



AS Silvano Fashion Group

Consolidated Interim Financial Report for Q2 and 6 months of 2022 (unaudited)

(translation of the Estonian original) *

Beginning of the reporting period	1 January 2022
End of the reporting period	30 June 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	info@silvanofashion.com
Website	www.silvanofashion.com
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 30 June 2022 the Group employed 1 607 people (as of 31 December 2021: 1 602 people).

The Group comprises of the following entities:

Parent company	Location	Main activity	Ownership interest 30.06.2022	Ownership interest 31.12.2021
AS Silvano Fashion Group	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 and Wholesale	100%	100%
CJSC Milavitsa	Belarus	Manufacturing and Wholesale	85.02%	85.02%
JSC Sewig 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%
JSC Metropolitan Trade Company “Milavitsa”	Russia	Holding	100%	100%
LLC Baltsped logistik	Belarus	Logistics	50%	50%

Business environment and results

The Group's sales amounted to 26 370 thousand EUR during the 6 months of 2022, representing a 13.5% increase as compared to the same period for the previous year. The Group's gross profit during the 6 months of 2022 amounted to 12 885 thousand EUR and decreased by 5.7% compared to 6 months of 2021. The Gross margin during the 6 months of 2022 decreased to 48.9% from 58.8% as compared to 6 months of 2021.

Consolidated operating profit for 6 months of 2022 decreased by 28.4% to 5 685 thousand EUR, compared to 7 941 thousand EUR in 6 months of 2021. Consolidated EBITDA for 6 months of 2022 decreased by 22.9% and was 7 355 thousand EUR, compared to 9 533 thousand EUR in 6 months of 2021.

Reported consolidated net profit for 6 months of 2022 amounted to 9 827 thousand EUR, as compared to net profit of 6 696 thousand EUR in the prior year's same period. Net profit attributable to equity holders of the Parent company for 6 months of 2022 amounted 9 346 thousand EUR.

Russia Economic Outlook

The Group's sales on the Russian market totalled 16 200 thousand EUR, increase is 18.0% compared to 6 months of 2021. Local currency sales increased by 5.9% during 6 months of 2022 compared to the same 6 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 47 stores operated by the Group itself.

Belarus Economic Outlook

The Group's sales in Belarus in the 6 months of 2022 were 6 342 thousand EUR and increased by 14.1% compared to the 6 months of 2021. Sales in local currency increased by 8.7% during the same period. There are currently a total of 58 stores operated by the Group itself.

Ukraine Economic Outlook

The Group's sales in Ukraine in the 6 month of 2022 were 222 thousand EUR and decreased by 72.8% compared to the 6 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 85.5% of its total sales. Measured in local currencies sales increase was accordingly – 5.9% in Russia, 8.7% in Belarus.

	06m 2022	06m 2021	Change	Change, %
Russia, th RUB	1 291 422	1 219 365	72 057	5.9%
Belarus, th BYN	18 737	17 243	1 494	8.7%

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

in thousands of EUR	06m 2022	06m 2021	Change, EUR	Change, %	06m 2022, % of sales	06m 2021, % of sales
Russia	16 200	13 730	2 470	18.0%	61.4%	59.1%
Belarus	6 342	5 558	784	14.1%	24.1%	23.9%
Ukraine	222	815	-593	-72.8%	0.8%	3.5%
Baltics	682	503	179	35.6%	2.6%	2.2%
Other markets	2 924	2 619	305	11.6%	11.1%	11.3%
Total	26 370	23 225	3 145	13.5%	100.0%	100.0%

The majority of lingerie sales revenue during 6 months of 2022 in the amount 16 200 thousand EUR was generated in Russia, accounting for 61.4% of total sales. The second largest market was Belarus, where sales were 6 342 thousand EUR, contributing 24.1% of lingerie sales (both retail and wholesale).

Sales by business segments

	06m 2022	06m 2021	Change, EUR	Change, %	06m 2022, % of sales	06m 2021, % of sales
in thousands of EUR						
Wholesale	17 143	15 572	1 571	10.1%	65.0%	67.0%
Retail	9 207	7 590	1 617	21.3%	34.9%	32.7%
Other operations	20	63	-43	-68.3%	0.1%	0.3%
Total	26 370	23 225	3 145	13.5%	100.0%	100.0%

During 6 months of 2022 wholesale revenue amounted to 17 143 thousand EUR, representing 65.0% of the Group's total revenue (6 months of 2021: 67.0%). The main wholesale regions were Russia and Belarus.

Our retail revenue increased by 21.3% and amounted to 9 207 thousand EUR, this represents 34.9% of the Group's total revenue.

Own & franchise store locations, geography

	Own	Franchise	Total
Russia	47	346	393
Belarus	58	0	58
Baltics	6	21	27
Other regions	0	82	82
Total	111	449	560

At the end of the reporting period the Group and its franchising partners operated 526 Milavitsa and 34 Lauma Lingerie brand stores, including 111 stores operated directly by the Group.

Selected Financial Indicators

Summarized selected financial indicators of the Group for 6 months of 2022 compared to 6 months of 2021 and 30.06.2022 compared to 31.12.2021 were as follows:

in thousands of EUR	06m 2022	06m 2021	Change
Revenue	26 370	23 225	13.5%
Gross Profit	12 885	13 661	-5.7%
Operating profit	5 685	7 941	-28.4%
EBITDA	7 355	9 533	-22.9%
Net profit for the period	9 827	6 696	46.8%
Net profit attributable equity holders of the Parent company	9 346	6 031	55.0%
Earnings per share (EUR)	0,26	0,17	52.9%
Operating cash flow for the period	5 070	8 055	-37.1%

in thousands of EUR	30.06.2022	31.12.2021	Change
Total assets	63 778	53 753	18.7%
Total current assets	48 491	40 331	20.2%
Total equity attributable to equity holders of the Parent company	42 604	34 148	24.8%
Cash and cash equivalents	20 491	17 098	19.8%

Margin analysis, %	06m 2022	06m 2021	Change
Gross profit	48.9	58.8	-16.8%
Operating profit	21.6	34.2	-36.8%
EBITDA	27.9	41.0	-32.0%
Net profit	37.3	28.8	29.5%
Net profit attributable to equity holders of the Parent company	35.4	26.0	36.2%

Financial ratios, %	30.06.2022	31.12.2021	Change
ROA	22.4	17.9	25.1%
ROE	34.4	28.7	19.9%
Price to earnings ratio (P/E)	2.6	7.8	-66.7%
Current ratio	5.7	4.3	32.6%
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 26 370 thousand EUR during 6 months of 2022, representing a 13.5% increase as compared to the same period of previous year. Overall, retail increased by 21.3%, measured in EUR.

The Group's gross profit during 6 months of 2022 amounted to 12 885 thousand EUR and decrease by 5.7% compared to previous year. The gross margin during 6 months of 2022 decreased to 48.9%, from 58.8% in the respective period of previous year. The cost of sold goods increased by 41.0%.

Consolidated operating profit for 6 months of 2022 amounted to 5 685 thousand EUR, compared to 7 941 thousand EUR in 6 months of 2021, decrease by 28.4%. The consolidated operating profit margin was 21.6% for 6 months of 2022 (34.2% in 6 months of 2021). Consolidated EBITDA for 6 months of 2022 decreased by 22.9% and amounted to 7 355 thousand EUR, which is 27.9% in margin terms (9 533 thousand EUR and 41.0% for 6 months of 2021).

Reported consolidated net profit attributable to equity holders of the Parent company for 6 months of 2022 amounted to 9 346 thousand EUR, compared to net profit of 6 031 thousand EUR in 6 months of 2021, net profit margin attributable to equity holders of the Parent company for 6 months of 2022 was 35.4% against net profit 26.0% in 6 months of 2021.

Financial position

As of 30 June 2022 consolidated assets amounted to 63 778 thousand EUR representing increase by 18.7% as compared to the position as of 31 December 2021.

Trade and other receivables increased by 897 thousand EUR as compared to 31 December 2021 and amounted to 3 222 thousand EUR as of 30 June 2022. Inventory balance increased by 3 861 thousand EUR and amounted to 24 767 thousand EUR as of 30 June 2022.

Equity attributable to equity holders of the Parent company increased by 8 456 thousand EUR and amounted to 42 604 thousand EUR as of 30 June 2022. Current liabilities decreased by 839 thousand EUR during 6 months of 2022.

Investments

During 6 months of 2022 the Group's investments into property, plant and equipment totalled 100 thousand EUR, in previous year same period 120 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 2022, the Group employed 1 607 employees, including 503 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 6 months of 2022 amounted to 5 641 thousand EUR (4 745 thousand EUR in 6 months of 2021). The remuneration of key management of the Group, including the key executives of all subsidiaries, totalled 319 thousand EUR.

Decisions made by governing bodies during 6 months 2021

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 30 June 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 30 June 2022 AS Silvano Fashion Group 3 575 shareholders (as of 31 December 2021: 3 389 shareholders).

As of 30 June 2022 shareholders, whose interest in AS Silvano Fashion Group exceeded 5% included:

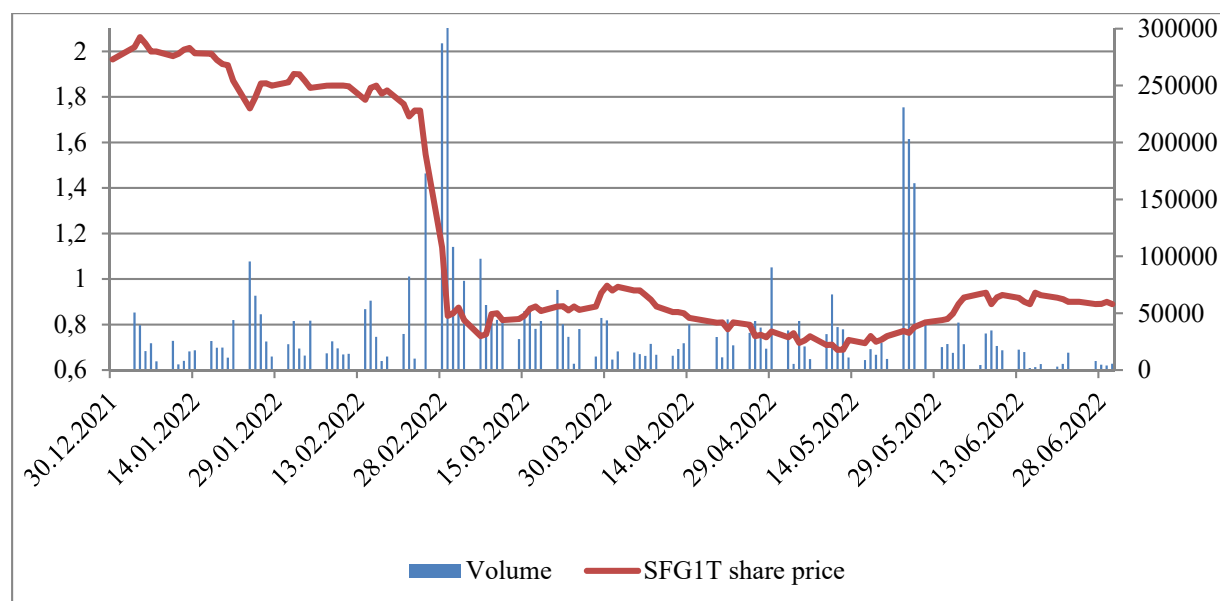
Name	Number of shares	Shareholding
Major shareholders	19 267 985	53.52%
BALTPLAST AS	9 115 798	25.32%
AS SEB PANK CLIENTS	8 000 000	22.22%
UNICREDIT BANK AUSTRIA AG	2 152 187	5.98%
Other shareholders	16 732 015	46.48%
Total number of shares	36 000 000	100.00%

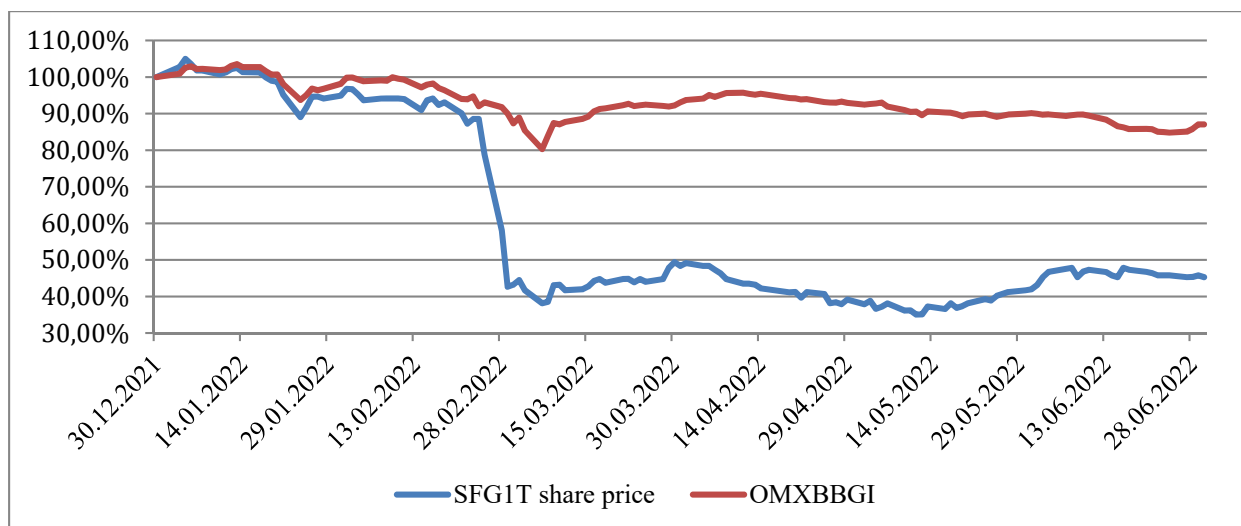
As of 31 December 2021 shareholders, whose interest in AS Silvano Fashion Group exceeded 5% included:

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

Share price development and turnover on the Tallinn Stock Exchange during 6 months of 2022 (EUR)

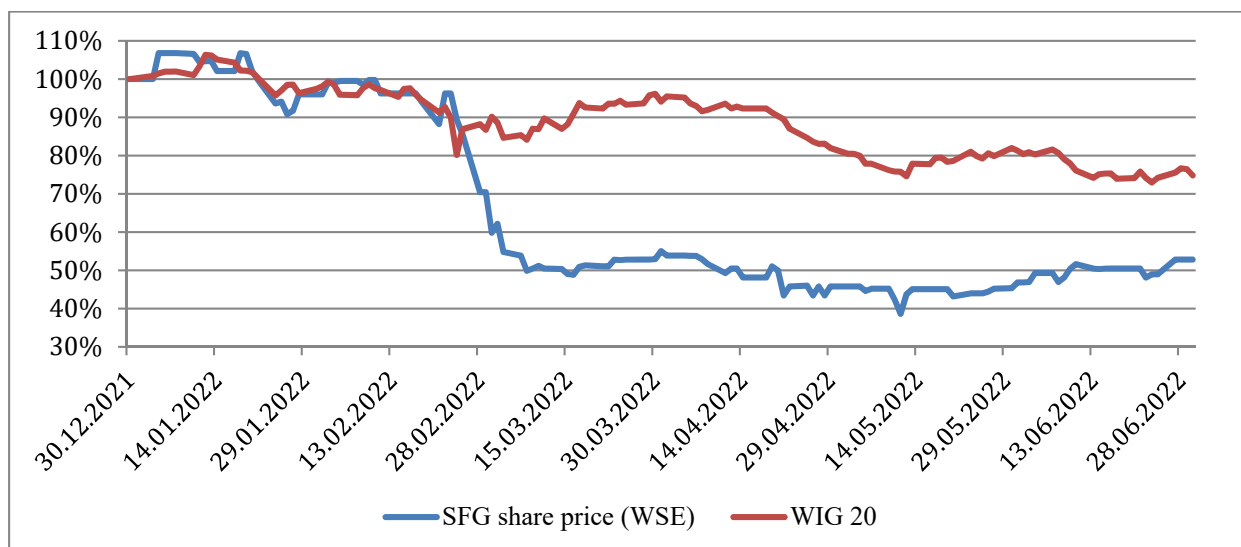
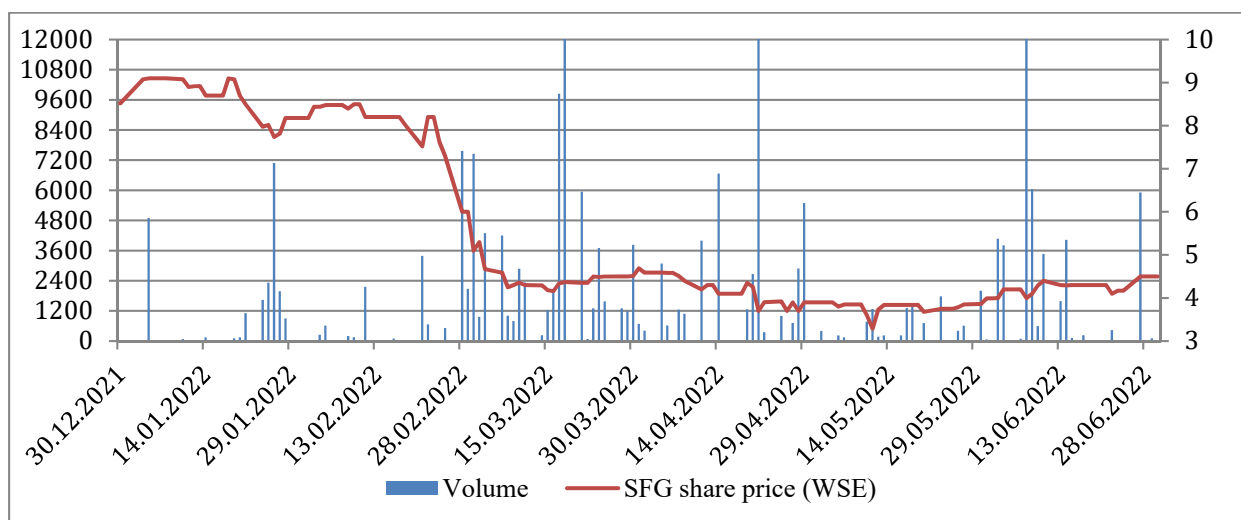
During 6 months of 2022 the highest and lowest prices of the AS Silvano Fashion Group` share on the Tallinn Stock Exchange were 2.078 EUR and 0.6601 EUR, respectively





Share price development on the Warsaw Stock Exchange during 6 months of 2022 (PLN)

During 6 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 6 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.



Jarek Sārgava
Member of the Management Board
August 05, 2022

Consolidated Statement of Financial Position

in thousands of EUR	Note	30.06.2022	31.12.2021
		Unaudited	Audited
ASSETS			
Current assets			
Cash and cash equivalents	2	20 491	17 098
Current loans granted		11	2
Trade receivables and other assets	3	3 222	2 325
Inventories	4	24 767	20 906
Total current assets		48 491	40 331
Non-current assets			
Non-current receivables		410	262
Investments in associates		101	80
Investments in other shares		283	262
Deferred tax asset		1 616	1 226
Intangible assets		599	535
Investment property		1 158	1 086
Property, plant and equipment	5	11 120	9 971
Total non-current assets		15 287	13 422
TOTAL ASSETS		63 778	53 753
LIABILITIES AND EQUITY			
Current liabilities			
Current lease liabilities		1 701	2 193
Trade and other payables	6	4 795	6 504
Tax liabilities		2 033	671
Total current liabilities		8 529	9 368
Non-current liabilities			
Deferred tax liability		2 152	1 746
Non-current lease liabilities		6 073	4 727
Non-current provisions		55	51
Total non-current liabilities		8 280	6 524
Total liabilities		16 809	15 892
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		-19 141	-18 251
Retained earnings		51 872	42 526
Total equity attributable to equity holders of the Parent company		42 604	34 148
Non-controlling interest		4 365	3 713
Total equity		46 969	37 861
TOTAL EQUITY AND LIABILITIES		63 778	53 753

Consolidated Income Statement

in thousands of EUR	Note	2Q 2022	2Q 2021	06m 2022	06m 2021
		Unaudited	Unaudited	Unaudited	Unaudited
Revenue from contracts with customers	9	15 334	12 960	26 370	23 225
Cost of goods sold		-8 967	-5 541	-13 485	-9 564
Gross Profit		6 367	7 419	12 885	13 661
Distribution expenses		-2 776	-2 094	-5 027	-4 204
Administrative expenses		-1 090	-903	-2 042	-1 788
Other operating income		129	385	219	566
Other operating expenses		-166	-151	-350	-294
Operating profit		2 464	4 656	5 685	7 941
Currency exchange income/(expense)		8 455	605	5 985	1 060
Other finance income/(expenses)		-126	-106	-230	-216
Net finance income (loss)		8 329	499	5 755	844
Profit (loss) from associates using equity method		2	5	-11	-1
Profit (loss) before tax		10 795	5 160	11 429	8 784
Income tax expense		-775	-1 028	-1 602	-2 088
Profit (loss) for the period		10 020	4 132	9 827	6 696
Attributable to :					
Equity holders of the Parent company		9 612	3 770	9 346	6 031
Non-controlling interest		408	362	481	665
Earnings per share from profit attributable to equity holders of the Parent company, both basic and diluted (EUR)	8	0,27	0,10	0,26	0,17

Consolidated Statement of Comprehensive Income

in thousands of EUR	Note	2Q 2022	2Q 2021	06m 2022	06m 2021
		Unaudited	Unaudited	Unaudited	Unaudited
Profit for the period		10 020	4 132	9 827	6 696
Other comprehensive income (loss) that will be reclassified to profit or loss in subsequent periods :					
Exchange differences on translation of foreign operations		576	40	-719	269
Total other comprehensive income(loss) for the period		576	40	-719	269
Total comprehensive income (loss) for the period		10 596	4 172	9 108	6 965
Attributable to :					
Equity holders of the Parent company		10 294	3 829	8 456	5 993
Non-controlling interest		302	343	652	972

Consolidated Statement of Cash Flows

in thousands of EUR	Note	06m 2022	06m 2021
		Unaudited	Unaudited
Cash flow from operating activities			
Profit for the period		9 827	6 696
Adjustments for:			
Depreciation and amortization of non-current assets		1 670	1 592
Share of profit of equity accounted investees		11	1
Gains/Losses on the sale of property, plant and equipment		1	0
Net finance income / costs		-2 000	-596
Provision for inventories		3	4
Receipt of government grants		0	450
Movements in provisions and government grants		0	-394
Income tax expense		1 602	2 088
Change in inventories		-3 861	-1 469
Change in trade and other receivables		-897	-289
Change in trade and other payables		-347	639
Interest paid		0	-2
Income tax paid		-939	-665
Net cash flow from operating activities		5 070	8 055
Cash flow from investing activities			
Interest received		12	9
Dividends received		3	0
Proceeds from disposal of property, plant and equipment		8	18
Loans granted		-9	0
Acquisition of property, plant and equipment		-100	-120
Acquisition of intangible assets		-42	-82
Net cash flow from investing activities		-128	-175
Cash flow from financing activities			
Repayment of borrowings		0	-800
Payment of principal portion of lease liabilities		-1 137	-1 135
Interest paid on lease liabilities		-246	-224
Dividends paid		0	-717
Net cash flow from financing activities		-1 383	-2 876
Net increase in cash and cash equivalents		3 559	5 004
Cash and cash equivalents at the beginning of period		17 098	8 980
Effect of exchange rate fluctuations on cash held		-166	38
Cash and cash equivalents at the end of period		20 491	14 022

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
Balance as at 31 December 2020 (Audited)	3 600	4 967	1 306	355	-18 864	33 140	24 504	3 314	27 818
Profit for the period	0	0	0	0	0	6 031	6 031	665	6 696
Other comprehensive income for the period	0	0	0	-355	317	0	-38	307	269
Total comprehensive income for the period	0	0	0	-355	317	6 031	5 993	972	6 965
Transactions with owners, recognised directly in equity									
Dividends declared	0	0	0	0	0	0	0	-717	-717
Total transactions with owners, recognised directly in equity	0	0	0	0	0	0	0	-717	-717
Balance as at 30 June 2021 (Unaudited)	3 600	4 967	1 306	0	-18 547	39 171	30 497	3 569	34 066
Balance as at 31 December 2021 (Audited)	3 600	4 967	1 306	0	-18 251	42 526	34 148	3 713	37 861
Profit for the period	0	0	0	0	0	9 346	9 346	481	9 827
Other comprehensive income for the period	0	0	0	0	-890	0	-890	171	-719
Total comprehensive income for the period	0	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	0
Total transactions with owners, recognised directly in equity	0	0	0	0	0	0	0	0	0
Balance as at 30 June 2022 (Unaudited)	3 600	4 967	1 306	0	-19 141	51 872	42 604	4 365	46 969

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 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 6 months of 2022 ended on 30 June 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	30.06.22	31.12.21
Cash on hand	54	123
Current bank accounts in EUR	5 755	11 591
Current bank accounts in other currencies than EUR	1 060	552
Short-term bank deposits in all currencies	13 262	4661
Short-term guarantee deposits	13	13
Cash in transit	347	158
Total	20 491	17 098

Note 3 Trade receivables and other assets

Trade receivables and other assets	30.06.2022	31.12.2021
Trade accounts receivable from third parties	1 715	910
Trade accounts receivable from related parties	24	56
Receivables on services rendered	108	79
Other receivables	90	97
Deffered expenses	115	91
	<u>2 052</u>	<u>1 233</u>
Allowance for expected credit losses	-59	-57
Total trade and other receivables	1 993	1 176
Prepayments and other tax receivables		
Prepayments issued to suppliers	440	502
VAT recoverable	786	646
Other tax prepayments	3	1
Total prepayments and other tax receivables	1 229	1 149
Total trade receivables and other assets	3 222	2 325

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	30.06.22	31.12.21
Raw and other materials	5 579	4 760
Work in progress	1 198	1 010
Finished goods	16 424	13 914
Other inventories	1 566	1 222
Total	24 767	20 906

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
31.12.2020						
Cost	3 709	13 734	4 271	9 372	34	31 120
Accumulated depreciation	-1 932	-11 789	-3 671	-4 037	0	-21 429
Net book amount	1 777	1 945	600	5 335	34	9 691
Movements during 06m 2021						
Additions	0	7	60	1 173	53	1 293
Disposals	0	0	-18	0	0	-18
Reclassifications	0	1	51	0	-52	0
Depreciation	-45	-267	-165	-1 102	0	-1 579
Unrealised exchange rate differences	90	94	36	273	2	495
Closing net book amount	1 822	1 780	564	5 679	37	9 882
30.06.2021						
Cost	3 892	14 349	4 521	11 013	37	33 812
Accumulated depreciation	-2 070	-12 569	-3 957	-5 334	0	-23 930
Net book amount	1 822	1 780	564	5 679	37	9 882
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

The Group didn't have any significant binding commitments to purchase property plant and equipment as of 30 June 2022.

Note 6 Trade and other payables

in thousands of EUR		
	30.06.22	31.12.21
Trade accounts payable to third parties	2 519	4 795
Prepayments received from customers	771	581
Accrued expenses	632	459
Accounts payables to employees	570	386
Other payables	303	283
Total trade and other payables	4 795	6 504

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 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 30 June 2022 AS Silvano Fashion Group had 3 575 shareholders (as of 31 December 2021: 3 389 shareholders).

Note 8 Earnings per share

The calculation of basic earnings per share for 6 months of 2022 (6 months of 2021) is based on profit attributable to owners and a weighted average number of ordinary shares.

in thousands of shares	06m 2022	06m 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
Weighted average number of ordinary shares for the period	36 000	36 000

in thousands of EUR	06m 2022	06m2021
Profit (loss) for the period attributable to equity holders of the Parent company	9 346	6 031
Basic earnings per share (EUR)	0.26	0.17
Diluted earnings per share (EUR)	0.26	0.17

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 2022	06m 2021
Revenue from wholesale	17 143	15 572
Revenue from retail	9 207	7 590
Subcontracting and services	16	58
Other sales	4	5
Total	26 370	23 225

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 2022	06m 2021
Associates	281	360
Total	281	360

Balances with related parties		
in thousands of EUR	30.06.2022	31.12.2021
Trade receivables from associates	24	56
Total	24	56

Benefits to key management of the group		
in thousands of EUR	06m 2022	06m 2021
Remunerations and benefits	319	293
Total	319	293

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>	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
Operating segments <i>in thousands of EUR</i>	06m 2021 and as of 30.06.2021					
	Lingerie retail	Lingerie wholesale	Total segments	Unallocated	Eliminations	Total
Revenue from external customers	7 590	15 572	23 162	63		23 225
Intersegment revenues	0	13 144	13 144	1 276	-14 420	0
EBITDA	3 634	5 614	9 248	285		9 533
Amortization and depreciation	-1 038	-281	-1 319	-273		-1 592
Operating income, EBIT	2 596	5 333	7 929	12	0	7 941
Profit from associates using equity method	0	-1	-1	0		-1
Net financial income	79	-123	-44	888		844
Income tax	-340	-1 049	-1 389	-699		-2 088
Net profit	2 335	4 160	6 495	201	0	6 696
Investments in associates	0	59	59	0		59
Other operating segments assets	4 435	29 192	33 627	15 760		49 387
Reportable segments liabilities	1 920	9 669	11 589	3 791		15 380
Capital expenditures	1 181	193	1 374	1		1 375
Number of employees as of reporting date	518	1 064	1 582	114		1 696

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 2022	Revenue 06m 2021	Non-current assets 30.06.2022	Non-current assets 31.12.2021
Russia	16 200	13 730	4 061	2 646
Belarus	6 342	5 558	10 925	10 379
Ukraine	222	815	0	0
Baltics	682	503	276	372
Other countries	2 924	2 619	25	25
Total	26 370	23 225	15 287	13 422