



AS Silvano Fashion Group

Consolidated Interim Financial Report for Q2 and 6 months of 2023 (unaudited)

(translation of the Estonian original) *

Beginning of the reporting period	1 January 2023
End of the reporting period	30 June 2023
Business name	AS Silvano Fashion Group
Registration number	10175491
Legal address	Tulika 17, 10613 Tallinn
Telephone	+372 684 5000
Fax	+372 684 5300
E-mail	info@silvanofashion.com
Website	www.silvanofashion.com
Core activities	Design, manufacturing and distribution of women's lingerie

** This version of our report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.*

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Management Report

General information about AS Silvano Fashion Group

AS Silvano Fashion Group (hereinafter “the Group”) is a holding company that controls group of entities involved in the design, manufacturing, wholesale, franchise and retail sales of Ladies lingerie. The Group’s revenue is generated by sales of Milavitsa, Alisee, Aveline, Lauma Lingerie, Laumelle and Hidalgo brand products through wholesale channels, franchised sales and own retail operated via Milavitsa and Lauma Lingerie retail stores. Key sales markets for the Group are Russia, Belarus, other CIS countries and the Baltics.

The parent company of the Group is AS Silvano Fashion Group (hereinafter “the Parent company”), which is domiciled in Estonia. AS Silvano Fashion Group registered address is Tulika 17, Tallinn, Estonia.

The shares of the Group are listed on the Nasdaq OMX Tallinn Stock Exchange and on the Warsaw Stock Exchange.

As of 30 June 2023 the Group employed 1 663 people (as of 31 December 2022: 1 616 people).

The Group comprises of the following entities:

	Location	Main activity	Ownership interest 30.06.2023	Ownership interest 31.12.2022
Parent company				
Silvano Fashion Group AS	Estonia	Holding		
Entities belonging to the Silvano Fashion Group:				
CJSC Silvano Fashion*	Russia	Retail and Wholesale	100%	100%
LLC Silvano Fashion	Belarus	Retail and wholesale	100%	100%
LLC Silvano Fashion	Ukraine	Wholesale	100%	100%
Silvano Fashion SIA	Latvia	Retail	100%	100%
CJSC Milavitsa	Belarus	Manufacturing and wholesale	85.02%	85.02%
JSC Sewing firm Yunona	Belarus	Manufacturing and wholesale	58.33%	58.33%
LLC Gimil	Belarus	Manufacturing and wholesale	100%	100%
JSC Lauma Lingerie	Latvia	Manufacturing and wholesale	100%	100%
Alisee SARL	Monaco	Holding	99%	99%
JCS Metropolitan Trade Company Milavitsa **	Russia	Holding	100%	100%
LLC Baltsped logistik	Belarus	Logistics	50%	50%

* Silvano Fashion CJSC is 100% owned by Metropolitan Trade Company Milavitsa CJSC (same was effective as of 31.12.2022).

** Metropolitan Trade Company Milavitsa LLC is owned by AS Silvano Fashion Group and SIA Silvano Fashion, each holding 50% (same was effective as of 31.12.2022).

In addition, as of 30.06.2023 the subsidiary of AS Silvano Fashion Group, CJSC Milavitsa, had investment in associate LLC Trade house „Milavitsa “Novosibirsk with a 25% ownership interest (same was effective as of 31.12.2022).

Business environment and results

The Group's sales amounted to 31 407 thousand EUR during the 6 months of 2023, representing a 19.1% increase as compared to the same period for the previous year. The Group's gross profit during the 6 months of 2023 amounted to 18 837 thousand EUR and increased by 46.2% compared to 6 months of 2022. The Gross margin during the 6 months of 2023 increased to 60.0% from 48.9% as compared to 6 months of 2022.

Consolidated operating profit for 6 months of 2023 increased by 87.9% to 10 681 thousand EUR, compared to 5 685 thousand EUR for 6 months of 2022. Consolidated EBITDA for 6 months of 2023 increased by 66.9% and was 12 272 thousand EUR, compared to 7 355 thousand EUR for 6 months of 2022.

Reported consolidated net profit for 6 months of 2023 amounted to 5 422 thousand EUR, as compared to net profit of 9 827 thousand EUR in the prior year's same period. Net profit attributable to equity holders of the Parent company for 6 months of 2023 amounted 4 772 thousand EUR.

Russia Economic Outlook

The Group's sales on the Russian market totalled 18 746 thousand EUR, increase is 15.7% compared to 6 months of 2022. Local currency sales increased by 20.7% during 6 months of 2023 compared to the same 6 months of 2022. Group will focus on improving profitability of its retail business, we will also continue to expand our store chain there depending on the availability of reasonably priced sales areas. At the end of the reporting period, there were a total of 56 stores operated by the Group itself (as of 31 December 2022: 49 stores).

Belarus Economic Outlook

The Group's sales in Belarus in the 6 months of 2023 were 7 809 thousand EUR and increased by 23.1% compared to the 6 months of 2022. Sales in local currency increased by 27.9% 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 2022: 59 stores).

Ukraine Economic Outlook

The Group's sales in Ukraine in the 6 months of 2023 were 100 thousand EUR and decreased by 55.0% compared to the 6 months of 2022.

Sales structure

Sales by markets

Group sales in its 2 major markets – Russia and Belarus– were 84.6% of its total sales. Measured in local currencies sales increase was accordingly – 20.7% in Russia, 27.9% in Belarus.

	06m 2023	06m 2022	Change	Change, %
Russia, th RUB	1 558 782	1 291 422	267 360	20.7%
Belarus, th BYN	23 970	18 737	5 233	27.9%

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

in thousands of EUR	06m 2023	06m 2022	Change, EUR	Change, %	06m 2023, % of sales	06m 2022, % of sales
Russia	18 746	16 200	2 546	15.7%	59.7%	61.4%
Belarus	7 809	6 342	1 467	23.1%	24.9%	24.1%
Ukraine	100	222	-122	-55.0%	0.3%	0.8%
Baltics	705	682	23	3.4%	2.2%	2.6%
Other markets	4 047	2 924	1 123	38.4%	12.9%	11.1%
Total	31 407	26 370	5 037	19.1%	100.0%	100.0%

The majority of lingerie sales revenue during 6 months of 2023 in the amount 18 746 thousand EUR was generated in Russia, accounting for 59.7% of total sales. The second largest market was Belarus, where sales were 7 809 thousand EUR, contributing 24.9% of lingerie sales (both retail and wholesale).

Sales by business segments

in thousands of EUR	06m 2023	06m 2022	Change, EUR	Change, %	06m 2023, % of sales	06m 2022, % of sales
Wholesale	20 283	17 143	3 140	18.3%	64.6%	65.0%
Retail	11 107	9 207	1 900	20.6%	35.3%	34.9%
Other operations	17	20	-3	-15.0%	0.1%	0.1%
Total	31 407	26 370	5 037	19.1%	100.0%	100.0%

During 6 months of 2023 wholesale revenue amounted to 20 283 thousand EUR, representing 64.6% of the Group's total revenue (6 months of 2022: 65.0%). The main wholesale regions were Russia and Belarus.

Our retail revenue increased by 20.6% and amounted 11 107 thousand EUR, this represents 35.3% of the Group's total revenue.

Own & franchise store locations, geography

	Own	Franchise	Total
Russia	56	332	388
Belarus	59	0	59
Baltics	6	21	27
Other regions	0	88	88
Total	121	441	562

At the end of the reporting period the Group and its franchising partners operated 530 Milavitsa and 32 Lauma Lingerie brand stores, including 121 stores operated directly by the Group (as of 31 December 2022: 114 stores).

Selected Financial Indicators

Summarized selected financial indicators of the Group for 6 months of 2023 compared to 6 months of 2022 and 30.06.2023 compared to 31.12.2022 were as follows:

in thousands of EUR	06m 2023	06m 2022	Change
Revenue	31 407	26 370	19.1%
Gross Profit	18 837	12 885	46.2%
Operating profit	10 681	5 685	87.9%
EBITDA	12 272	7 355	66.9%
Net profit for the period	5 422	9 827	-44.8%
Net profit attributable equity holders of the Parent company	4 772	9 346	-48.9%
Earnings per share (EUR)	0.13	0.26	-50.0%
Operating cash flow for the period	10 802	5 070	113.1%

in thousands of EUR	30.06.2023	31.12.2022	Change
Total assets	67 842	63 991	6.0%
Total current assets	55 309	50 309	9.9%
Total equity attributable to equity holders of the Parent company	47 398	44 786	5.8%
Cash and cash equivalents	31 041	25 909	19.8%

Margin analysis, %	06m 2023	06m 2022	Change
Gross profit	60.0	48.9	22.7%
Operating profit	34.0	21.6	57.4%
EBITDA	39.1	27.9	40.1%
Net profit	17.3	37.3	-53.6%
Net profit attributable to equity holders of the Parent company	15.2	35.4	-57.1%

Financial ratios, %	30.06.2023	31.12.2022	Change
ROA	10.8	19.0	-43.2%
ROE	15.6	28.1	-44.5%
Price to earnings ratio (P/E)	5.5	3.4	61.8%
Current ratio	5.8	5.1	13.7%
Quick ratio	3.6	2.8	28.6%

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 31 407 thousand EUR during 6 months of 2023, representing a 19.1% increase as compared to the same period of previous year. Overall, retail increased by 20.6%, measured in EUR.

The Group's gross profit during 6 months of 2023 amounted to 18 837 thousand EUR and increase by 46.2% compared to previous year. The gross margin during 6 months of 2023 increased by 22.7% compared to 6 months of 2022. The cost of sold goods decreased by 6.8%.

Consolidated operating profit for 6 months of 2023 amounted to 10 681 thousand EUR, compared to 5 685 thousand EUR for 6 months of 2022, increase by 87.9%. The consolidated operating profit margin was 34.0% for 6 months of 2023 (21.6% for 6 months of 2022). Consolidated EBITDA for 6 months of 2023 increased by 66.9% and amounted to 12 272 thousand EUR, which is 39.1% in margin terms (7 355 thousand EUR and 27.9% for 6 months of 2022).

Reported consolidated net profit attributable to equity holders of the Parent company for 6 months of 2023 amounted to 4 772 thousand EUR, compared to net profit of 9 346 thousand EUR for 6 months of 2022, net profit margin attributable to equity holders of the Parent company for 6 months of 2023 was 15.2% against net profit 35.4% for 6 months of 2022.

Financial position

As of 30 June 2023 consolidated assets amounted to 67 842 thousand EUR representing increase by 6.0% as compared to the position as of 31 December 2022.

Trade and other receivables increased by 1 195 thousand EUR as compared to 31 December 2022 and amounted to 3 321 thousand EUR as of 30 June 2023. Inventory balance decreased by 1 342 thousand EUR and amounted to 20 922 thousand EUR as of 30 June 2023.

Equity attributable to equity holders of the Parent company increased by 2 612 thousand EUR and amounted to 47 398 thousand EUR as of 30 June 2023. Current liabilities decreased by 288 thousand EUR during 6 months of 2023.

Investments

During 6 months of 2023 the Group's investments into property, plant and equipment totalled 708 thousand EUR, in previous year same period 100 thousand EUR. Investments were made mainly into opening and renovating own stores, as well into equipment and facilities to maintain effective production for future periods.

Personnel

As of 30 June 2023, the Group employed 1 663 employees, including 527 people in retail operations. The rest were employed in production, wholesale, administration and support operations. In 31.12.2022 there were 1 616 employees, including 499 people in retail operations.

Total salaries and related taxes during 6 months of 2023 amounted to 6 902 thousand EUR (5 641 thousand EUR in 6 months of 2022). The remuneration of key management of the Group, including the key executives of all subsidiaries, totalled 296 thousand EUR.

Decisions made by governing bodies during 6 months 2023

On the 24th of May 2023, 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 May 24, 2023, in the information system NASDAQ OMX Tallinn <https://view.news.eu.nasdaq.com/view?id=bc3e622810054b7a49a4f706f81ac5063&lang=en&src=listed> 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 15, 2023 Silvano Fashion Group held its regular Annual General Meeting of Shareholders. The Meeting adopted the following decisions:

- Approved the 2022 Annual Report;
- Left the net profit undistributed and included the net profit of the financial year 2022 in retained earnings.

The protocol of the general meeting was published on the website of AS Silvano Fashion Group <https://www.silvanofashion.com/investors/company-announcements/>.

Shares of AS Silvano Fashion Group

As of 30 June 2023 registered share capital of AS Silvano Fashion Group amounted to 3 600 thousand EUR divided into 36 000 000 ordinary shares with a nominal value of 0.10 EUR each. The share register is electronic and maintained at the Estonian Central Register of Securities. The Company has been listed on Nasdaq OMX Tallinn Stock Exchange main list (since 21.11.2006) and on Warsaw Stock Exchange (since 23.07.2007).

As of 30 June 2023 AS Silvano Fashion Group 3 542 shareholders (as of 31 December 2022: 3 585 shareholders).

As of 30 June 2023 shareholders, whose interest in AS Silvano Fashion Group exceeded 5% included:

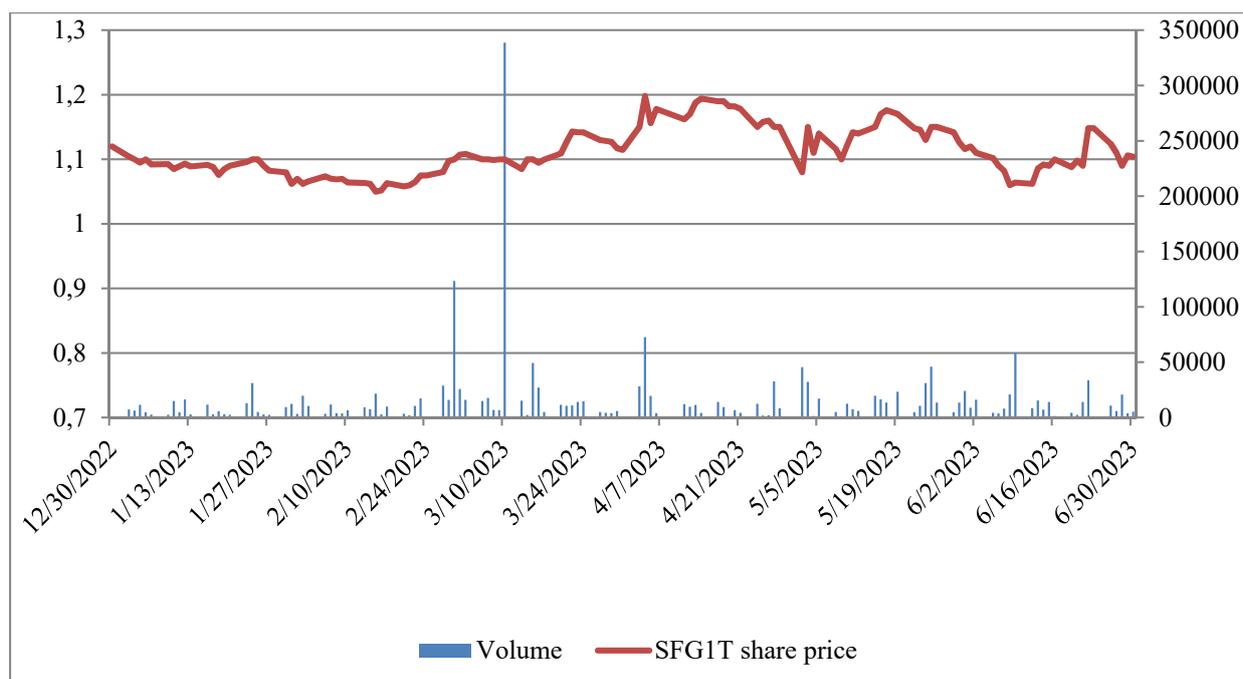
Name	Number of shares	Shareholding
Major shareholders	19 262 985	53.50%
BALTPLAST AS	9 115 798	25.32%
AS SEB PANK CLIENTS	8 000 000	22.22%
UNICREDIT BANK AUSTRIA AG	2 147 187	5.96%
Other shareholders	16 737 015	46.50%
Total number of shares	36 000 000	100.00%

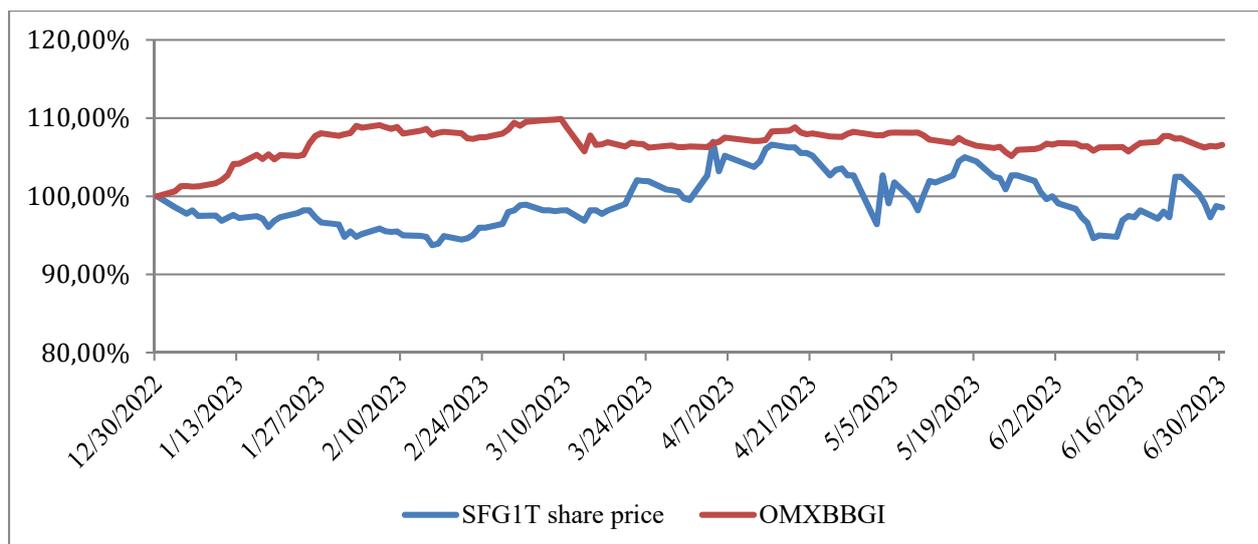
As of 31 December 2022 shareholders, whose interest in AS Silvano Fashion Group exceeded 5% included:

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

Share price development and turnover on the Tallinn Stock Exchange during 6 months of 2023 (EUR)

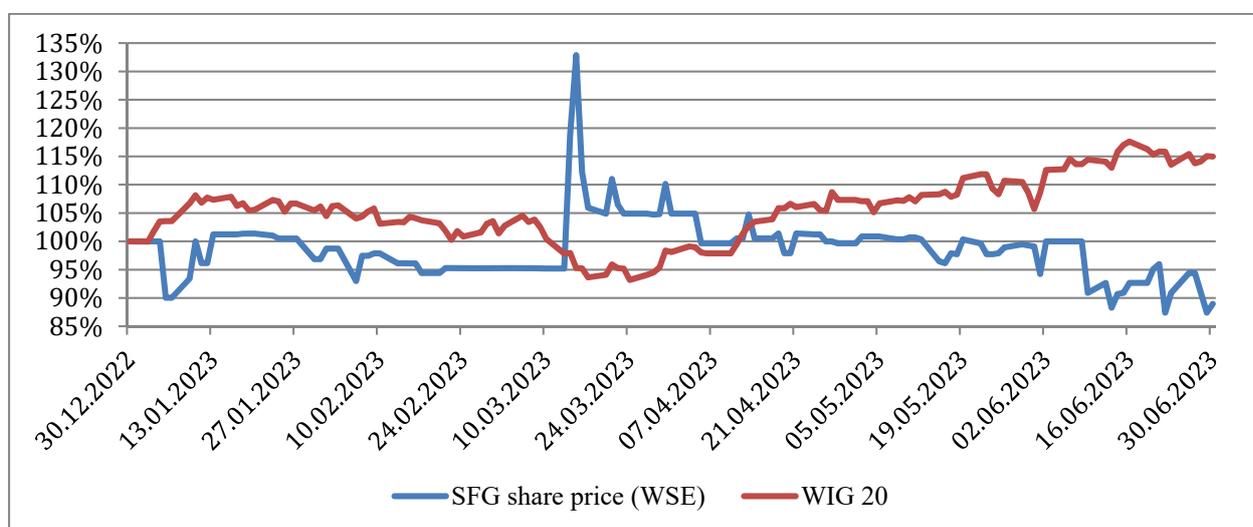
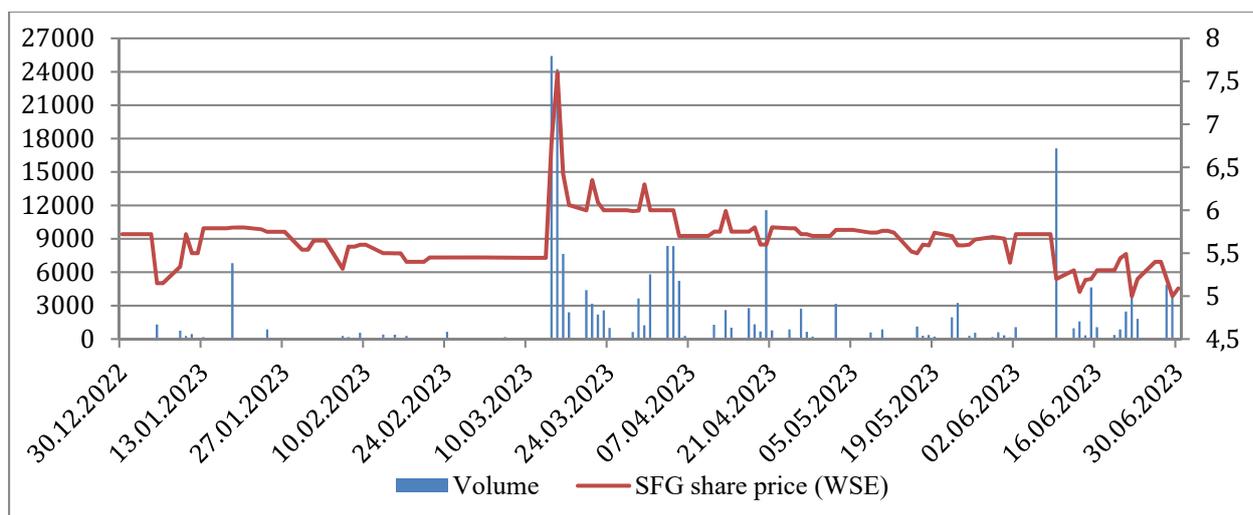
During 6 months of 2023 the highest and lowest prices of the AS Silvano Fashion Group` share on the Tallinn Stock Exchange were 1.204 EUR and 1.0498 EUR, respectively





Share price development on the Warsaw Stock Exchange during 6 months of 2023(PLN)

During 6 months of 2023, the highest and lowest prices of the AS Silvano Fashion Group' share on the Warsaw Stock Exchange were 7.6 PLN and 5.00 PLN respectively.



Declaration of the Management Board

The Management Board of AS Silvano Fashion Group has reviewed and approved Consolidated Interim Financial Report for 6 months of 2023 (hereinafter “the Interim Report”).

Member of the Management Board confirms that according to his best knowledge the Interim Report gives a true and fair view of financial position of the Group, its financial performance and its cash flows in accordance with International Financial Reporting Standards, as adopted by EU, and IAS 34 “Interim Financial Reporting”.

Furthermore, Member of the Management Board confirms that in his opinion the Interim Report provides a fair review of significant developments in the Group's activities that occurred during the reporting period and their impact and describes significant risks and uncertainties that may affect the Group during future reporting periods.

The Interim Report has not been audited or otherwise reviewed by the auditors.



Jarek Sārgava
Member of the Management Board
August 04, 2023

Consolidated Statement of Financial Position

in thousands of EUR	Note	30.06.2023	31.12.2022
		Unaudited	Audited
ASSETS			
Current assets			
Cash and cash equivalents	2	31 041	25 909
Trade and other receivables	3	2 031	1 044
Prepayments and other tax receivables	3	1 184	971
Current loans granted		25	10
Other assets		106	111
Inventories	4	20 922	22 264
Total current assets		55 309	50 309
Non-current assets			
Non-current receivables		314	301
Investments in associates		78	82
Investments in other shares		228	259
Deferred tax asset		2 006	2 166
Intangible assets		575	585
Investment property		903	1 041
Property, plant and equipment	5	8 429	9 248
Total non-current assets		12 533	13 682
TOTAL ASSETS		67 842	63 991
LIABILITIES AND EQUITY			
Current liabilities			
Current lease liabilities		1 177	2 373
Trade and other payables	6	5 326	5 837
Tax liabilities		3 111	1 692
Total current liabilities		9 614	9 902
Non-current liabilities			
Deferred tax liability		921	1 039
Non-current lease liabilities		4 790	4 041
Non-current provisions		36	41
Total non-current liabilities		5 747	5 121
Total liabilities		15 361	15 023
Equity			
Share capital	7	3 600	3 600
Share premium		4 967	4 967
Statutory reserve capital		1 306	1 306
Unrealised exchange rate differences		-21 569	-19 409
Retained earnings		59 094	54 322
Total equity attributable to equity holders of the Parent company		47 398	44 786
Non-controlling interest		5 083	4 182
Total equity		52 481	48 968
TOTAL EQUITY AND LIABILITIES		67 842	63 991

Consolidated Income Statement

in thousands of EUR	Note	2Q 2023	2Q 2022	06m 2023	06m 2022
		Unaudited	Unaudited	Unaudited	Unaudited
Revenue from contracts with customers	9	17 266	15 334	31 407	26 370
Cost of goods sold		-6 553	-8 967	-12 570	-13 485
Gross Profit		10 713	6 367	18 837	12 885
Distribution expenses		-2 775	-2 776	-5 554	-5 027
Administrative expenses		-1 091	-1 090	-2 277	-2 042
Other operating income		59	129	116	219
Other operating expenses		-188	-166	-441	-350
Operating profit		6 718	2 464	10 681	5 685
Currency exchange income/(expense)		-1 492	8 455	-2 591	5 985
Other finance income/(expenses)		-29	-126	-185	-230
Net finance income		-1 521	8 329	-2 776	5 755
Profit (loss) from associates using equity method		8	2	12	-11
Profit before tax		5 205	10 795	7 917	11 429
Income tax expense		-1 650	-775	-2 495	-1 602
Profit for the period		3 555	10 020	5 422	9 827
Attributable to :					
Equity holders of the Parent company		3 156	9 612	4 772	9 346
Non-controlling interest		399	408	650	481
Earnings per share from profit attributable to equity holders of the Parent company, both basic and diluted (EUR)	8	0.09	0.27	0.13	0.26

Consolidated Statement of Comprehensive Income

in thousands of EUR	Note	2Q 2023	2Q 2022	06m 2023	06m 2022
		Unaudited	Unaudited	Unaudited	Unaudited
Profit for the period		3 555	10 020	5 422	9 827
Other comprehensive income (loss) that will be reclassified to profit or loss in subsequent periods					
Exchange differences on translation of foreign operations		-624	576	-1 384	-719
Total other comprehensive income for the period		-624	576	-1 384	-719
Total comprehensive income (loss) for the period		2 931	10 596	4 038	9 108
Attributable to :					
Equity holders of the Parent company		2 029	10 294	2 612	8 456
Non-controlling interest		902	302	1 426	652

Consolidated Statement of Cash Flows

in thousands of EUR	Note	06m 2023	06m 2022
		Unaudited	Unaudited
Cash flow from operating activities			
Profit for the period		5 422	9 827
Adjustments for:			
Depreciation and amortization of non-current assets		1 591	1 670
Share of profit of equity accounted investees		-12	11
Gains/Losses on the sale of property, plant and equipment		-11	1
Net finance income / costs		2 776	-2 000
Provision for impairment losses on trade receivables		-1	0
Provision for inventories		2	3
Income tax expense		2 495	1 602
Change in inventories		1 342	-3 861
Change in trade and other receivables		-1 195	-897
Change in trade and other payables		-125	-347
Income tax paid		-1 482	-939
Net cash flow from operating activities		10 802	5 070
Cash flow from investing activities			
Interest received		172	12
Dividends received		11	3
Proceeds from disposal of property, plant and equipment		5	8
Loans granted		-15	-9
Acquisition of property, plant and equipment		-708	-100
Acquisition of intangible assets		-88	-42
Net cash flow from investing activities		-623	-128
Cash flow from financing activities			
Payment of principal portion of lease liabilities		-1 118	-1 137
Interest paid on lease liabilities		-367	-246
Dividends paid		-525	0
Net cash flow from financing activities		-2 010	-1 383
Net increase in cash and cash equivalents		8 169	3 559
Cash and cash equivalents at the beginning of period		25 909	17 098
Effect of translation to presentation currency		-3 452	0
Effect of exchange rate fluctuations on cash held		415	-166
Cash and cash equivalents at the end of period		31 041	20 491

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
Balance as at 31 December 2021 (Audited)	3 600	4 967	1 306	-18 251	42 526	34 148	3 713	37 861
Profit for the period	0	0	0	0	9 346	9 346	481	9 827
Other comprehensive income for the period	0	0	0	-890	0	-890	171	-719
Total comprehensive income for the period	0	0	0	-890	9 346	8 456	652	9 108
Transactions with owners, recognised directly in equity								
Dividends declared	0	0	0	0	0	0	0	0
Total transactions with owners, recognised directly in equity	0	0	0	0	0	0	0	0
Balance as at 30 June 2022 (Unaudited)	3 600	4 967	1 306	-19 141	51 872	42 604	4 365	46 969
Balance as at 31 December 2022 (Audited)	3 600	4 967	1 306	-19 409	54 322	44 786	4 182	48 968
Profit for the period	0	0	0	0	4 772	4 772	650	5 422
Other comprehensive income for the period	0	0	0	-2 160	0	-2 160	776	-1 384
Total comprehensive income for the period	0	0	0	-2 160	4 772	2 612	1 426	4 038
Transactions with owners, recognised directly in equity								
Dividends declared	0	0	0	0	0	0	-525	-525
Total transactions with owners, recognised directly in equity	0	0	0	0	0	0	-525	-525
Balance as at 30 June 2023 (Unaudited)	3 600	4 967	1 306	-21 569	59 094	47 398	5 083	52 481

Notes to the Interim Report

Note 1 Summary of significant accounting policies

AS Silvano Fashion Group is a company registered in Estonia. This Interim Report of the Group is prepared for the reporting period ended 30 June 2023 and comprises parent company and its subsidiaries.

The principal accounting policies applied in the preparation of this Interim Report are set out below. The policies have been consistently applied to all the years presented unless otherwise stated.

The Interim Report has not been audited or reviewed by external auditors.

Basis for preparation

This Interim Report of AS Silvano Fashion Group for 6 months of 2023 ended on 30 June 2023 has been prepared in accordance with IAS 34 “Interim financial reporting” as adopted by the European Union. The Interim Report should be read in conjunction with the Annual Report for the financial year ended on 31 December 2022, which have been prepared in accordance with IFRS as adopted by the European Union.

This Interim Report is comprised in thousands of Euros (EUR).

The Group’s performance is not significantly affected by any seasonal or cyclical factors. Nevertheless, revenue during vacation periods and holidays in CIS countries is usually higher compared to other periods.

New standards and interpretations

In additions to disclosures already made in the Annual Report for the financial year ended on 31 December 2022 there are no new IFRSs or IFRIC interpretations that are effective for the financial year beginning on or after 1 January 2023 and that would be expected to have a material impact on the Group.

Note 2 Cash and cash equivalents

in thousands of EUR	30.06.23	31.12.22
Cash on hand	59	171
Current bank accounts in EUR	4 704	2 956
Current bank accounts in other currencies than EUR	343	300
Short-term bank deposits in EUR	25 700	22 000
Short-term bank deposits in other currencies than EUR	154	191
Short-term guarantee deposits	7	7
Cash in transit	74	284
Total	31 041	25 909

in thousands of EUR	30.06.23	31.12.22
Estonia	27 345	22 329
Latvia	122	122
Russia	898	1 785
Belarus	2 209	1 266
Ukraine	168	195
Monaco	299	212
Total	31 041	25 909

Note 3 Trade receivables and other assets

in thousands of EUR	30.06.23	31.12.22
Trade accounts receivable from third parties	1 926	939
Trade accounts receivable from related parties	0	0
Receivables on services rendered	33	30
Other receivables	126	134
Deffered expenses	106	111
	2 191	1 214
Allowance for expected credit losses	-54	-59
Total trade and other receivables	2 137	1 155
Prepayments and other tax receivables		
Prepayments issued to suppliers	386	450
VAT recoverable	797	520
Other tax prepayments	1	1
Total prepayments and other tax receivables	1 184	971
Total trade receivables and other assets	3 321	2 126

The fair values of trade and other receivables are not materially different from the carrying values based on the expected discounted cash flows.

Note 4 Inventories

in thousands of EUR	30.06.23	31.12.22
Raw and other materials	4 882	6 042
Work in progress	1 413	1 079
Finished goods	12 747	14 143
Other inventories	1 880	1 000
Total	20 922	22 264

Note 5 Property, plant and equipment

in thousands of EUR						
	Land and buildings	Plant and equipment	Other equipment and fixtures	Right-of-use asset	Assets under construction	Total
31.12.2021						
Cost	4 065	14 992	4 625	12 499	64	36 245
Accumulated depreciation	-2 209	-13 325	-4 118	-6 622	0	-26 274
Net book amount	1 856	1 667	507	5 877	64	9 971
Movements during 06m 2022						
Additions	0	2	98	404	0	504
Disposals	0	0	-7	-50	0	-57
Reclassifications	0	18	12	2	-32	0
Depreciation	-47	-262	-167	-1 153	0	-1 629
Unrealised exchange rate differences	148	135	267	1 780	1	2 331
Closing net book amount	1 957	1 560	710	6 860	33	11 120
30.06.2022						
Cost	4 391	16 107	5 331	16 449	33	42 311
Accumulated depreciation	-2 434	-14 547	-4 621	-9 589	0	-31 191
Net book amount	1 957	1 560	710	6 860	33	11 120
31.12.2022						
Cost	4 020	14 838	4 688	14 350	33	37 929
Accumulated depreciation	-2 280	-13 560	-4 127	-8 714	0	-28 681
Net book amount	1 740	1 278	561	5 636	33	9 248
Movements during 06m 2023						
Additions	0	7	339	976	362	1 684
Modifications	0	0	0	401	0	401
Disposals	0	0	-16	0	0	-16
Transfers and reclassification	0	214	142	0	-356	0
Depreciation	-38	-204	-155	-1 155	0	-1 552
Unrealised exchange rate differences	-204	-147	-121	-859	-5	-1 336
Closing net book amount	1 498	1 148	750	4 999	34	8 429
30.06.2023						
Cost	3 555	13 340	4 529	13 127	34	34 585
Accumulated depreciation	-2 057	-12 192	-3 779	-8 128	0	-26 156
Net book amount	1 498	1 148	750	4 999	34	8 429

The Group didn't have any significant binding commitments to purchase property plant and equipment as of 30 June 2023.

Note 6 Trade and other payables

in thousands of EUR	30.06.23	31.12.22
Trade accounts payable to third parties	3 349	4 055
Prepayments received from customers	491	690
Accrued expenses	663	505
Accounts payables to employees	537	429
Other payables	286	158
Total trade and other payables	5 326	5 837

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

Note 7 Equity

Shares

As of 30 June 2023 registered share capital of AS Silvano Fashion Group amounted to 3 600 thousand EUR divided into 36 000 000 shares with a nominal value of 0.10 EUR each (as of 31 December 2022, 3 600 thousand EUR 36 000 000 shares and 0.10 EUR nominal value, respectively). All shares of AS Silvano Fashion Group are ordinary shares and all are registered. Each ordinary share gives a shareholder one vote in General Meeting of Shareholders. No share certificates are issued for registered shares. The share register is electronic and maintained at the Estonian Central Depository for Securities. All shares are fully paid shares.

As of 30 June 2023 AS Silvano Fashion Group had 3 542 shareholders (as of 31 December 2022: 3 585 shareholders).

Note 8 Earnings per share

The calculation of basic earnings per share for 6 months of 2023 (6 months of 2022) is based on profit attributable to owners and a weighted average number of ordinary shares.

in thousands of shares	06m 2023	06m 2022
Number of ordinary shares at the beginning of the period	36 000	36 000
Effect of own shares held at the beginning of the period	0	0
Number of ordinary shares at the end of the period	36 000	36 000
Effect of own shares held at the end of the period	0	0
Weighted average number of ordinary shares for the Period	36 000	36 000
in thousands of EUR	06m 2023	06m 2022
Profit (loss) for the period attributable to equity holders of the Parent company	4 772	9 346
Basic earnings per share (EUR)	0.13	0.26
Diluted earnings per share (EUR)	0.13	0.26

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	06m 2023	06m 2022
Revenue from wholesale	20 283	17 143
Revenue from retail	11 107	9 207
Subcontracting and services	17	16
Other sales	0	4
Total	31 407	26 370

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	06m 2023	06m 2022
Associates	297	281
Total	297	281

Balances with related parties

in thousands of EUR	30.06.2023	31.12.2022
Trade receivables from associates	0	0
Total	0	0

Benefits to key management of the group

in thousands of EUR	06m 2023	06m 2022
Remunerations and benefits	296	319
Total	296	319

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>	06m 2023 and as of 30.06.2023					
	Lingerie retail	Lingerie wholesale	Total segments	Unallocated	Eliminations	Total
Revenue from external customers	11 107	20 283	31 390	17		31 407
Intersegment revenues	0	-18 069	-18 069	-1 667	19 736	0
EBITDA	5 241	7 021	12 262	10		12 272
Amortization and depreciation	-1 083	-260	-1 343	-248		-1 591
Operating income, EBIT	4 158	6 761	10 919	-238	0	10 681
Profit from associates using equity method	0	12	12	0		12
Net financial income	-254	-211	-465	-2 311		-2 776
Income tax	-508	-1 537	-2 045	-450		-2 495
Net profit	3 396	5 025	8 421	-2 999	0	5 422
Investments in associates	0	78	78	0		78
Other operating segments assets	4 316	33 426	37 742	30 022		67 764
Reportable segments liabilities	1 005	12 080	13 085	2 276		15 361
Capital expenditures	1 330	420	1 750	22		1 772
Number of employees as of reporting date	527	1 030	1 557	106		1 663
Operating segments <i>in thousands of EUR</i>	06m 2022 and as of 30.06.2022					
	Lingerie retail	Lingerie wholesale	Total segments	Unallocated	Eliminations	Total
Revenue from external customers	9 207	17 143	26 350	20		26 370
Intersegment revenues	0	14 996	14 996	1 399	-16 395	0
EBITDA	4 473	2 616	7 089	266		7 355
Amortization and depreciation	-715	-667	-1 382	-288		-1 670
Operating income, EBIT	3 758	1 949	5 707	-22	0	5 685
Profit from associates using equity method	0	-11	-11	0		-11
Net financial income	78	2 061	2 139	3 616		5 755
Income tax	-590	-571	-1 161	-441		-1 602
Net profit	3 246	3 428	6 674	3 153	0	9 827
Investments in associates	0	101	101	0		101
Other operating segments assets	4 702	39 824	44 526	19 151		63 677
Reportable segments liabilities	2 034	11 078	13 112	3 697		16 809
Capital expenditures	473	63	536	2		538
Number of employees as of reporting date	503	998	1 501	106		1 607

Revenue and non-current assets breakdown by geographical areas

Revenues in the table below are based on the geographical location of customers; segment assets are based on the geographical location of the assets.

Geographical segments

in thousands of EUR	Revenue 06m 2023	Revenue 06m 2022	Non-current assets 30.06.2023	Non-current assets 31.12.2022
Russia	18 746	16 200	3 142	3 316
Belarus	7 809	6 342	9 044	10 023
Ukraine	100	222	0	0
Baltics	705	682	322	318
Other countries	4 047	2 924	25	25
Total	31 407	26 370	12 533	13 682