



## **AS Silvano Fashion Group**

### **Consolidated Interim Financial Report for Q1 of 2024 (unaudited)**

(translation of the Estonian original) \*

Beginning of the reporting period	1 January 2024
End of the reporting period	31 March 2024
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 2024 the Group employed 1 650 people (as of 31 December 2023: 1 626 people).

The Group comprises of the following entities:

	Location	Main activity	Ownership interest 31.03.2024	Ownership interest 31.12.2023
<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 31.12.2023).

\*\* Metropolitan Trade Company Milavitsa LLC is owned by AS Silvano Fashion Group and SIA Silvano Fashion, each holding 50% (same was effective as of 31.12.2023).

In addition, as of 31.03.2024 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 31.12.2023).

## Business environment and results

The Group's sales amounted to 13 904 thousand EUR during the Q1 of 2024, representing a 1.7% decrease as compared to the same period for the previous year. The Group's gross profit during the Q1 of 2024 amounted to 7 789 thousand EUR and decreased by 4.1% compared to Q1 of 2023. The Gross margin during the Q1 of 2024 decreased to 56.0% from 57.4% as compared to Q1 of 2023.

Consolidated operating profit for Q1 of 2024 decreased by 10.5% to 3 548 thousand EUR, compared to 3 963 thousand EUR for Q1 of 2023. Consolidated EBITDA for Q1 of 2024 decreased by 9.7% and was 4 298 thousand EUR, compared to 4 761 thousand EUR for Q1 of 2023.

Reported consolidated net profit for Q1 of 2024 amounted to 2 916 thousand EUR, as compared to net profit of 1 867 thousand EUR in the prior year's same period. Net profit attributable to equity holders of the Parent company for Q1 of 2024 amounted 2 554 thousand EUR.

## Russia Economic Outlook

The Group's sales on the Russian market totalled 8 169 thousand EUR, decrease is 3.8% compared to Q1 of 2023. Local currency sales increased by 21.2% during Q1 of 2024 compared to the same Q1 of 2023. Group will focus on improving profitability of its retail business, we will also continue to expand our store chain there depending on the availability of reasonably priced sales areas. At the end of the reporting period, there were a total of 58 stores operated by the Group itself (as of 31 December 2023: 58 stores).

## Belarus Economic Outlook

The Group's sales in Belarus in the Q1 of 2024 were 3 302 thousand EUR and decreased by 7.8% compared to the Q1 of 2023. Sales in local currency increased by 8.8% during the same period. At the end of the reporting period, there were a total of 59 stores operated by the Group itself (as of 31 December 2023: 59 stores).

## Ukraine Economic Outlook

The Group's sales in Ukraine in the Q1 of 2024 were 18 thousand EUR and decreased by 61.7% compared to the Q1 of 2023.

## Sales structure

### Sales by markets

Group sales in its 2 major markets – Russia and Belarus– were 82.5% of its total sales. Measured in local currencies sales increase was accordingly – 21.2% in Russia, 8.8% in Belarus.

	Q1 2024	Q1 2023	Change	Change, %
Russia, th RUB	802 025	661 611	140 414	21.2%
Belarus, th BYN	11 508	10 580	928	8.8%

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

in thousands of EUR	Q1 2024	Q1 2023	Change, EUR	Change, %	Q1 2024, % of sales	Q1 2023, % of sales
Russia	8 169	8 495	-326	-3.8%	58.8%	60.1%
Belarus	3 302	3 582	-280	-7.8%	23.7%	25.3%
Ukraine	18	47	-29	-61.7%	0.1%	0.3%
Baltics	263	283	-20	-7.1%	1.9%	2.0%
Other markets	2 152	1 734	418	24.1%	15.5%	12.3%
<b>Total</b>	<b>13 904</b>	<b>14 141</b>	<b>-237</b>	<b>-1.7%</b>	<b>100.0%</b>	<b>100.0%</b>

The majority of lingerie sales revenue during Q1 of 2024 in the amount 8 169 thousand EUR was generated in Russia, accounting for 58.8% of total sales. The second largest market was Belarus, where sales were 3 302 thousand EUR, contributing 23.7% of lingerie sales (both retail and wholesale).

**Sales by business segments**

in thousands of EUR	Q1 2024	Q1 2023	Change, EUR	Change, %	Q1 2024, % of sales	Q1 2023, % of sales
Wholesale	9 123	9 112	11	0.1%	65.6%	64.4%
Retail	4 764	5 020	-256	-5.1%	34.3%	35.5%
Other operations	17	9	8	88.9%	0.1%	0.1%
<b>Total</b>	<b>13 904</b>	<b>14 141</b>	<b>-237</b>	<b>-1.7%</b>	<b>100.0%</b>	<b>100,0%</b>

During Q1 of 2024 wholesale revenue amounted to 9 123 thousand EUR, representing 65.6% of the Group's total revenue (Q1 of 2023: 64.4%). The main wholesale regions were Russia and Belarus.

Our retail revenue decreased by 5.1% and amounted 4 764 thousand EUR, this represents 34.3% of the Group's total revenue.

**Own & franchise store locations, geography**

	Own	Franchise	Total
Russia	58	337	395
Belarus	59	0	59
Baltics	5	18	23
Other regions	0	89	89
<b>Total</b>	<b>122</b>	<b>444</b>	<b>566</b>

At the end of the reporting period the Group and its franchising partners operated 540 Milavitsa and 26 Lauma Lingerie brand stores, including 122 stores operated directly by the Group (as of 31 December 2023: 122 stores).

## Selected Financial Indicators

Summarized selected financial indicators of the Group for Q1 of 2024 compared to Q1 of 2023 and 31.03.2024 compared to 31.12.2023 were as follows:

in thousands of EUR	Q1 2024	Q1 2023	Change
Revenue	13 904	14 141	-1.7%
Gross Profit	7 789	8 124	-4.1%
Operating profit	3 548	3 963	-10.5%
EBITDA	4 298	4 761	-9.7%
Net profit for the period	2 916	1 867	56.2%
Net profit attributable equity holders of the Parent company	2 554	1 616	58.0%
Earnings per share (EUR)	0.07	0.04	75.0%
Operating cash flow for the period	1 753	4 133	-57.6%

in thousands of EUR	31.03.2024	31.12.2023	Change
Total assets	78 038	72 252	8.0%
Total current assets	65 157	59 395	9.7%
Total equity attributable to equity holders of the Parent company	56 384	54 120	4.2%
Cash and cash equivalents	37 505	32 878	14.1%

Margin analysis, %	Q1 2024	Q1 2023	Change
Gross profit	56.0	57.4	-2.4%
Operating profit	25.5	28.0	-8.9%
EBITDA	30.9	33.7	-8.3%
Net profit	21.0	13.2	59.1%
Net profit attributable to equity holders of the Parent company	18.4	11.4	61.4%

Financial ratios, %	31.03.2024	31.12.2023	Change
ROA	15.2	14.5	4.8%
ROE	20.9	20.2	3.5%
Price to earnings ratio (P/E)	3.7	4.1	-9.8%
Current ratio	4.7	5.8	-19.0%
Quick ratio	3.0	3.4	-11.8%

### 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 13 904 thousand EUR during Q1 of 2024, representing a 1.7% decrease as compared to the same period of previous year. Overall, retail decreased by 5.1%, measured in EUR.

The Group's gross profit during Q1 of 2024 amounted to 7 789 thousand EUR and decrease by 4.1% compared to previous year. The gross margin during Q1 of 2024 decreased by 2.4% compared to Q1 of 2023. The cost of sold goods increased by 1.6%.

Consolidated operating profit for Q1 of 2024 amounted to 3 548 thousand EUR, compared to 3 963 thousand EUR for Q1 of 2023, decrease by 10.5%. The consolidated operating profit margin was 25.5% for Q1 of 2024 (28.0% for Q1 of 2023). Consolidated EBITDA for Q1 of 2024 decreased by 9.7% and amounted to 4 298 thousand EUR, which is 30.9% in margin terms (4 761 thousand EUR and 33.7% for Q1 of 2023).

Reported consolidated net profit attributable to equity holders of the Parent company for Q1 of 2024 amounted to 2 554 thousand EUR, compared to net profit of 1 616 thousand EUR for Q1 of 2023, net profit margin attributable to equity holders of the Parent company for Q1 of 2024 was 18.4% against net profit 11.4% for Q1 of 2023.

## Financial position

As of 31 March 2024 consolidated assets amounted to 78 038 thousand EUR representing increase by 8.0% as compared to the position as of 31 December 2023.

Trade and other receivables increased by 925 thousand EUR as compared to 31 December 2023 and amounted to 2 279 thousand EUR as of 31 March 2024. Inventory balance increased by 91 thousand EUR and amounted to 24 031 thousand EUR as of 31 March 2024.

Equity attributable to equity holders of the Parent company increased by 2 264 thousand EUR and amounted to 56 384 thousand EUR as of 31 March 2024. Current liabilities increased by 3 473 thousand EUR during Q1 of 2024.

## Investments

During Q1 of 2024 the Group's investments into property, plant and equipment totalled 278 thousand EUR, in previous year same period 314 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 2024, the Group employed 1 650 employees, including 518 people in retail operations. The rest were employed in production, wholesale, administration and support operations. In 31.12.2023 there were 1 626 employees, including 500 people in retail operations.

Total salaries and related taxes during Q1 of 2024 amounted to 3 509 thousand EUR ( 3 492 thousand EUR in Q1 2023). The remuneration of key management of the Group, including the key executives of all subsidiaries, totalled 163 thousand EUR.

## Decisions made by governing bodies during 04 months 2024

On the 19th of March 2024, the AS Silvano Fashion Group proposed to the shareholders to adopt the resolution of the extraordinary general meeting of shareholders stated below without convening the meeting.

The notice of the general meeting was published on March 19, 2024, in the information system NASDAQ OMX Tallinn <https://view.news.eu.nasdaq.com/view?id=b77cafc430f1ac23a81813069a95a15cd&lang=en> and Warsaw Stock Exchange, on the website of SFG <https://www.silvanofashion.com/investors/company-announcements/> and in the daily newspaper Eesti Päevaleht.

On April 9, 2024 Silvano Fashion Group Extraordinary Meeting of Shareholders adopted the following decisions:

1.1. To appoint the auditing company Ernst & Young Baltic AS (registry code 10877299, located at Rävåla puistee 4, 10143 Tallinn) as the auditor of AS Silvano Fashion Group;

1.2. To authorize the Management Board of AS Silvano Fashion Group to enter into an audit service agreement with the auditing company AS Ernst & Young Baltic for auditing the economic activities of AS Silvano Fashion Group 2023.

## Shares of AS Silvano Fashion Group

As of 31 March 2024 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 2024 AS Silvano Fashion Group had 3 235 shareholders (as of 31 December 2023: 3 336 shareholders).

As of 31 March 2024 shareholders, whose interest in AS Silvano Fashion Group exceeded 5% included:

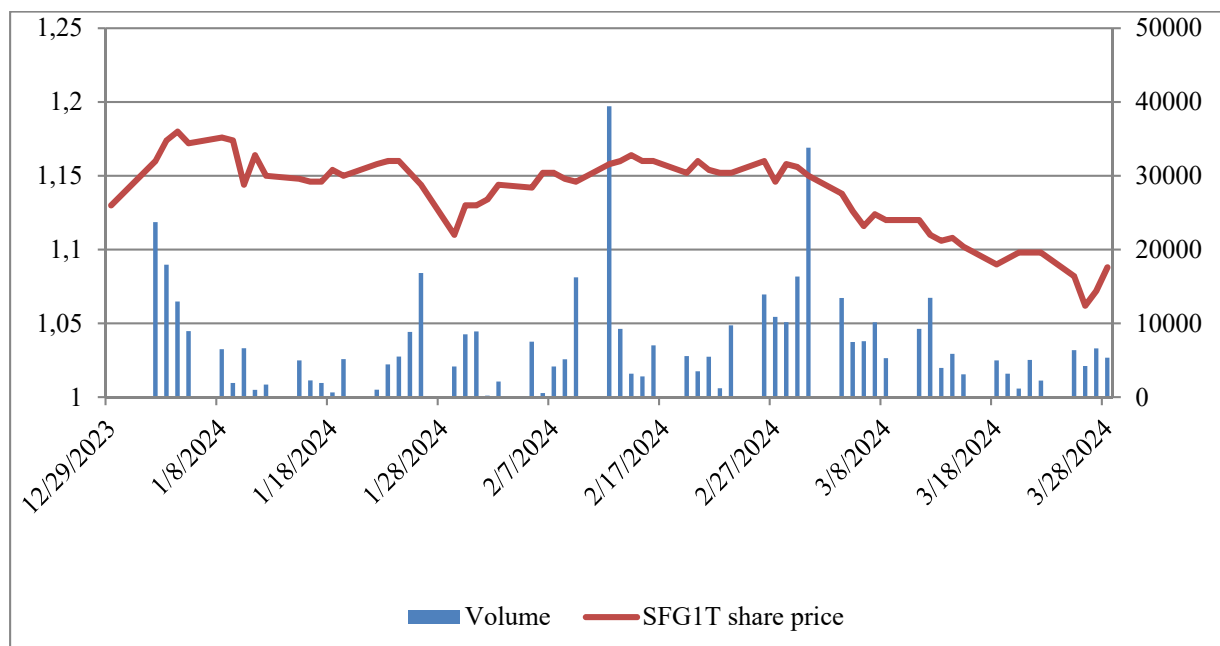
Name	Number of shares	Shareholding
<b>Major shareholders</b>	<b>19 262 985</b>	<b>53.50%</b>
BALTPLAST AS	9 115 798	25.32%
AS SEB PANK CLIENTS	8 000 000	22.22%
UNICREDIT BANK AUSTRIA AG	2 147 187	5.96%
<b>Other shareholders</b>	<b>16 737 015</b>	<b>46.50%</b>
<b>Total number of shares</b>	<b>36 000 000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

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

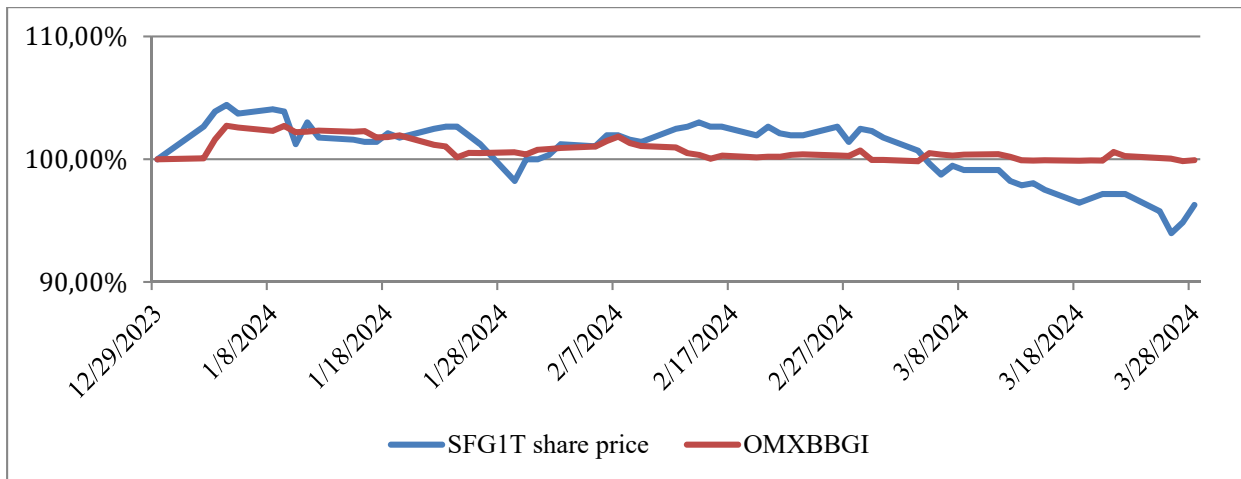
Name	Number of shares	Shareholding
<b>Major shareholders</b>	<b>19 262 985</b>	<b>53.50%</b>
BALTPLAST AS	9 115 798	25.32%
AS SEB PANK CLIENTS	8 000 000	22.22%
UNICREDIT BANK AUSTRIA AG	2 147 187	5.96%
<b>Other shareholders</b>	<b>16 737 015</b>	<b>46.50%</b>
<b>Total number of shares</b>	<b>36 000 000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

## Share price development and turnover on the Tallinn Stock Exchange during Q1 months of 2024 (EUR)

During Q1 months of 2024 the highest and lowest prices of the AS Silvano Fashion Group` share on the Tallinn Stock Exchange were 1.188 EUR and 1.062 EUR, respectively

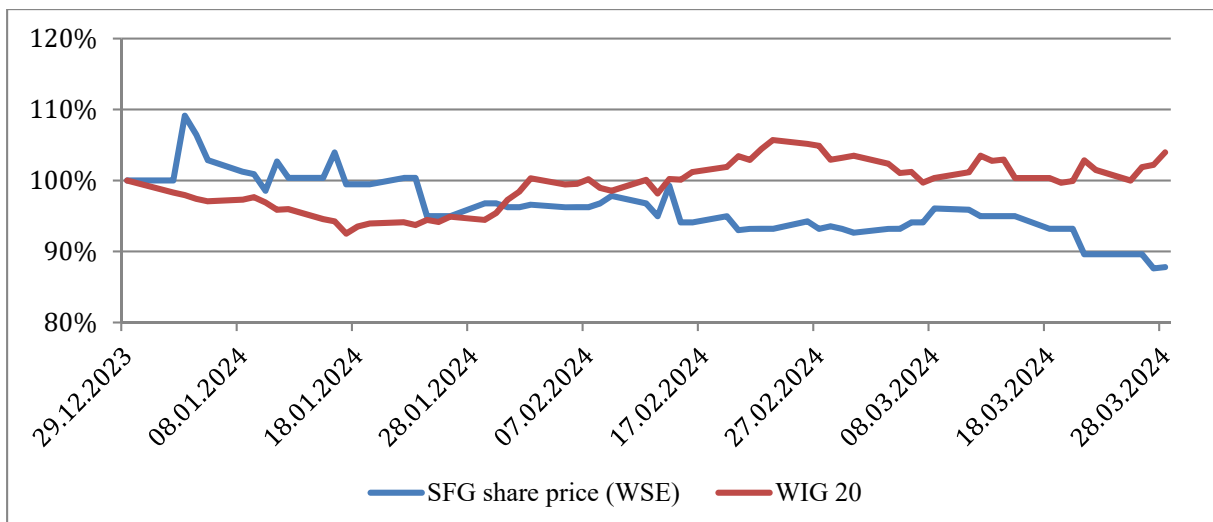
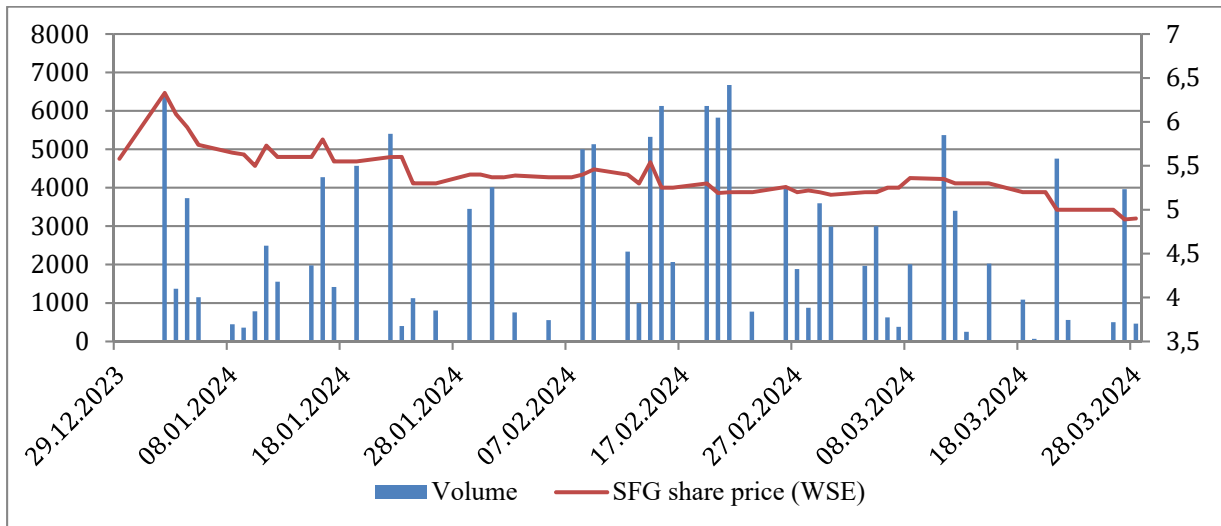






**Share price development on the Warsaw Stock Exchange during Q1 of 2024(PLN)**

During Q1 of 2024, the highest and lowest prices of the AS Silvano Fashion Group` share on the Warsaw Stock Exchange were 6.33 PLN and 4.89 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 2024 (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 Särgava  
Member of the Management Board  
May 18, 2024

## Consolidated Statement of Financial Position

in thousands of EUR	Note	31.03.2024	31.12.2023
		Unaudited	Audited
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	37 505	32 878
Trade and other receivables	3	2 279	1 354
Prepayments and other tax receivables	3	1 233	1 115
Current loans granted		20	29
Other assets		89	79
Inventories	4	24 031	23 940
<b>Total current assets</b>		<b>65 157</b>	<b>59 395</b>
<b>Non-current assets</b>			
Non-current receivables		283	292
Investments in associates		102	85
Investments in other shares		215	213
Deferred tax asset		2 256	2 155
Intangible assets		583	579
Investment property		887	899
Property, plant and equipment	5	8 555	8 634
<b>Total non-current assets</b>		<b>12 881</b>	<b>12 857</b>
<b>TOTAL ASSETS</b>		<b>78 038</b>	<b>72 252</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Current borrowings		4 003	0
Current lease liabilities	6	1 735	2 162
Trade and other payables		5 556	7 377
Tax liabilities		2 465	747
<b>Total current liabilities</b>		<b>13 759</b>	<b>10 286</b>
<b>Non-current liabilities</b>			
Deferred tax liability		746	736
Non-current lease liabilities		4 596	4 321
Non-current provisions		46	46
<b>Total non-current liabilities</b>		<b>5 388</b>	<b>5 103</b>
<b>Total liabilities</b>		<b>19 147</b>	<b>15 389</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		-20 292	-20 002
Retained earnings		66 803	64 249
<b>Total equity attributable to equity holders of the Parent company</b>		<b>56 384</b>	<b>54 120</b>
Non-controlling interest		2 507	2 743
<b>Total equity</b>		<b>58 891</b>	<b>56 863</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>78 038</b>	<b>72 252</b>

## Consolidated Income Statement

in thousands of EUR	Note	1Q 2024	1Q 2023
		Unaudited	Unaudited
Revenue from contracts with customers	9	13 904	14 141
Cost of goods sold		-6 115	-6 017
<b>Gross Profit</b>		<b>7 789</b>	<b>8 124</b>
Distribution expenses		-2 772	-2 779
Administrative expenses		-1 263	-1 186
Other operating income		48	57
Other operating expenses		-254	-253
<b>Operating profit</b>		<b>3 548</b>	<b>3 963</b>
Currency exchange income/(expense)		-51	-1 099
Other finance income/(expenses)		128	-156
<b>Net finance income</b>		<b>77</b>	<b>-1 255</b>
Profit (loss) from associates using equity method		16	4
<b>Profit before tax</b>		<b>3 641</b>	<b>2 712</b>
Income tax expense		-725	-845
<b>Profit for the period</b>		<b>2 916</b>	<b>1 867</b>
Attributable to :			
Equity holders of the Parent company		2 554	1 616
Non-controlling interest		362	251
Earnings per share from profit attributable to equity holders of the Parent company, both basic and diluted (EUR)	8	0,07	0,04

## Consolidated Statement of Comprehensive Income

in thousands of EUR	Note	1Q 2024	1Q 2023
		Unaudited	Unaudited
<b>Profit for the period</b>		<b>2 916</b>	<b>1 867</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		-264	-760
<b>Total other comprehensive income for the period</b>		<b>-264</b>	<b>-760</b>
<b>Total comprehensive income (loss) for the period</b>		<b>2 652</b>	<b>1 107</b>
Attributable to :			
Equity holders of the Parent company		2 264	583
Non-controlling interest		388	524

## Consolidated Statement of Cash Flows

in thousands of EUR	Note	1Q 2024	1Q 2023
		Unaudited	Unaudited
<b>Cash flow from operating activities</b>			
<b>Profit for the period</b>		<b>2 916</b>	<b>1 867</b>
Adjustments for:			
Depreciation and amortization of non-current assets		750	798
Share of profit of equity accounted investees		-16	-4
Gains/Losses on the sale of property, plant and equipment		8	2
Net finance income / costs		-77	1 255
Provision for impairment losses on trade receivables		0	-1
Provision for inventories		0	1
Income tax expense		725	845
Change in inventories		-91	648
Change in trade and other receivables		-925	-595
Change in trade and other payables		-1 148	-282
Income tax paid		-389	-401
<b>Net cash flow from operating activities</b>		<b>1 753</b>	<b>4 133</b>
<b>Cash flow from investing activities</b>			
Interest received		319	23
Dividends received		8	11
Proceeds from disposal of property, plant and equipment		12	2
Loans granted		0	-13
Proceeds from repayments of loans granted		9	0
Acquisition of property, plant and equipment		-278	-314
Acquisition of intangible assets		-12	-53
<b>Net cash flow from investing activities</b>		<b>58</b>	<b>-344</b>
<b>Cash flow from financing activities</b>			
Proceeds from borrowings		4 003	0
Payment of principal portion of lease liabilities		-495	-518
Interest paid on lease liabilities		-195	-190
Dividends paid		-624	0
<b>Net cash flow from financing activities</b>		<b>2 689</b>	<b>-708</b>
<b>Net increase in cash and cash equivalents</b>		<b>4 500</b>	<b>3 081</b>
<b>Cash and cash equivalents at the beginning of period</b>	2	<b>32 878</b>	<b>25 909</b>
Effect of translation to presentation currency		189	-1 629
Effect of exchange rate fluctuations on cash held		-62	212
<b>Cash and cash equivalents at the end of period</b>	2	<b>37 505</b>	<b>27 573</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 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>-20 422</b>	<b>55 938</b>	<b>45 369</b>	<b>4 706</b>	<b>50 075</b>
<b>Balance as at 31 December 2023 (Audited)</b>	<b>3 600</b>	<b>4 967</b>	<b>1 306</b>	<b>-20 002</b>	<b>64 249</b>	<b>54 120</b>	<b>2 743</b>	<b>56 863</b>
Profit for the period	0	0	0	0	2 554	2 554	362	2 916
Other comprehensive income for the period	0	0	0	-290	0	-290	26	-264
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-290</b>	<b>2 554</b>	<b>2 264</b>	<b>388</b>	<b>2 652</b>
<b>Transactions with owners, recognised directly in equity</b>								
Dividends declared	0	0	0	0	0	0	-624	-624
<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>-624</b>	<b>-624</b>
<b>Balance as at 31 March 2024 (Unaudited)</b>	<b>3 600</b>	<b>4 967</b>	<b>1 306</b>	<b>-20 292</b>	<b>66 803</b>	<b>56 384</b>	<b>2 507</b>	<b>58 891</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 2024 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 2024 ended on 31 March 2024 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 2023, 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 2023 there are no new IFRSs or IFRIC interpretations that are effective for the financial year beginning on or after 1 January 2024 and that would be expected to have a material impact on the Group.

### Note 2 Cash and cash equivalents

in thousands of EUR	31.03.24	31.12.23
Cash on hand	35	53
Current bank accounts in EUR	3 665	1 925
Current bank accounts in other currencies than EUR	401	466
Short-term bank deposits in EUR	30 000	29 500
Short-term bank deposits in other currencies than EUR	156	566
Cash in transit	3 248	368
<b>Total</b>	<b>37 505</b>	<b>32 878</b>

in thousands of EUR	31.03.24	31.12.23
Estonia	31 723	29 763
Latvia	95	61
Russia	497	943
Belarus	4 524	1 536
Ukraine	201	150
Monaco	465	425
<b>Total</b>	<b>37 505</b>	<b>32 878</b>

**Note 3 Trade receivables and other assets**

in thousands of EUR	<b>31.03.24</b>	<b>31.12.23</b>
Trade receivables from third parties	2 210	1 301
Trade receivables from related parties	0	0
Receivables on services rendered	36	33
Other receivables	146	133
<b>Total gross trade and other receivables</b>	<b>2 392</b>	<b>1 467</b>
Allowance for expected credit losses	-113	-113
<b>Total net trade and other receivables</b>	<b>2 279</b>	<b>1 354</b>

in thousands of EUR	<b>31.03.24</b>	<b>31.12.23</b>
<b>Prepayments and other tax receivables</b>		
Prepayments issued to suppliers	335	409
VAT recoverable	885	704
Other tax prepayments	13	2
<b>Total prepayments and other tax receivables</b>	<b>1 233</b>	<b>1 115</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>31.03.24</b>	<b>31.12.23</b>
Raw and other materials	4 458	6 501
Work in progress	1 775	1 321
Finished goods	15 451	14 220
Other inventories	2 347	1 898
<b>Total</b>	<b>24 031</b>	<b>23 940</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>31.12.2022</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>
<b>Movements during 03m 2023</b>						
Additions	0	4	119	384	192	<b>699</b>
Modification	0	0	0	274	0	<b>274</b>
Disposals	0	0	0	-5	0	<b>-5</b>
Reclassifications	0	40	98	0	-138	<b>0</b>
Depreciation	-20	-108	-65	-585	0	<b>-778</b>
Unrealised exchange rate differences	-104	-73	-48	-370	-5	<b>-600</b>
<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	<b>36 137</b>
Accumulated depreciation	-2 168	-12 802	-3 977	-8 352	0	<b>-27 299</b>
<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>
<b>31.12.2023</b>						
Cost	3 242	12 775	4 464	13 470	6	<b>33 957</b>
Accumulated depreciation	-1 941	-11 648	-3 697	-8 037	0	<b>-25 323</b>
<b>Net book amount</b>	<b>1 301</b>	<b>1 127</b>	<b>767</b>	<b>5 433</b>	<b>6</b>	<b>8 634</b>
<b>Movements during 03m 2024</b>						
Additions	0	0	46	241	231	<b>518</b>
Modifications	0	0	0	71	0	<b>71</b>
Disposals	0	0	-20	-34	0	<b>-54</b>
Transfers from Investment property	14					<b>14</b>
Transfers and reclassification	0	23	63	0	-86	<b>0</b>
Depreciation	-16	-60	-104	-552	0	<b>-732</b>
Unrealised exchange rate differences	13	10	9	72	0	<b>104</b>
<b>Closing net book amount</b>	<b>1 312</b>	<b>1 100</b>	<b>761</b>	<b>5 231</b>	<b>151</b>	<b>8 555</b>
<b>31.03.2024</b>						
Cost	3 287	12 789	4 493	13 765	151	<b>34 485</b>
Accumulated depreciation	-1 975	-11 689	-3 732	-8 534	0	<b>-25 930</b>
<b>Net book amount</b>	<b>1 312</b>	<b>1 100</b>	<b>761</b>	<b>5 231</b>	<b>151</b>	<b>8 555</b>

The Group didn't have any significant binding commitments to purchase property plant and equipment as of 31 March 2024.

### Note 6 Trade and other payables

in thousands of EUR	31.03.24	31.12.23
Trade accounts payable to third parties	3 443	5 349
Prepayments received from customers	757	669
Accrued expenses	668	552
Accounts payables to employees	591	422
Other payables	97	385
<b>Total trade and other payables</b>	<b>5 556</b>	<b>7 377</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 2024 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 2023, 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 2024 AS Silvano Fashion Group had 3 235 shareholders (as of 31 December 2023: 3 336 shareholders).

### Note 8 Earnings per share

The calculation of basic earnings per share for Q1 of 2024 (Q1 of 2023) is based on profit attributable to owners and a weighted average number of ordinary shares.

in thousands of shares	Q1 2024	Q1 2023
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 2024	Q1 2023
Profit (loss) for the period attributable to equity holders of the Parent company	2 554	1 616
Basic earnings per share (EUR)	0.07	0.04
Diluted earnings per share (EUR)	0.07	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	Q1 2024	Q1 2023
Revenue from wholesale	9 123	9 112
Revenue from retail	4 764	5 020
Subcontracting and services	16	0
Other sales	1	9
<b>Total</b>	<b>13 904</b>	<b>14 141</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.

#### Sales of goods and services

in thousands of EUR	Q1 2024	Q1 2023
Associates	79	150
<b>Total</b>	<b>79</b>	<b>150</b>

#### Balances with related parties

in thousands of EUR	31.03.2024	31.12.2023
Trade receivables from associates	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

#### Benefits to key management of the group

in thousands of EUR	Q1 2024	Q1 2023
Remunerations and benefits	163	156
<b>Total</b>	<b>163</b>	<b>156</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>	03m 2024 and as of 31.03.2024					
	Lingerie retail	Lingerie wholesale	Total segments	Unallocated	Eliminations	Total
Revenue from external customers	4 764	9 123	13 887	17		13 904
Intersegment revenues	0	-8 783	-8 783	-857	9 640	0
<b>EBITDA</b>	<b>1 992</b>	<b>2 354</b>	<b>4 346</b>	<b>-48</b>		<b>4 298</b>
Amortization and depreciation	-528	-142	-670	-80		-750
<b>Operating income, EBIT</b>	<b>1 464</b>	<b>2 212</b>	<b>3 676</b>	<b>-128</b>	<b>0</b>	<b>3 548</b>
Profit from associates using equity method	0	16	16	0		16
Net financial income	-135	-23	-158	235		77
Income tax	-133	-557	-690	-35		-725
<b>Net profit</b>	<b>1 196</b>	<b>1 648</b>	<b>2 844</b>	<b>72</b>	<b>0</b>	<b>2 916</b>
Investments in associates	0	102	102	0		102
Other operating segments assets	14 819	28 911	43 730	34 206		77 936
Reportable segments liabilities	9 497	7 447	16 944	2 203		19 147
Capital expenditures	332	178	510	20		530
Number of employees as of reporting date	518	1 029	1 547	103		1 650
<b>Operating segments</b> <i>in thousands of EUR</i>	<b>03m 2023 and as of 31.03.2023</b>					
	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

**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 2024</b>	<b>Revenue Q1 2023</b>	<b>Non-current assets 31.03.2024</b>	<b>Non-current assets 31.12.2023</b>
Russia	8 169	8 495	3 390	3 638
Belarus	3 302	3 582	9 069	8 784
Ukraine	18	47	0	0
Baltics	263	283	397	410
Other countries	2 152	1 734	25	25
<b>Total</b>	<b>13 904</b>	<b>14 141</b>	<b>12 881</b>	<b>12 857</b>