



AS Silvano Fashion Group

Consolidated Interim Financial Report for Q3 and 9 months of 2023 (unaudited)

(translation of the Estonian original) *

Beginning of the reporting period	1 January 2023
End of the reporting period	30 September 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
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 September 2023 the Group employed 1 643 people (as of 31 December 2022: 1 616 people).

The Group comprises of the following entities:

	Location	Main activity	Ownership interest 30.09.2023	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 30.09.2023 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 46 739 thousand EUR during the 9 months of 2023, representing a 6.3% increase as compared to the same period for the previous year. The Group's gross profit during the 9 months of 2023 amounted to 28 078 thousand EUR and increased by 27.2% compared to 9 months of 2022. The Gross margin during the 9 months of 2023 increased to 60.1% from 50.2% as compared to 9 months of 2022.

Consolidated operating profit for 9 months of 2023 increased by 53.3% to 16 267 thousand EUR, compared to 10 611 thousand EUR for 9 months of 2022. Consolidated EBITDA for 9 months of 2023 increased by 41.4% and was 18 630 thousand EUR, compared to 13 180 thousand EUR for 9 months of 2022.

Reported consolidated net profit for 9 months of 2023 amounted to 8 842 thousand EUR, as compared to net profit of 12 516 thousand EUR in the prior year's same period. Net profit attributable to equity holders of the Parent company for 9 months of 2023 amounted 7 912 thousand EUR.

Russia Economic Outlook

The Group's sales on the Russian market totalled 27 800 thousand EUR, increase is 3.5% compared to 9 months of 2022. Local currency sales increased by 28.9% during 9 months of 2023 compared to the same 9 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 54 stores operated by the Group itself (as of 31 December 2022: 49 stores).

Belarus Economic Outlook

The Group's sales in Belarus in the 9 months of 2023 were 11 846 thousand EUR and increased by 5.8% compared to the 9 months of 2022. Sales in local currency increased by 19.1% 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 9 months of 2023 were 121 thousand EUR and decreased by 45.2% compared to the 9 months of 2022.

Sales structure

Sales by markets

Group sales in its 2 major markets – Russia and Belarus– were 84.8% of its total sales. Measured in local currencies sales increase was accordingly – 28.9% in Russia, 19.1% in Belarus.

	09m 2023	09m 2022	Change	Change, %
Russia, th RUB	2 481 297	1 925 226	556 071	28.9%
Belarus, th BYN	37 711	31 658	6 053	19.1%

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

in thousands of EUR	09m 2023	09m 2022	Change, EUR	Change, %	09m 2023, % of sales	09m 2022, % of sales
Russia	27 800	26 851	949	3.5%	59.5%	61.1%
Belarus	11 846	11 193	653	5.8%	25.3%	25.4%
Ukraine	121	221	-100	-45.2%	0.3%	0.5%
Baltics	1 129	1 388	-259	-18.7%	2.4%	3.2%
Other markets	5 843	4 321	1 522	35.2%	12.5%	9.8%
Total	46 739	43 974	2 765	6.3%	100.0%	100.0%

The majority of lingerie sales revenue during 9 months of 2023 in the amount 27 800 thousand EUR was generated in Russia, accounting for 59.5% of total sales. The second largest market was Belarus, where sales were 11 846 thousand EUR, contributing 25.3% of lingerie sales (both retail and wholesale).

Sales by business segments

in thousands of EUR	09m 2023	09m 2022	Change, EUR	Change, %	09m 2023, % of sales	09m 2022, % of sales
Wholesale	29 903	27 864	2 039	7.3%	64.0%	63.4%
Retail	16 810	16 085	725	4.5%	35.9%	36.6%
Other operations	26	25	1	1.5%	0.1%	0.0%
Total	46 739	43 974	2 765	6.3%	100.0%	100.0%

During 9 months of 2023 wholesale revenue amounted to 29 903 thousand EUR, representing 64.0% of the Group's total revenue (9 months of 2022: 63.4%). The main wholesale regions were Russia and Belarus.

Our retail revenue increased by 4.5% and amounted 16 810 thousand EUR, this represents 35.9% of the Group's total revenue.

Own & franchise store locations, geography

	Own	Franchise	Total
Russia	54	332	386
Belarus	59	0	59
Baltics	6	20	26
Other regions	0	86	86
Total	119	438	557

At the end of the reporting period the Group and its franchising partners operated 526 Milavitsa and 31 Lauma Lingerie brand stores, including 119 stores operated directly by the Group (as of 31 December 2022: 114 stores).

Selected Financial Indicators

Summarized selected financial indicators of the Group for 9 months of 2023 compared to 9 months of 2022 and 30.09.2023 compared to 31.12.2022 were as follows:

in thousands of EUR	09m 2023	09m 2022	Change
Revenue	46 739	43 974	6.3%
Gross Profit	28 078	22 066	27.2%
Operating profit	16 267	10 611	53.3%
EBITDA	18 630	13 180	41.4%
Net profit for the period	8 842	12 516	-29.4%
Net profit attributable equity holders of the Parent company	7 912	11 835	-33.1%
Earnings per share (EUR)	0,22	0,33	-33.3%
Operating cash flow for the period	15 369	12 493	23.0%

in thousands of EUR	30.09.2023	31.12.2022	Change
Total assets	68 338	63 991	6.8%
Total current assets	56 832	50 309	13.0%
Total equity attributable to equity holders of the Parent company	50 010	44 786	11.7%
Cash and cash equivalents	33 289	25 909	28.5%

Margin analysis, %	09m 2023	09m 2022	Change
Gross profit	60.1	50.2	19.7%
Operating profit	34.8	24.1	44.4%
EBITDA	39.9	30.0	33.0%
Net profit	18.9	28.5	-33.7%
Net profit attributable to equity holders of the Parent company	16.9	26.9	-37.2%

Financial ratios, %	30.09.2023	31.12.2022	Change
ROA	11.9	19.0	-37.4%
ROE	16.8	28.1	-40.2%
Price to earnings ratio (P/E)	5.1	3.4	50.0%
Current ratio	7.4	5.1	45.1%
Quick ratio	4.7	2.8	67.9%

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 46 739 thousand EUR during 9 months of 2023, representing a 6.3% increase as compared to the same period of previous year. Overall, wholesale increased by 7.3%, measured in EUR.

The Group's gross profit during 9 months of 2023 amounted to 28 078 thousand EUR and increase by 27.2% compared to previous year. The gross margin during 9 months of 2023 increased by 19.7% compared to 9 months of 2022. The cost of sold goods decreased by 14.8%.

Consolidated operating profit for 9 months of 2023 amounted to 16 267 thousand EUR, compared to 10 611 thousand EUR for 9 months of 2022, increase by 53.3%. The consolidated operating profit margin was 34.8% for 9 months of 2023 (24.1% for 9 months of 2022). Consolidated EBITDA for 9 months of 2023 increased by 41.4% and amounted to 18 630 thousand EUR, which is 39.9% in margin terms (13 180 thousand EUR and 30.0% for 9 months of 2022).

Reported consolidated net profit attributable to equity holders of the Parent company for 9 months of 2023 amounted to 7 912 thousand EUR, compared to net profit of 11 835 thousand EUR for 9 months of 2022, net profit margin attributable to equity holders of the Parent company for 9 months of 2023 was 16.9% against net profit 26.9% for 9 months of 2022.

Financial position

As of 30 September 2023 consolidated assets amounted to 68 338 thousand EUR representing increase by 6.8% as compared to the position as of 31 December 2022.

Trade and other receivables increased by 449 thousand EUR as compared to 31 December 2022 and amounted to 1 493 thousand EUR as of 30 September 2023. Inventory balance decreased by 1 387 thousand EUR and amounted to 20 877 thousand EUR as of 30 September 2023.

Equity attributable to equity holders of the Parent company increased by 5 224 thousand EUR and amounted to 50 010 thousand EUR as of 30 September 2023. Current liabilities decreased by 2 224 thousand EUR during 9 months of 2023.

Investments

During 9 months of 2023 the Group's investments into property, plant and equipment totalled 896 thousand EUR, in previous year same period 228 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 September 2023, the Group employed 1 643 employees, including 509 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 9 months of 2023 amounted to 9 964 thousand EUR (8 938 thousand EUR in 9 months of 2022). The remuneration of key management of the Group, including the key executives of all subsidiaries, totalled 423 thousand EUR.

Decisions made by governing bodies during 9 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 September 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 September 2023 AS Silvano Fashion Group 3 434 shareholders (as of 31 December 2022: 3 585 shareholders).

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

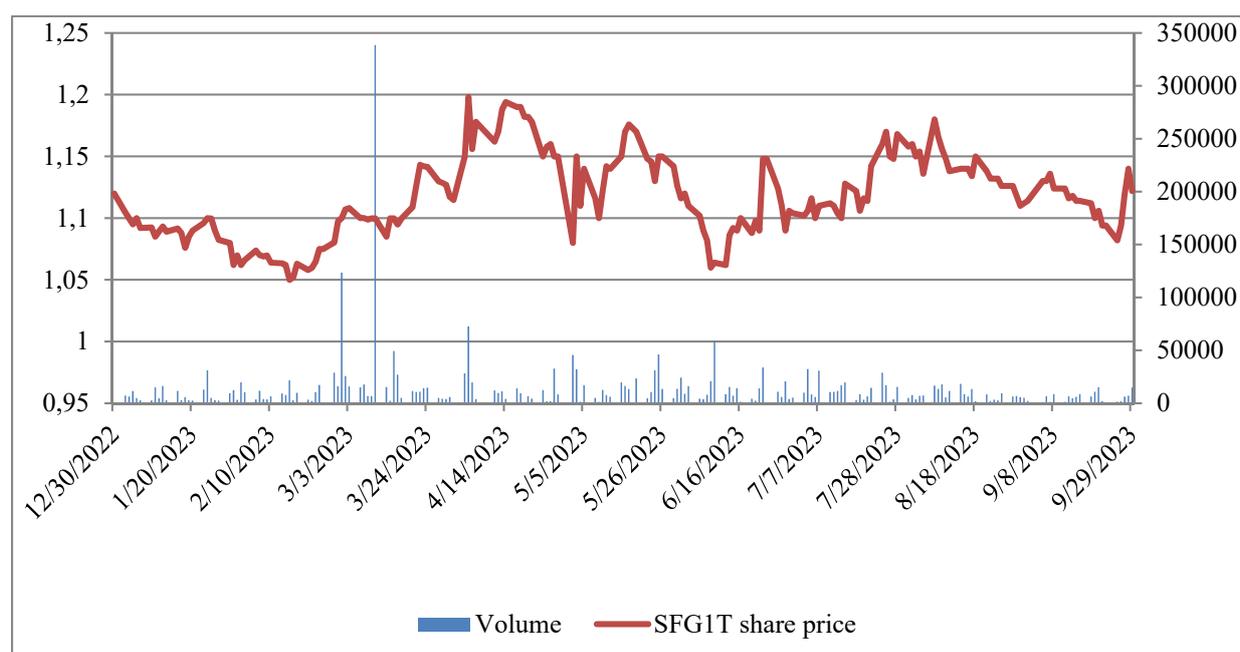
Name	Number of shares	Shareholding
Major shareholders	19 262 985	53.50%
BALTPLAST AS	9 115 798	25.32%
AS SEB PANK CLIENTS	8 000 000	22.22%
UNICREDIT BANK AUSTRIA AG	2 147 187	5.96%
Other shareholders	16 737 015	46.50%
Total number of shares	36 000 000	100.00%

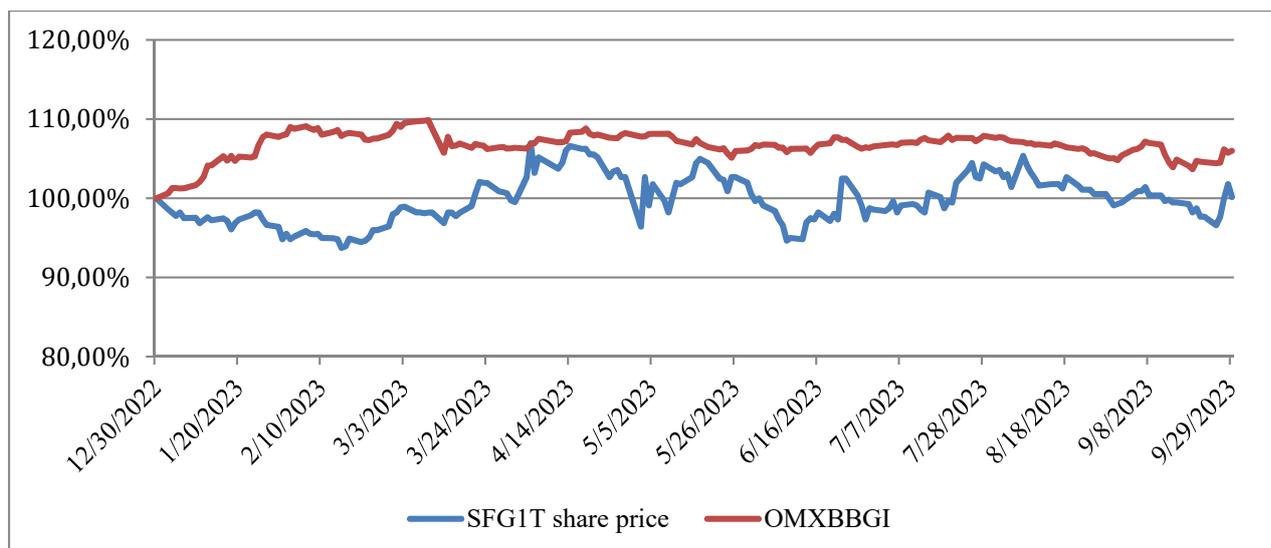
As of 31 December 2022 shareholders, whose interest in AS Silvano Fashion Group exceeded 5% included:

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 9 months of 2023 (EUR)

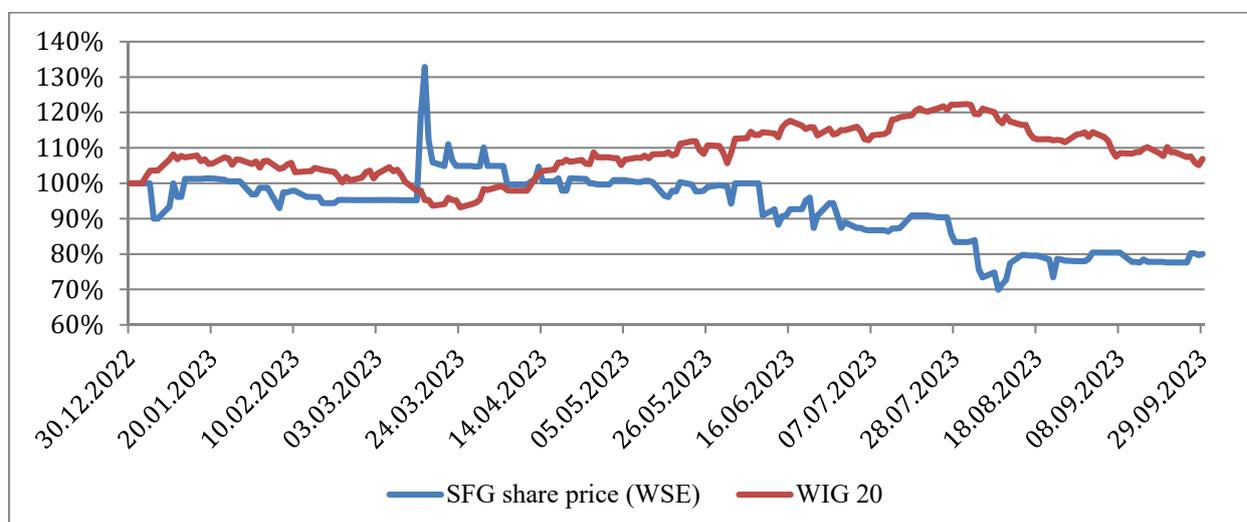
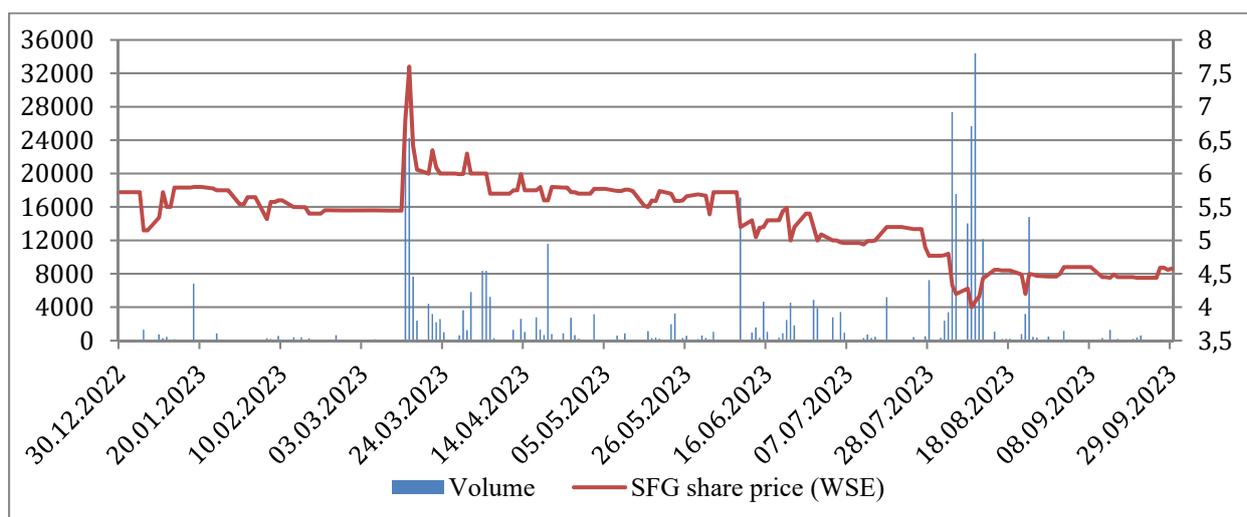
During 9 months of 2023 the highest and lowest prices of the AS Silvano Fashion Group` share on the Tallinn Stock Exchange were 1.204 EUR and 1.0498 EUR, respectively





Share price development on the Warsaw Stock Exchange during 9 months of 2023(PLN)

During 9 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 4.00 PLN respectively.



Declaration of the Management Board

The Management Board of AS Silvano Fashion Group has reviewed and approved Consolidated Interim Financial Report for Q3 and 9 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
November 24, 2023

Consolidated Statement of Financial Position

in thousands of EUR	Note	30.09.2023	31.12.2022
		Unaudited	Audited
ASSETS			
Current assets			
Cash and cash equivalents	2	33 289	25 909
Trade and other receivables	3	1 493	1 044
Prepayments and other tax receivables	3	1 055	971
Current loans granted		33	10
Other assets		85	111
Inventories	4	20 877	22 264
Total current assets		56 832	50 309
Non-current assets			
Non-current receivables		286	301
Investments in associates		79	82
Investments in other shares		218	259
Deferred tax asset		1 924	2 166
Intangible assets		575	585
Investment property		925	1 041
Property, plant and equipment	5	7 499	9 248
Total non-current assets		11 506	13 682
TOTAL ASSETS		68 338	63 991
LIABILITIES AND EQUITY			
Current liabilities			
Current lease liabilities		612	2 373
Trade and other payables	6	4 674	5 837
Tax liabilities		2 392	1 692
Total current liabilities		7 678	9 902
Non-current liabilities			
Deferred tax liability		883	1 039
Non-current lease liabilities		4 695	4 041
Non-current provisions		34	41
Total non-current liabilities		5 612	5 121
Total liabilities		13 290	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		-22 097	-19 409
Retained earnings		62 234	54 322
Total equity attributable to equity holders of the Parent company		50 010	44 786
Non-controlling interest		5 038	4 182
Total equity		55 048	48 968
TOTAL EQUITY AND LIABILITIES		68 338	63 991

Consolidated Income Statement

in thousands of EUR	Note	3Q 2023	3Q 2022	09m 2023	09m 2022
		Unaudited	Unaudited	Unaudited	Unaudited
Revenue from contracts with customers	9	15 332	17 604	46 739	43 974
Cost of goods sold		-6 091	-8 423	-18 661	-21 908
Gross Profit		9 241	9 181	28 078	22 066
Distribution expenses		-2 517	-3 093	-8 071	-8 120
Administrative expenses		-1 026	-1 094	-3 303	-3 136
Other operating income		78	130	194	349
Other operating expenses		-190	-198	-631	-548
Operating profit		5 586	4 926	16 267	10 611
Currency exchange income/(expense)		-991	-949	-3 582	5 036
Other finance income/(expenses)		-1	127	-186	-103
Net finance income		-992	-822	-3 768	4 933
Profit (loss) from associates using equity method		7	10	19	-1
Profit before tax		4 601	4 114	12 518	15 543
Income tax expense		-1 181	-1 425	-3 676	-3 027
Profit for the period		3 420	2 689	8 842	12 516
Attributable to :					
Equity holders of the Parent company		3 140	2 489	7 912	11 835
Non-controlling interest		280	200	930	681
Earnings per share from profit attributable to equity holders of the Parent company, both basic and diluted (EUR)	8	0,09	0,07	0,22	0,33

Consolidated Statement of Comprehensive Income

in thousands of EUR	Note	3Q 2023	3Q 2022	09m 2023	09m 2022
		Unaudited	Unaudited	Unaudited	Unaudited
Profit for the period		3 420	2 689	8 842	12 516
Other comprehensive income (loss) that will be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations		-672	2 894	-2 055	2 175
Total other comprehensive income for the period		-672	2 894	-2 055	2 175
Total comprehensive income (loss) for the period		2 748	5 583	6 787	14 691
Attributable to :					
Equity holders of the Parent company		2 612	5 489	5 224	13 945
Non-controlling interest		136	94	1 563	746

Consolidated Statement of Cash Flows

in thousands of EUR	Note	09m 2023	09m 2022
		Unaudited	Unaudited
Cash flow from operating activities			
Profit for the period		8 842	12 516
Adjustments for:			
Depreciation and amortization of non-current assets		2 363	2 569
Share of profit of equity accounted investees		-19	1
Gains/Losses on the sale of property, plant and equipment		-3	9
Net finance income / costs		3 768	-522
Provision for impairment losses on trade receivables		-3	0
Provision for inventories		3	5
Income tax expense		3 676	3 027
Change in inventories		1 387	-3 022
Change in trade and other receivables		-507	-266
Change in trade and other payables		-1 067	-91
Income tax paid		-3 071	-1 733
Net cash flow from operating activities		15 369	12 493
Cash flow from investing activities			
Interest received		331	29
Dividends received		11	3
Proceeds from disposal of property, plant and equipment		9	31
Loans granted		-23	-11
Acquisition of property, plant and equipment		-896	-228
Acquisition of intangible assets		-123	-74
Net cash flow from investing activities		-691	-250
Cash flow from financing activities			
Payment of principal portion of lease liabilities		-1 689	-1 879
Interest paid on lease liabilities		-521	-356
Dividends paid		-707	-670
Net cash flow from financing activities		-2 917	-2 905
Net increase in cash and cash equivalents		11 761	9 338
Cash and cash equivalents at the beginning of period		25 909	17 098
Effect of translation to presentation currency		-4 891	0
Effect of exchange rate fluctuations on cash held		510	-173
Cash and cash equivalents at the end of period		33 289	26 263

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	11 835	11 835	681	12 516
Other comprehensive income for the period	0	0	0	2 110	0	2 110	65	2 175
Total comprehensive income for the period	0	0	0	2 110	11 835	13 945	746	14 691
Transactions with owners, recognised directly in equity								
Dividends declared	0	0	0	0	0	0	-670	-670
Total transactions with owners, recognised directly in equity	0	0	0	0	0	0	-670	-670
Balance as at 30 September 2022 (Unaudited)	3 600	4 967	1 306	-16 141	54 361	48 093	3 789	51 882
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	7 912	7 912	930	8 842
Other comprehensive income for the period	0	0	0	-2 688	0	-2 688	633	-2 055
Total comprehensive income for the period	0	0	0	-2 688	7 912	5 224	1 563	6 787
Transactions with owners, recognised directly in equity								
Dividends declared	0	0	0	0	0	0	-707	-707
Total transactions with owners, recognised directly in equity	0	0	0	0	0	0	-707	-707
Balance as at 30 September 2023 (Unaudited)	3 600	4 967	1 306	-22 097	62 234	50 010	5 038	55 048

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 September 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 9 months of 2023 ended on 30 September 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	30.09.23	31.12.22
Cash on hand	60	171
Current bank accounts in EUR	3 923	2 956
Current bank accounts in other currencies than EUR	333	300
Short-term bank deposits in EUR	28 700	22 000
Short-term bank deposits in other currencies than EUR	190	191
Short-term guarantee deposits	0	7
Cash in transit	83	284
Total	33 289	25 909

in thousands of EUR	30.09.23	31.12.22
Estonia	29 194	22 329
Latvia	71	122
Russia	1 505	1 785
Belarus	1 979	1 266
Ukraine	164	195
Others	376	212
Total	33 289	25 909

Note 3 Trade receivables and other assets

in thousands of EUR	30.09.23	31.12.22
Trade receivables from third parties	1 379	939
Trade receivables from related parties	0	0
Receivables on services rendered	34	30
Other receivables	130	134
Total gross trade and other receivables	1 543	1 103
Allowance for expected credit losses	-50	-59
Total net trade and other receivables	1 493	1 044

in thousands of EUR	30.09.23	31.12.22
Prepayments and other tax receivables		
Prepayments issued to suppliers	422	450
VAT recoverable	632	520
Other tax prepayments	1	1
Total prepayments and other tax receivables	1055	971

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	30.09.23	31.12.22
Raw and other materials	4 747	6 042
Work in progress	1 255	1 079
Finished goods	12 483	14 143
Other inventories	2 392	1 000
Total	20 877	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 09m 2022						
Additions	0	13	173	1 615	42	1 843
Disposals	0	0	-22	-57	0	-79
Reclassifications	0	47	35	0	-82	0
Depreciation	-74	-372	-313	-1 771	0	-2 530
Unrealised exchange rate differences	477	279	683	1 911	15	3 365
Closing net book amount	2 259	1 634	1 063	7 575	39	12 570
30.09.2022						
Cost	4 869	17 758	5 644	18 085	39	46 395
Accumulated depreciation	-2 610	-16 124	-4 581	-10 510	0	-33 825
Net book amount	2 259	1 634	1 063	7 575	39	12 570
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 09m 2023						
Additions	0	15	376	748	505	1 644
Modifications	0	0	0	760	0	760
Disposals	0	0	-12	-50	0	-62
Transfers to Investment property	-75	0	0	0	0	-75
Reclassifications	0	323	167	0	-490	0
Depreciation	-55	-297	-233	-1 722	0	-2 307
Unrealised exchange rate differences	-265	-199	-164	-1 074	-7	-1 709
Closing net book amount	1 345	1 120	695	4 298	41	7 499
30.09.2023						
Cost	3 307	12 923	4 370	12 265	41	32 906
Accumulated depreciation	-1 962	-11 803	-3 675	-7 967	0	-25 407
Net book amount	1 345	1 120	695	4 298	41	7 499

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

Note 6 Trade and other payables

in thousands of EUR	30.09.23	31.12.22
Trade accounts payable to third parties	3 102	4 055
Prepayments received from customers	431	690
Accrued expenses	408	505
Accounts payables to employees	512	429
Other payables	221	158
Total trade and other payables	4 674	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 September 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 September 2023 AS Silvano Fashion Group had 3 434 shareholders (as of 31 December 2022: 3 585 shareholders).

Note 8 Earnings per share

The calculation of basic earnings per share for 9 months of 2023 (9 months of 2022) is based on profit attributable to owners and a weighted average number of ordinary shares.

in thousands of shares	09m 2023	09m 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	09m 2023	09m 2022
Profit (loss) for the period attributable to equity holders of the Parent company	7 912	11 835
Basic earnings per share (EUR)	0.22	0.33
Diluted earnings per share (EUR)	0.22	0.33

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	09m 2023	09m 2022
Revenue from wholesale	29 903	27 864
Revenue from retail	16 810	16 085
Subcontracting and services	26	19
Other sales	0	6
Total	46 739	43 974

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	09m 2023	09m 2022
Associates	478	473
Total	478	473

Balances with related parties

in thousands of EUR	30.09.2023	31.12.2022
Trade receivables from associates	0	0
Total	0	0

Benefits to key management of the group

in thousands of EUR	09m 2023	09m 2022
Remunerations and benefits	423	497
Total	423	497

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>	09m 2023		and as of 30.09.2023			
	Lingerie retail	Lingerie wholesale	Total segments	Unallocated	Eliminations	Total
Revenue from external customers	16 810	29 903	46 713	26		46 739
Intersegment revenues	0	26 222	26 222	2 375	-28 597	0
EBITDA	7 783	10 863	18 646	-16		18 630
Amortization and depreciation	-1 415	-587	-2 002	-361		-2 363
Operating income, EBIT	6 368	10 276	16 644	-377	0	16 267
Profit from associates using equity method	0	19	19	0		19
Net financial income	-353	-339	-692	-3 076		-3 768
Income tax	-811	-2 319	-3 130	-546		-3 676
Net profit	5 204	7 637	12 841	-3 999	0	8 842
Investments in associates	0	79	79	0		79
Other operating segments assets	4 198	32 204	36 402	31 857		68 259
Reportable segments liabilities	2 117	8 909	11 026	2 264		13 290
Capital expenditures	1 129	601	1 730	37		1 767
Number of employees as of reporting date	509	1 028	1 537	106		1 643
Operating segments <i>in thousands of EUR</i>	09m 2022		and as of 30.09.2022			
	Lingerie retail	Lingerie wholesale	Total segments	Unallocated	Eliminations	Total
Revenue from external customers	16 085	27 864	43 949	25		43 974
Intersegment revenues	0	23 508	23 508	2 177	-25 685	0
EBITDA	7 863	5 150	13 013	167		13 180
Amortization and depreciation	-1 199	-903	-2 102	-467		-2 569
Operating income, EBIT	6 664	4 247	10 911	-300	0	10 611
Profit from associates using equity method	0	-1	-1	0		-1
Net financial income	180	-749	-569	5 502		4 933
Income tax	-908	-1 093	-2 001	-1 026		-3 027
Net profit	5 936	2 404	8 340	4 176	0	12 516
Investments in associates	0	111	111	0		111
Other operating segments assets	6 016	38 623	44 639	24 981		69 620
Reportable segments liabilities	3 583	10 662	14 245	3 604		17 849
Capital expenditures	1 716	199	1 915	2		1 917
Number of employees as of reporting date	501	999	1 500	101		1 601

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 09m 2023	Revenue 09m 2022	Non-current assets 30.09.2023	Non-current assets 31.12.2022
Russia	27 800	26 851	2 650	3 316
Belarus	11 846	11 193	8 560	10 023
Ukraine	121	221	0	0
Baltics	1 129	1 388	271	318
Other countries	5 843	4 321	25	25
Total	46 739	43 974	11 506	13 682