>12 544</b>	<b>9 924</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		-3 052	161	-877	869
<b>Total other comprehensive income for the period</b>		<b>-3 052</b>	<b>161</b>	<b>-877</b>	<b>869</b>
<b>Total comprehensive income (loss) for the period</b>		<b>-3 024</b>	<b>-433</b>	<b>11 667</b>	<b>10 793</b>
Attributable to :					
Equity holders of the Parent company		-3 307	-353	10 638	9 644
Non-controlling interest		283	-80	1 029	1 149

**Consolidated Statement of Cash Flows**

in thousands of EUR	Note	12m 2022	12m 2021
		Unaudited	Audited
<b>Cash flow from operating activities</b>			
<b>Profit for the period</b>		<b>12 544</b>	<b>9 924</b>
Adjustments for:			
Depreciation and amortization of non-current assets		3 618	3 237
Impairment losses of non-current assets			
Share of profit of equity accounted investees		-1	-19
Gains/Losses on the sale of property, plant and equipment		8	24
Net finance income / costs		-664	-1 133
Provision for impairment losses on trade receivables		2	-1
Provision for inventories		683	187
Income tax expense		2 786	4 233
Change in inventories		-1 358	-1 979
Change in trade and other receivables		199	-237
Change in trade and other payables		-667	917
Interest paid		0	-2
Income tax paid		-3 088	-2 155
<b>Net cash flow from operating activities</b>		<b>14 062</b>	<b>12 996</b>
<b>Cash flow from investing activities</b>			
Interest received		38	19
Dividends received		3	0
Proceeds from disposal of property, plant and equipment		58	143
Loans granted		-8	0
Acquisition of property, plant and equipment		-445	-312
Acquisition of intangible assets		-113	-147
<b>Net cash flow from investing activities</b>		<b>-467</b>	<b>-297</b>
<b>Cash flow from financing activities</b>			
Repayment of borrowings		0	-800
Payment of principal portion of lease liabilities		-2 634	-2 402
Interest paid on lease liabilities		-546	-450
Dividends paid		-560	-750
<b>Net cash flow from financing activities</b>		<b>-3 740</b>	<b>-4 402</b>
<b>Net increase in cash and cash equivalents</b>		<b>9 855</b>	<b>8 297</b>
<b>Cash and cash equivalents at the beginning of period</b>		<b>17 098</b>	<b>8 980</b>
Effect of translation to presentation currency		-509	75
Effect of exchange rate fluctuations on cash held		-535	-254
<b>Cash and cash equivalents at the end of period</b>		<b>25 909</b>	<b>17 098</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 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 (Audited)</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>
<b>Balance as at 31 December 2021 (Audited)</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>
Profit for the period	0	0	0	0	0	11 796	11 796	748	12 544
Other comprehensive income for the period	0	0	0	0	-1 158	0	-1 158	281	-877
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1 158</b>	<b>11 796</b>	<b>10 638</b>	<b>1 029</b>	<b>11 667</b>
<b>Transactions with owners, recognised directly in equity</b>									
Dividends declared	0	0	0	0	0	0	0	-560	-560
<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>-560</b>	<b>-560</b>
<b>Balance as at 31 December 2022 (Unaudited)</b>	<b>3 600</b>	<b>4 967</b>	<b>1 306</b>	<b>0</b>	<b>-19 409</b>	<b>54 322</b>	<b>44 786</b>	<b>4 182</b>	<b>48 968</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 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 12 months of 2022 ended on 31 December 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	31.12.22	31.12.21
Cash on hand	171	123
Current bank accounts in EUR	2 956	11 591
Current bank accounts in other currencies than EUR	300	552
Short-term bank deposits in EUR	22 000	4 500
Short-term bank deposits in other currencies than EUR	191	161
Short-term guarantee deposits	7	13
Cash in transit	284	158
<b>Total</b>	<b>25 909</b>	<b>17 098</b>

in thousands of EUR	31.12.22	31.12.21
Estonia	22 329	11 743
Latvia	122	196
Russia	1 785	3 563
Belarus	1 266	1 093
Ukraine	195	303
Others	212	200
<b>Total</b>	<b>25 909</b>	<b>17 098</b>

**Note 3 Trade receivables and other assets**

<b>Trade receivables and other assets</b>	<b>31.12.22</b>	<b>31.12.21</b>
Trade accounts receivable from third parties	939	910
Trade accounts receivable from related parties	0	56
Receivables on services rendered	30	79
Other receivables	134	97
Deffered expenses	112	91
	<b>1 215</b>	<b>1 233</b>
Allowance for expected credit losses	-59	-57
<b>Total trade and other receivables</b>	<b>1 156</b>	<b>1 176</b>
<b>Prepayments and other tax receivables</b>		
Prepayments issued to suppliers	449	502
VAT recoverable	520	646
Other tax prepayments	1	1
<b>Total prepayments and other tax receivables</b>	<b>970</b>	<b>1 149</b>
<b>Total trade receivables and other assets</b>	<b>2 126</b>	<b>2 325</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>31.12.22</b>	<b>31.12.21</b>
Raw and other materials	6 042	4 760
Work in progress	1 079	1 010
Finished goods	14 143	13 914
Other inventories	1 000	1 222
<b>Total</b>	<b>22 264</b>	<b>20 906</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>31.12.2020</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>
<b>Movements during 12m 2022</b>						
Additions	0	14	312	1 996	119	<b>2 441</b>
Disposals	0	-8	-42	-279	0	<b>-329</b>
Reclassifications	0	97	59	-18	-138	<b>0</b>
Depreciation	-100	-704	-662	-2 103	0	<b>-3 569</b>
Unrealised exchange rate differences	-16	212	387	163	-12	<b>734</b>
<b>Closing 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>31.12.2022</b>						
Cost	4 020	14 838	4 688	14 350	33	<b>37 929</b>
Accumulated depreciation	-2 280	-13 560	-4 127	-8 714	0	<b>-28 681</b>
<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>

The Group didn't have any significant binding commitments to purchase property plant and equipment as of 31 December 2022.

## Note 6 Trade and other payables

in thousands of EUR	31.12.22	31.12.21
Trade accounts payable to third parties	4 055	4 795
Prepayments received from customers	690	581
Accrued expenses	504	459
Accounts payables to employees	429	386
Other payables	159	283
<b>Total trade and other payables</b>	<b>5 837</b>	<b>6 504</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 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 31 December 2022 AS Silvano Fashion Group had 3 585 shareholders (as of 31 December 2021: 3 389 shareholders).

## Note 8 Earnings per share

The calculation of basic earnings per share for 12 months of 2022 (12 months of 2021) is based on profit attributable to owners and a weighted average number of ordinary shares.

in thousands of shares	12m 2022	12m 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
<b>Weighted average number of ordinary shares for the period</b>	<b>36 000</b>	<b>36 000</b>

in thousands of EUR	12m 2022	12m2021
Profit (loss)for the period attributable to equity holders of the Parent company	11 796	9 031
Basic earnings per share (EUR)	0.33	0.25
Diluted earnings per share (EUR)	0.33	0.25

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 2022	12m 2021
Revenue from wholesale	36 323	30 828
Revenue from retail	21 304	15 757
Subcontracting and services	25	88
Other sales	15	13
<b>Total</b>	<b>57 667</b>	<b>46 686</b>

## 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.

<b>Sales of goods and services</b>		
in thousands of EUR	<b>12m 2022</b>	<b>12m 2021</b>
Associates	637	551
<b>Total</b>	<b>637</b>	<b>551</b>

<b>Balances with related parties</b>		
in thousands of EUR	<b>31.12.2022</b>	<b>31.12.2021</b>
Trade receivables from associates	0	56
<b>Total</b>	<b>0</b>	<b>56</b>

<b>Benefits to key management of the group</b>		
in thousands of EUR	<b>12m 2022</b>	<b>12m 2021</b>
Remunerations and benefits	677	598
<b>Total</b>	<b>677</b>	<b>598</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>	12m 2022 and as of 31.12.2022					
	Lingerie retail	Lingerie wholesale	Total segments	Unallocated	Eliminations	Total
Revenue from external customers	21 304	36 323	57 627	40		57 667
Intersegment revenues	0	31 519	31 519	3 032	-34 551	0
<b>EBITDA</b>	<b>10 288</b>	<b>7 824</b>	<b>18 112</b>	<b>171</b>		<b>18 283</b>
Amortization and depreciation	-1 936	-1 055	-2 991	-627		-3 618
<b>Operating income, EBIT</b>	<b>8 352</b>	<b>6 769</b>	<b>15 121</b>	<b>-456</b>	<b>0</b>	<b>14 665</b>
Profit from associates using equity method	0	1	1	0		1
Net financial income	-195	-1 075	-1 270	1 934		664
Income tax	-1 011	-1 322	-2 333	-453		-2 786
<b>Net profit</b>	<b>7 146</b>	<b>4 373</b>	<b>11 519</b>	<b>1 025</b>	<b>0</b>	<b>12 544</b>
Investments in associates	0	82	82	0		82
Other operating segments assets	5 108	32 936	38 044	25 865		63 909
Reportable segments liabilities	1 361	11 248	12 609	2 414		15 023
Capital expenditures	2 262	290	2 552	2		2 554
Number of employees as of reporting date	499	1 010	1 509	107		1 616
<b>Operating segments</b> <i>in thousands of EUR</i>	<b>12m 2021 and as of 31.12.2021</b>					
	Lingerie retail	Lingerie wholesale	Total segments	Unallocated	Eliminations	Total
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

**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 2022</b>	<b>Revenue 12m 2021</b>	<b>Non-current assets 31.12.2022</b>	<b>Non-current assets 31.12.2021</b>
Russia	35 215	27 511	3 316	2 646
Belarus	14 619	11 569	10 023	10 379
Ukraine	233	1 565	0	0
Baltics	1 490	1 241	318	372
Other countries	6 110	4 800	25	25
<b>Total</b>	<b>57 667</b>	<b>46 686</b>	<b>13 682</b>	<b>13 422</b>