

Company AS Silvano Fashion Group  
Type Company Release  
Category Other corporate action  
Disclosure time 03 Sep 2024 17:35:00 +0300

## Currency

Title About the partial performance of the statutory audit of Aktsiaselts Silvano Fashion Group

Aktsiaselts Silvano Fashion Group (hereinafter the Issuer) will perform the statutory audit of the annual report for the financial year ending on 31.12.2024 as required under the law and the rules of the Nasdaq Tallinn Stock Exchange partially - the annual reports of the Issuer's subsidiaries will be audited separately pursuant to the laws of the jurisdiction of their residence but the consolidated annual report of the Issuer's group proves to be impossible to audit.

Of the 11 subsidiaries in the Issuer's group, 7 are located and operating in Russia or Belarus, whereas the Issuer's primary production and economic activity is conducted through these companies. Due to the full-scale military invasion of Ukraine by Russia, Estonian audit companies have terminated cooperation with Russian and Belarussian audit companies and ceased their own activity in these territories. At this time, it is also restricted by sanctions imposed on Russia and Belarus. This means that the annual reports of the Issuer's subsidiaries located in Russia and Belarus can be audited only separately and by local service providers in accordance with the local legislation.

A formal audit of the consolidated annual report of the Issuer's consolidation group, i.e. an audit without a substantive check of the financial data of the Russian and Belarussian subsidiaries, does not provide additional reliability of the financial data in the report.

A formal audit of the consolidated annual report of the Issuer's consolidation group is also disproportionately burdensome because as to date, the Issuer's management board has received a price quote from only one audit company whose bid is several times higher than the market price.

The consolidated annual report of the Issuer's consolidation group will not be audited until the objective reasons referred to herein cease to exist. The Issuer will analyse alternative possibilities to provide additional assurances to the shareholders of the Issuer as a listed company.



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