



AS Silvano Fashion Group

Consolidated Interim Financial Report for Q2 and 6 months of 2024 (unaudited)

(translation of the Estonian original) *

Beginning of the reporting period	1 January 2024
End of the reporting period	30 June 2024
Business name	AS Silvano Fashion Group
Registration number	10175491
Legal address	Tulika 17, 10613 Tallinn
Telephone	+372 684 5000
Fax	+372 684 5300
E-mail	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 2024 the Group employed 1 625 people (as of 31 December 2023: 1 626 people).

The Group comprises of the following entities:

	Location	Main activity	Ownership interest 30.06.2024	Ownership interest 31.12.2023
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 31.12.2023).

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

In addition, as of 30.06.2024 the subsidiary of AS Silvano Fashion Group, CJSC Milavitsa, had investment in associate LLC Trade house „Milavitsa “Novosibirsk with a 25% ownership interest (same was effective as of 31.12.2023).

Business environment and results

The Group's sales amounted to 30 145 thousand EUR during the 6 months of 2024, representing a 4.0% decrease as compared to the same period for the previous year. The Group's gross profit during the 6 months of 2024 amounted to 17 189 thousand EUR and decreased by 8.7% compared to 6 months of 2023. The Gross margin during the 6 months of 2024 decreased to 57.0% from 60.0% as compared to 6 months of 2023.

Consolidated operating profit for 6 months of 2024 decreased by 19.8% to 8 562 thousand EUR, compared to 10 681 thousand EUR for 6 months of 2023. Consolidated EBITDA for 6 months of 2024 decreased by 18.1% and was 10 055 thousand EUR, compared to 12 272 thousand EUR for 6 months of 2023.

Reported consolidated net profit for 6 months of 2024 amounted to 7 786 thousand EUR, as compared to net profit of 5 422 thousand EUR in the prior year's same period. Net profit attributable to equity holders of the Parent company for 6 months of 2024 amounted 7 053 thousand EUR.

Russia Economic Outlook

The Group's sales on the Russian market totalled 17 761 thousand EUR, decrease is 5.3% compared to 6 months of 2023. Local currency sales increased by 11.4% during 6 months of 2024 compared to the same 6 months of 2023. Group will focus on improving profitability of its retail business, we will also continue to expand our store chain there depending on the availability of reasonably priced sales areas. At the end of the reporting period, there were a total of 55 stores operated by the Group itself (as of 31 December 2023: 58 stores).

Belarus Economic Outlook

The Group's sales in Belarus in the 6 months of 2024 were 7 686 thousand EUR and decreased by 1.6% compared to the 6 months of 2023. Sales in local currency increased by 11.5% during the same period. At the end of the reporting period, there were a total of 60 stores operated by the Group itself (as of 31 December 2023: 59 stores).

Ukraine Economic Outlook

The Group's sales in Ukraine in the 6 months of 2024 were 61 thousand EUR and decreased by 39.0% compared to the 6 months of 2023.

Sales structure

Sales by markets

Group sales in its 2 major markets – Russia and Belarus– were 84.4% of its total sales. Measured in local currencies sales increase was accordingly – 11.4% in Russia, 11.5% in Belarus.

	06m 2024	06m 2023	Change	Change, %
Russia, th RUB	1 737 210	1 558 782	178 428	11.4%
Belarus, th BYN	26 725	23 970	2 755	11.5%

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

	06m 2024	06m 2023	Change, EUR	Change, %	06m 2024, % of sales	06m 2023, % of sales
in thousands of EUR						
Russia	17 761	18 746	-985	-5.3%	58.9%	59.7%
Belarus	7 686	7 809	-123	-1.6%	25.5%	24.9%
Ukraine	61	100	-39	-39.0%	0.2%	0.3%
Baltics	628	705	-77	-10.9%	2.1%	2.2%
Other markets	4 009	4 047	-38	-0.9%	13.3%	12.9%
Total	30 145	31 407	-1 262	-4.0%	100.0%	100.0%

The majority of lingerie sales revenue during 6 months of 2024 in the amount 17 761 thousand EUR was generated in Russia, accounting for 58.9% of total sales. The second largest market was Belarus, where sales were 7 686 thousand EUR, contributing 25.5% of lingerie sales (both retail and wholesale).

Sales by business segments

in thousands of EUR	06m 2024	06m 2023	Change, EUR	Change, %	06m 2024, % of sales	06m 2023, % of sales
Wholesale	18 821	20 283	-1 462	-7.2%	62.4%	64.6%
Retail	11 289	11 107	182	1.6%	37.5%	35.3%
Other operations	35	17	18	105.9%	0.1%	0.1%
Total	30 145	31 407	-1 262	-4.0%	100.0%	100.0%

During 6 months of 2024 wholesale revenue amounted to 18 821 thousand EUR, representing 62.4% of the Group's total revenue (6 months of 2023: 64.6%). The main wholesale regions were Russia and Belarus.

Our retail revenue increased by 1.6% and amounted 11 289 thousand EUR, this represents 37.5% of the Group's total revenue.

Own & franchise store locations, geography

	Own	Franchise	Total
Russia	55	334	389
Belarus	60	0	60
Baltics	5	19	24
Other regions	0	86	86
Total	120	439	559

At the end of the reporting period the Group and its franchising partners operated 533 Milavitsa and 26 Lauma Lingerie brand stores, including 120 stores operated directly by the Group (as of 31 December 2023: 122 stores).

Selected Financial Indicators

Summarized selected financial indicators of the Group for 6 months of 2024 compared to 6 months of 2023 and 30.06.2024 compared to 31.12.2023 were as follows:

in thousands of EUR	06m 2024	06m 2023	Change
Revenue	30 145	31 407	-4.0%
Gross Profit	17 189	18 837	-8.7%
Operating profit	8 562	10 681	-19.8%
EBITDA	10 055	12 272	-18.1%
Net profit for the period	7 786	5 422	43.6%
Net profit attributable equity holders of the Parent company	7 053	4 772	47.8%
Earnings per share (EUR)	0,20	0,13	53.8%
Operating cash flow for the period	4 137	10 802	-61.7%

in thousands of EUR	30.06.2024	31.12.2023	Change
Total assets	80 534	72 252	11.5%
Total current assets	67 483	59 395	13.6%
Total equity attributable to equity holders of the Parent company	61 433	54 120	13.5%
Cash and cash equivalents	38 867	32 878	18.2%

Margin analysis, %	06m 2024	06m 2023	Change
Gross profit	57,0	60,0	-5.0%
Operating profit	28,4	34,0	-16.5%
EBITDA	33,4	39,1	-14.6%
Net profit	25,8	17,3	49.1%
Net profit attributable to equity holders of the Parent company	23,4	15,2	53.9%

Financial ratios, %	30.06.2024	31.12.2023	Change
ROA	16,3	14,5	12.4%
ROE	22,0	20,2	8.9%
Price to earnings ratio (P/E)	3,1	4,1	-24.4%
Current ratio	6,4	5,8	10.3%
Quick ratio	3,9	3,4	14.7%

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 30 145 thousand EUR during 6 months of 2024, representing a 4.0% decrease as compared to the same period of previous year. Overall, wholesale decreased by 7.2%, measured in EUR.

The Group's gross profit during 6 months of 2024 amounted to 17 189 thousand EUR and decrease by 8.7% compared to previous year. The gross margin during 6 months of 2024 decreased by 5.0% compared to 6 months of 2023. The cost of sold goods increased by 3.1%.

Consolidated operating profit for 6 months of 2024 amounted to 8 562 thousand EUR, compared to 10 681 thousand EUR for 6 months of 2023, decrease by 19.8%. The consolidated operating profit margin was 28.4% for 6 months of 2024 (34.0% for 6 months of 2023). Consolidated EBITDA for 6 months of 2024 decreased by 18.1% and amounted to 10 055 thousand EUR, which is 33.4% in margin terms (12 272 thousand EUR and 39.1% for 6 months of 2023).

Reported consolidated net profit attributable to equity holders of the Parent company for 6 months of 2024 amounted to 7 053 thousand EUR, compared to net profit of 4 772 thousand EUR for 6 months of 2023, net profit margin attributable to equity holders of the Parent company for 6 months of 2024 was 23.4% against net profit 15.2% for 6 months of 2023.

Financial position

As of 30 June 2024 consolidated assets amounted to 80 534 thousand EUR representing increase by 11.5% as compared to the position as of 31 December 2023.

Trade and other receivables increased by 358 thousand EUR as compared to 31 December 2023 and amounted to 1 712 thousand EUR as of 30 June 2024. Inventory balance increased by 1 922 thousand EUR and amounted to 25 862 thousand EUR as of 30 June 2024.

Equity attributable to equity holders of the Parent company increased by 7 313 thousand EUR and amounted to 61 433 thousand EUR as of 30 June 2024. Current liabilities increased by 267 thousand EUR during 6 months of 2024.

Investments

During 6 months of 2024 the Group's investments into property, plant and equipment totalled 476 thousand EUR, in previous year same period 708 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 2024, the Group employed 1 625 employees, including 507 people in retail operations. The rest were employed in production, wholesale, administration and support operations. In 31.12.2023 there were 1 626 employees, including 500 people in retail operations.

Total salaries and related taxes during 6 months of 2024 amounted to 7 117 thousand EUR (6 902 thousand EUR in 6 months 2023). The remuneration of key management of the Group, including the key executives of all subsidiaries, totalled 305 thousand EUR.

Decisions made by governing bodies during 06 months 2024

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

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

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

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

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

On the 29th of May 2024, 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 29, 2024, in the information system NASDAQ OMX Tallinn <https://view.news.eu.nasdaq.com/view?id=bc1ccceca27a9390039f730c2b2b98136&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 Ekspress.

On June 20, 2024 Silvano Fashion Group held its regular Annual General Meeting of Shareholders. The Meeting adopted the following decisions:

1. Approved the 2023 Annual Report;
2. Left the net profit undistributed and included the net profit of the financial year 2023 in retained earnings.

The decisions 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 2024 registered share capital of AS Silvano Fashion Group amounted to 3 600 thousand EUR divided into 36 000 000 ordinary shares with a nominal value of 0.10 EUR each. The share register is electronic and maintained at the Estonian Central Register of Securities. The Company has been listed on Nasdaq OMX Tallinn Stock Exchange main list (since 21.11.2006) and on Warsaw Stock Exchange (since 23.07.2007).

As of 30 June 2024 AS Silvano Fashion Group had 3 084 shareholders (as of 31 December 2023: 3 336 shareholders).

As of 30 June 2024 shareholders, whose interest in AS Silvano Fashion Group exceeded 5% included:

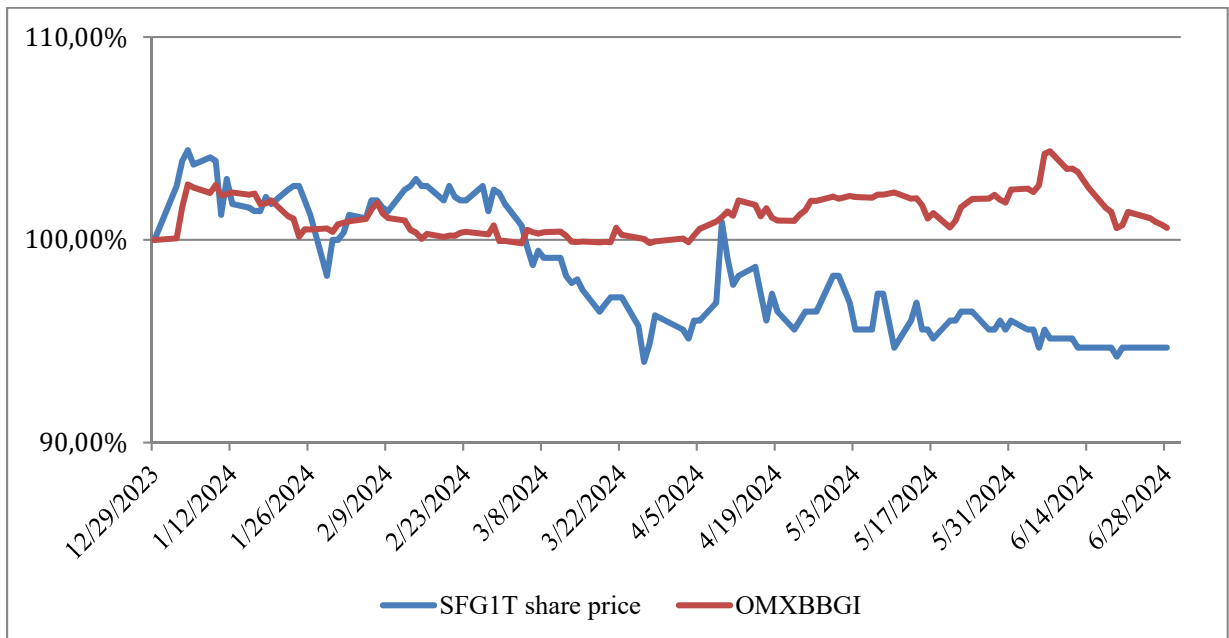
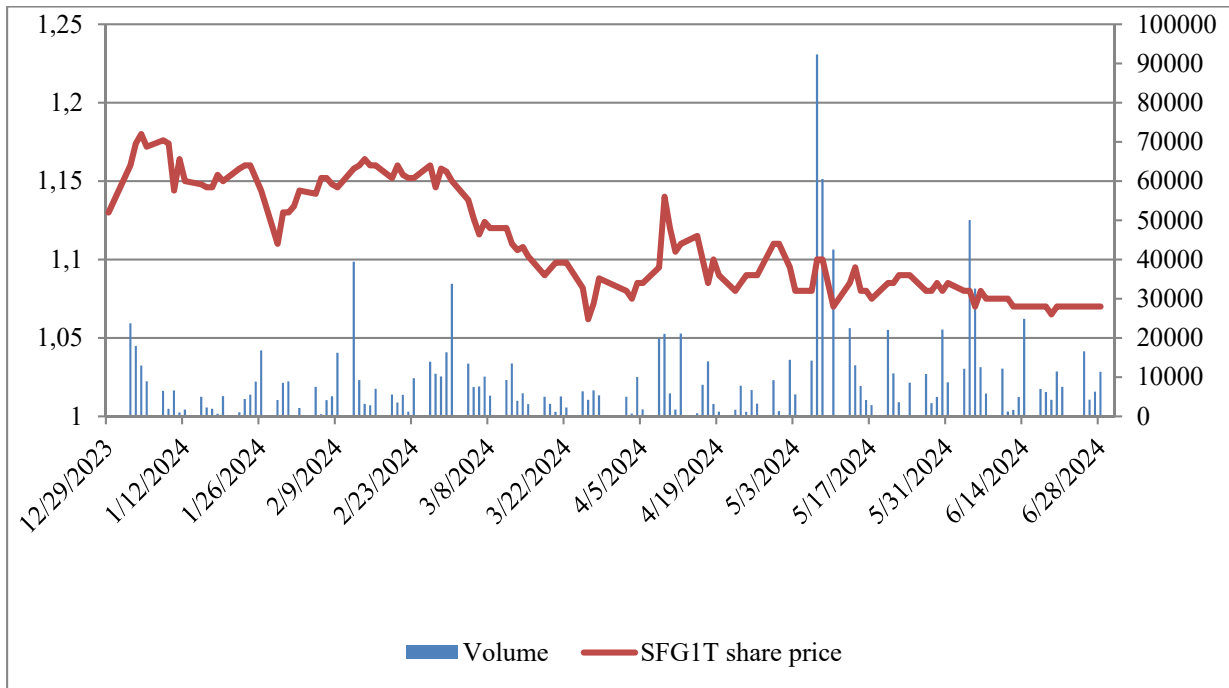
Name	Number of shares	Shareholding
Major shareholders	19 389 814	53.86%
BALTPLAST AS	9 242 627	25.67%
AS SEB PANK CLIENTS	8 000 000	22.22%
UNICREDIT BANK AUSTRIA AG	2 147 187	5.96%
Other shareholders	16 610 186	46.14%
Total number of shares	36 000 000	100.00%

As of 31 December 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%

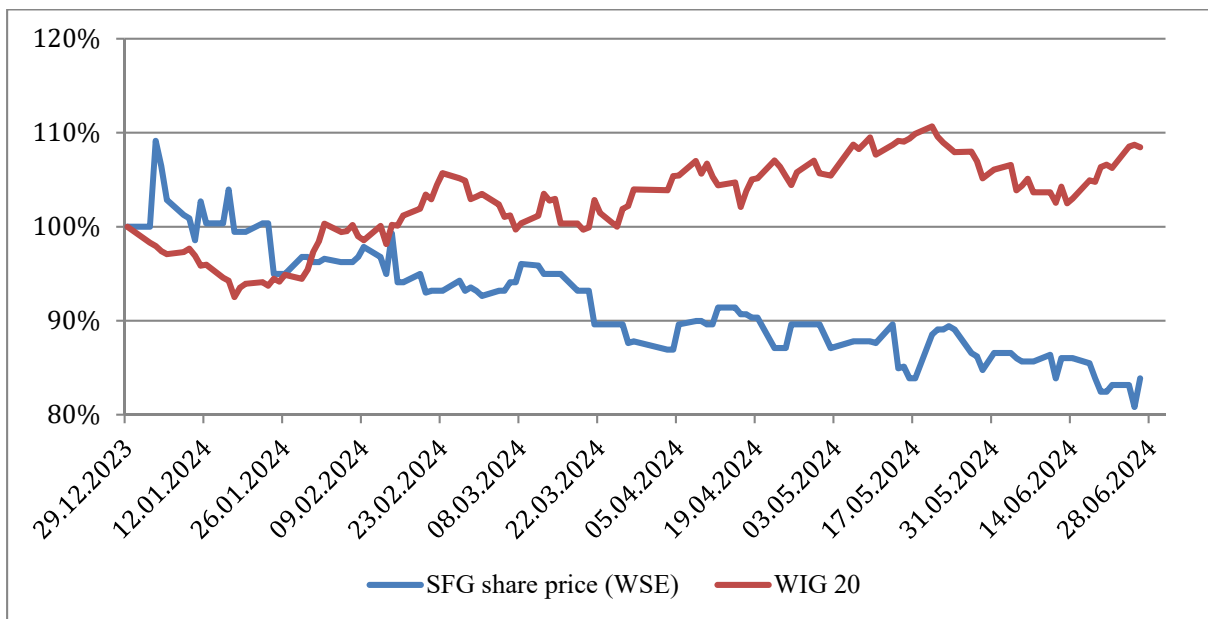
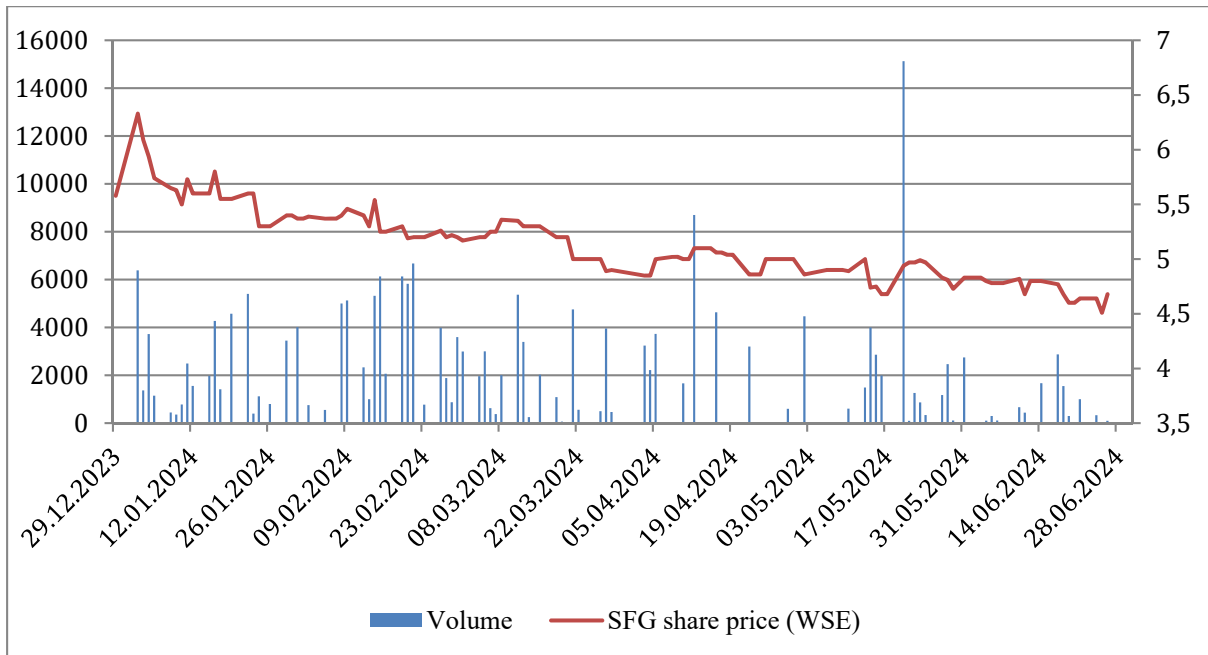
Share price development and turnover on the Tallinn Stock Exchange during 6 months of 2024 (EUR)

During 6 months of 2024 the highest and lowest prices of the AS Silvano Fashion Group` share on the Tallinn Stock Exchange were 1.188 EUR and 1.055 EUR, respectively



Share price development on the Warsaw Stock Exchange during 6 months of 2024(PLN)

During 6 months of 2024, the highest and lowest prices of the AS Silvano Fashion Group' share on the Warsaw Stock Exchange were 6.33 PLN and 4.51 PLN respectively.



Declaration of the Management Board

The Management Board of AS Silvano Fashion Group has reviewed and approved Consolidated Interim Financial Report for Q2 and 6 months of 2024 (hereinafter “the Interim Report”).

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

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

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



Jarek Särgava
Member of the Management Board
August 23, 2024

Consolidated Statement of Financial Position

in thousands of EUR	Note	30.06.2024	31.12.2023
		Unaudited	Audited
ASSETS			
Current assets			
Cash and cash equivalents	2	38 867	32 878
Trade and other receivables	3	1 712	1 354
Prepayments and other tax receivables	3	917	1 115
Current loans granted		20	29
Other assets		105	79
Inventories	4	25 862	23 940
Total current assets		67 483	59 395
Non-current assets			
Non-current receivables		297	292
Investments in associates		109	85
Investments in other shares		223	213
Deferred tax asset		2 375	2 155
Intangible assets		651	579
Investment property		911	899
Property, plant and equipment	5	8 485	8 634
Total non-current assets		13 051	12 857
TOTAL ASSETS		80 534	72 252
LIABILITIES AND EQUITY			
Current liabilities			
Current borrowings		2 312	0
Current lease liabilities		1 222	2 162
Trade and other payables	6	4 933	7 377
Tax liabilities		2 086	747
Total current liabilities		10 553	10 286
Non-current liabilities			
Deferred tax liability		773	736
Non-current lease liabilities		4 751	4 321
Non-current provisions		48	46
Total non-current liabilities		5 572	5 103
Total liabilities		16 125	15 389
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		-19 742	-20 002
Retained earnings		71 302	64 249
Total equity attributable to equity holders of the Parent company		61 433	54 120
Non-controlling interest		2 976	2 743
Total equity		64 409	56 863
TOTAL EQUITY AND LIABILITIES		80 534	72 252

Consolidated Income Statement

in thousands of EUR	Note	2Q 2024	2Q 2023	06m 2024	06m 2023
		Unaudited	Unaudited	Unaudited	Unaudited
Revenue from contracts with customers	9	16 241	17 266	30 145	31 407
Cost of goods sold		-6 841	-6 553	-12 956	-12 570
Gross Profit		9 400	10 713	17 189	18 837
Distribution expenses		-3 001	-2 775	-5 773	-5 554
Administrative expenses		-1 191	-1 091	-2 454	-2 277
Other operating income		59	59	107	116
Other operating expenses		-253	-188	-507	-441
Operating profit		5 014	6 718	8 562	10 681
Currency exchange income/(expense)		916	-1 492	865	-2 591
Other finance income/(expenses)		-56	-29	72	-185
Net finance income		860	-1 521	937	-2 776
Profit (loss) from associates using equity method		-2	8	14	12
Profit before tax		5 872	5 205	9 513	7 917
Income tax expense		-1 002	-1 650	-1 727	-2 495
Profit for the period		4 870	3 555	7 786	5 422
Attributable to :					
Equity holders of the Parent company		4 499	3 156	7 053	4 772
Non-controlling interest		371	399	733	650
Earnings per share from profit attributable to equity holders of the Parent company, both basic and diluted (EUR)	8	0,12	0,09	0,20	0,13

Consolidated Statement of Comprehensive Income

in thousands of EUR	Note	2Q 2024	2Q 2023	06m 2024	06m 2023
		Unaudited	Unaudited	Unaudited	Unaudited
Profit for the period		4 870	3 555	7 786	5 422
Other comprehensive income (loss) that will be reclassified to profit or loss in subsequent periods :					
Exchange differences on translation of foreign operations		670	-624	406	-1 384
Total other comprehensive income for the period		670	-624	406	-1 384
Total comprehensive income (loss) for the period		5 540	2 931	8 192	4 038
Attributable to :					
Equity holders of the Parent company		5 049	2 029	7 313	2 612
Non-controlling interest		491	902	879	1 426

Consolidated Statement of Cash Flows

in thousands of EUR	Note	06m 2024	06m 2023
		Unaudited	Unaudited
Cash flow from operating activities			
Profit for the period		7 786	5 422
Adjustments for:			
Depreciation and amortization of non-current assets		1 493	1 591
Share of profit of equity accounted investees		-14	-12
Gains/Losses on the sale of property, plant and equipment		10	-11
Net finance income / costs		-937	2 776
Provision for impairment losses on trade receivables		3	-1
Provision for inventories		1	2
Income tax expense		1 727	2 495
Change in inventories		-1 922	1 342
Change in trade and other receivables		-358	-1 195
Change in trade and other payables		-1 912	-125
Interest paid		-48	0
Income tax paid		-1 692	-1 482
Net cash flow from operating activities		4 137	10 802
Cash flow from investing activities			
Interest received		482	172
Dividends received		8	11
Proceeds from disposal of property, plant and equipment		20	5
Loans granted		0	-15
Proceeds from repayments of loans granted		9	0
Acquisition of property, plant and equipment		-476	-708
Acquisition of intangible assets		-72	-88
Net cash flow from investing activities		-29	-623
Cash flow from financing activities			
Proceeds from borrowings		4 000	0
Repayment of borrowings		-1 700	0
Payment of principal portion of lease liabilities		-1 085	-1 118
Interest paid on lease liabilities		-375	-367
Dividends paid		-646	-525
Net cash flow from financing activities		194	-2 010
Net increase in cash and cash equivalents		4 302	8 169
Cash and cash equivalents at the beginning of period	2	32 878	25 909
Effect of translation to presentation currency		1 837	-3 452
Effect of exchange rate fluctuations on cash held		-150	415
Cash and cash equivalents at the end of period	2	38 867	31 041

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 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
Balance as at 31 December 2023 (Audited)	3 600	4 967	1 306	-20 002	64 249	54 120	2 743	56 863
Profit for the period	0	0	0	0	7 053	7 053	733	7 786
Other comprehensive income for the period	0	0	0	260	0	260	146	406
Total comprehensive income for the period	0	0	0	260	7 053	7 313	879	8 192
Transactions with owners, recognised directly in equity								
Dividends declared	0	0	0	0	0	0	-646	-646
Total transactions with owners, recognised directly in equity	0	0	0	0	0	0	-646	-646
Balance as at 30 June 2024 (Unaudited)	3 600	4 967	1 306	-19 742	71 302	61 433	2 976	64 409

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 2024 and comprises parent company and its subsidiaries.

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

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

Basis for preparation

This Interim Report of AS Silvano Fashion Group for Q2 and 6 months 2024 ended on 30 June 2024 has been prepared in accordance with IAS 34 “Interim financial reporting” as adopted by the European Union. The Interim Report should be read in conjunction with the Annual Report for the financial year ended on 31 December 2023, which have been prepared in accordance with IFRS as adopted by the European Union.

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

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

New standards and interpretations

In additions to disclosures already made in the Annual Report for the financial year ended on 31 December 2023 there are no new IFRSs or IFRIC interpretations that are effective for the financial year beginning on or after 1 January 2024 and that would be expected to have a material impact on the Group.

Note 2 Cash and cash equivalents

in thousands of EUR	30.06.24	31.12.23
Cash on hand	43	53
Current bank accounts in EUR	1 826	1 925
Current bank accounts in other currencies than EUR	1 116	466
Short-term bank deposits in EUR	35 200	29 500
Short-term bank deposits in other currencies than EUR	450	566
Cash in transit	232	368
Total	38 867	32 878

in thousands of EUR	30.06.24	31.12.23
Estonia	35 473	29 763
Latvia	383	61
Russia	1 434	943
Belarus	1 149	1 536
Ukraine	195	150
Monaco	233	425
Total	38 867	32 878

Note 3 Trade receivables and other assets

in thousands of EUR	30.06.24	31.12.23
Trade accounts receivable from third parties	1 657	1 301
Trade accounts receivable from related parties	0	0
Receivables on services rendered	37	33
Other receivables	134	133
	1 828	1 467
Allowance for expected credit losses	-116	-113
Total trade and other receivables	1 712	1 354

Prepayments and other tax receivables

Prepayments issued to suppliers	354	409
VAT recoverable	561	704
Other tax prepayments	2	2
Total prepayments and other tax receivables	917	1 115

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	30.06.24	31.12.23
Raw and other materials	3 855	6 501
Work in progress	1 480	1 321
Finished goods	17 760	14 220
Other inventories	2 767	1 898
Total	25 862	23 940

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
31.12.2022						
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
Modification	0	0	0	401	0	401
Disposals	0	0	-16	0	0	-16
Reclassifications	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
31.12.2023						
Cost	3 242	12 775	4 464	13 470	6	33 957
Accumulated depreciation	-1 941	-11 648	-3 697	-8 037	0	-25 323
Net book amount	1 301	1 127	767	5 433	6	8 634
Movements during 06m 2024						
Additions	0	0	100	326	376	802
Modifications	0	0	0	41	0	41
Disposals	0	0	-30	-34	0	-64
Transfers to Investment property	14					14
Transfers and reclassification	0	190	104	0	-294	0
Depreciation	-32	-123	-168	-1 128	0	-1 451
Unrealised exchange rate differences	59	53	45	349	3	509
Closing net book amount	1 342	1 247	818	4 987	91	8 485
30.06.2024						
Cost	3 399	13 232	4 634	14 556	91	35 912
Accumulated depreciation	-2 057	-11 985	-3 816	-9 569	0	-27 427
Net book amount	1 342	1 247	818	4 987	91	8 485

The Group didn't have any significant binding commitments to purchase property plant and equipment as of 30 June 2024.

Note 6 Trade and other payables

in thousands of EUR	30.06.24	31.12.23
Trade accounts payable to third parties	2 883	5 349
Prepayments received from customers	612	669
Accrued expenses	742	552
Accounts payables to employees	581	422
Other payables	115	385
Total trade and other payables	4 933	7 377

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 2024 registered share capital of AS Silvano Fashion Group amounted to 3 600 thousand EUR divided into 36 000 000 shares with a nominal value of 0.10 EUR each (as of 31 December 2023, 3 600 thousand EUR 36 000 000 shares and 0.10 EUR nominal value, respectively). All shares of AS Silvano Fashion Group are ordinary shares and all are registered. Each ordinary share gives a shareholder one vote in General Meeting of Shareholders. No share certificates are issued for registered shares. The share register is electronic and maintained at the Estonian Central Depository for Securities. All shares are fully paid shares.

As of 30 June 2024 AS Silvano Fashion Group had 3 084 shareholders (as of 31 December 2023: 3 336 shareholders).

Note 8 Earnings per share

The calculation of basic earnings per share for 6 months of 2024 (6 months of 2023) is based on profit attributable to owners and a weighted average number of ordinary shares.

in thousands of shares	06m 2024	06m 2023
Number of ordinary shares at the beginning of the period	36 000	36 000
Effect of own shares held at the beginning of the period	0	0
Number of ordinary shares at the end of the period	36 000	36 000
Effect of own shares held at the end of the period	0	0
Weighted average number of ordinary shares for the Period	36 000	36 000
in thousands of EUR	06m 2024	06m 2023
Profit (loss) for the period attributable to equity holders of the Parent company	7 053	4 772
Basic earnings per share (EUR)	0.20	0.13
Diluted earnings per share (EUR)	0.20	0.13

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 2024	06m 2023
Revenue from wholesale	18 821	20 283
Revenue from retail	11 289	11 107
Subcontracting and services	31	17
Other sales	4	0
Total	30 145	31 407

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 2024	06m 2023
Associates	239	297
Total	239	297

Balances with related parties

in thousands of EUR	30.06.2024	31.12.2023
Trade receivables from associates	0	0
Total	0	0

Benefits to key management of the group

in thousands of EUR	06m 2024	06m 2023
Remunerations and benefits	305	296
Total	305	296

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 2024 and as of 30.06.2024					
	Lingerie retail	Lingerie wholesale	Total segments	Unallocated	Eliminations	Total
Revenue from external customers	11 289	18 821	30 110	35		30 145
Intersegment revenues	0	-17 886	-17 886	-1 740	19 626	0
EBITDA	4 981	5 093	10 074	-19		10 055
Amortization and depreciation	-1 045	-287	-1 332	-161		-1 493
Operating income, EBIT	3 936	4 806	8 742	-180	0	8 562
Profit from associates using equity method	0	14	14	0		14
Net financial income	-178	124	-54	991		937
Income tax	-461	-611	-1 072	-655		-1 727
Net profit	3 297	4 333	7 630	156	0	7 786
Investments in associates	0	109	109	0		109
Other operating segments assets	15 295	26 807	42 102	38 323		80 425
Reportable segments liabilities	8 062	6 176	14 238	1 887		16 125
Capital expenditures	478	372	850	25		875
Number of employees as of reporting date	507	1 016	1 523	102		1 625
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

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 2024	Revenue 06m 2023	Non-current assets 30.06.2024	Non-current assets 31.12.2023
Russia	17 761	18 746	3 346	3 638
Belarus	7 686	7 809	9 320	8 784
Ukraine	61	100	0	0
Baltics	628	705	360	410
Other countries	4 009	4 047	25	25
Total	30 145	31 407	13 051	12 857