E-MARKET SDIR CERTIFIED

GEOX

2021 HALF-YEAR FINANCIAL REPORT

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Geox S.p.A.
Registered Offices in Italy - Via Feltrina Centro 16, Biadene di Montebelluna (Treviso)
Share Capital - Euro 25,920,733.1 fully paid
Tax Code and Treviso Companies Register No. 03348440268

DIRECTORS' REPORT

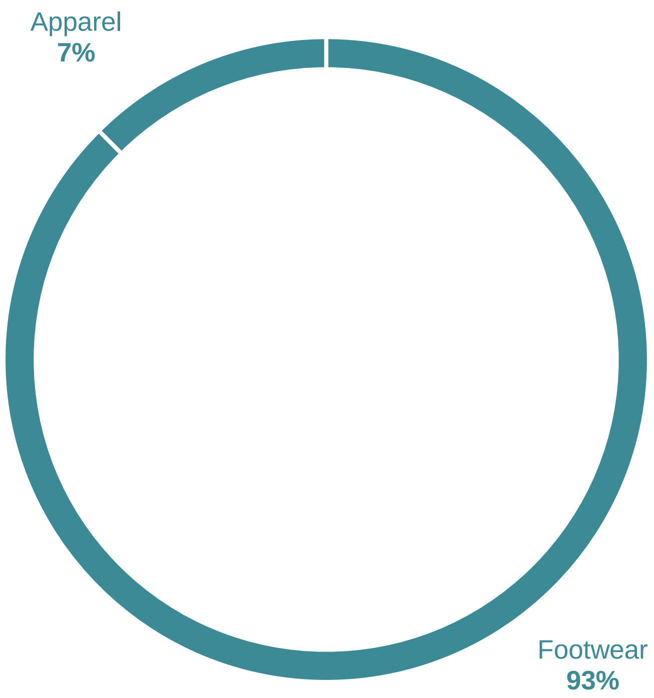
Profile

The Geox Group creates, produces, promotes and distributes Geox-brand footwear and apparel, the main feature of which is the use of innovative and technological solutions that can guarantee the ability to breathe and remain waterproof at the same time.

The extraordinary success that Geox has achieved is due to the technological characteristics of its shoes and apparel. Thanks to a technology that has been protected by 55 different patents and by 11 more recent patent applications, "Geox" products ensure technical characteristics that improve foot and body comfort in a way that consumers are able to appreciate immediately.

Geox's innovation stems essentially from the creation and development of special outsoles: thanks to a special membrane that is permeable to vapour but impermeable to water, rubber outsoles are able to breathe and leather outsoles remain waterproof. In the apparel sector the innovation increases the expulsion of body's internal humidity thanks to hollow spaces and aerators.

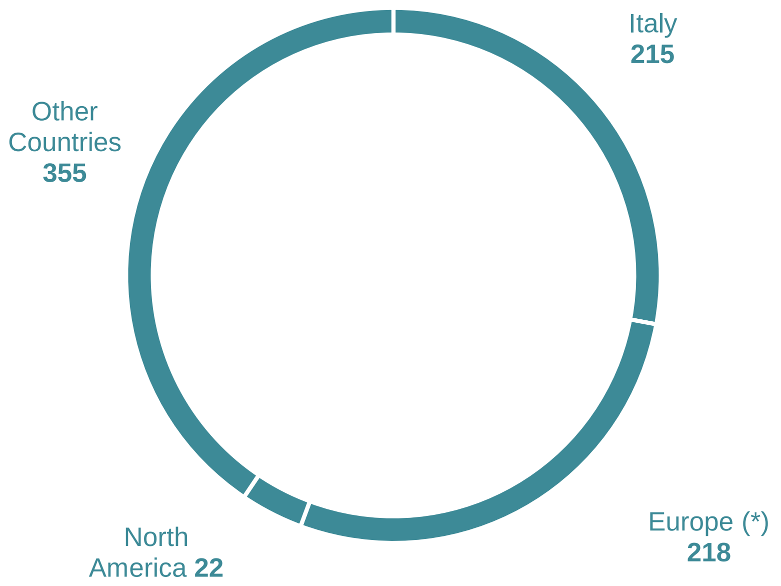
Geox is market leader in Italy in its own segment and is one of the leading brands world-wide in the "International Branded Casual Footwear Market" (source: Shoe Intelligence, 2020).



The distribution system

Geox distributes its products through over 9,000 multi-brand selling points and also through a Geox shops network (Franchising and DOS – directly operated stores).

As of June 30, 2021, the overall number of "Geox Shops" came to 810, of which 434 in franchising and 376 operated directly.



Geox Shops

(*) Europe includes: Austria, Benelux, France, Germany, UK, Iberia, Scandinavia, Switzerland.

The production system

Geox's production system is organized so as to ensure the attainment of three strategic objectives:

- maintaining high quality standards;
- continuously improving flexibility and time to market;
- increasing productivity and reducing costs.

Production is completed by selected partners mainly in the Far East and at the group's production plant in Vranje, Serbia.
All stages of the production process are under the strict control and coordination of the Geox organisation.

Great care is taken by the Group in selecting third-party producers, taking into account their technical skills, quality standards and ability to handle the production volumes which are assigned by the agreed deadlines.

All of the output from these manufacturing locations is consolidated at the Group's distribution centers in Italy for Europe, Moscow for Russia, New Jersey for the North America, Ontario for Canada, Shanghai for China and Hong Kong for the rest of Asia.

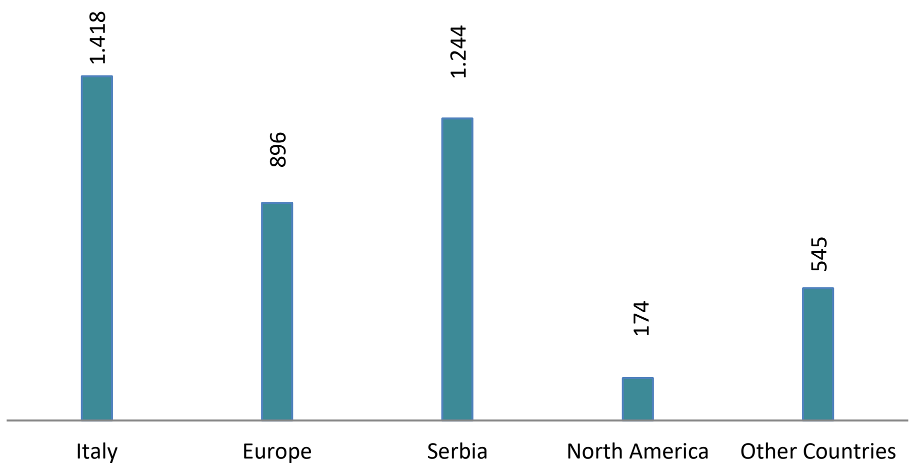
Human Resources

At June 30, 2021 the Group had 4,277 employees, showing a decrease of 181 employees compared with 4,458 employees at 31 December 2020.

As of June 30, 2021 the employees were splitted as follows:

Level	30-06-2021	31-12-2020
Managers	45	48
Middle Managers and office staff	902	912
Shop Employees	2,118	2,192
Factory Workers	1,212	1,306
Total	**4,277**	**4,458**

The graph shows the employees of the Group at June 30, 2021, broken down by geographic area:



Shareholders

Financial communication

Geox maintains a constant dialogue with individual shareholders, institutional investors and financial analysts through its Investor Relations function, which actively provides information to the market to consolidate and enhance confidence and level of understanding of the Group and its businesses.

The Investor Relations section, at www.geox.biz, provides historical financial data and highlights, investor presentations, quarterly publications, official communications and real time trading information on Geox shares.

Control of the Company

LIR S.r.l. holds a controlling interest in the share capital of Geox S.p.A. with a shareholding of 71.10%. LIR S.r.l., with registered offices in Montebelluna (TV), Italy, is an investment holding company that belongs entirely to Mario Moretti Polegato and Enrico Moretti Polegato (who respectively own 85% and 15% of the share capital).

The shareholder structure of Geox S.p.A. based on the number of shares held is as follows:

Shareholder structure (*)	**Number of shareholders**	**Number of shares**
from 1 to 5,000 shares	11,288	14,886,556
from 5,001 to 10,000 shares	922	7,068,355
10,001 shares and over	806	243,767,654
Lack of information on disposal of individual positions previously reported		(6,515,234)
Total	**13,016**	**259,207,331**

(*) As reported by Computershare S.p.A. on June 30, 2021

Shares held by directors and statutory auditors

As mentioned previously, the directors Mr. Mario Moretti Polegato and Mr. Enrico Moretti Polegato directly hold the entire share capital of LIR S.r.l., the Parent Company of Geox S.p.A..

Directors, statutory auditors and executives with strategic responsibilities have submitted declarations that they hold 54,847 shares of the Company as of June 30, 2021.

Company officers

Board of Directors

Name	Position and independent status (where applicable)
Mario Moretti Polegato (1)	Chairman and Executive Director
Enrico Moretti Polegato (1)	Vice Chairman and Executive Director
Livio Libralesso (1)	CEO and Executive Director (*)
Claudia Baggio	Director
Lara Livolsi (3)	Independent Director
Alessandro Antonio Giusti (2) (3)	Director
Francesca Meneghel (2) (4)	Independent Director
Ernesto Albanese (2)	Independent Director
Alessandra Pavolini (3)	Independent Director

(1) Member of the Executives Committee
(2) Member of the Audit, Risk and Sustainability Committee
(3) Member of the Nomination and Compensation Committee
(4) Lead Independent Director

(*) Powers and responsibilities for ordinary and extraordinary administration, within the limits indicated by law and the Articles of Association, in compliance with the powers of the Shareholders' Meeting, the Board of Directors and the Executive Committee, in accordance with the Board of Directors' resolution of January 16, 2020.

Board of Statutory Auditors

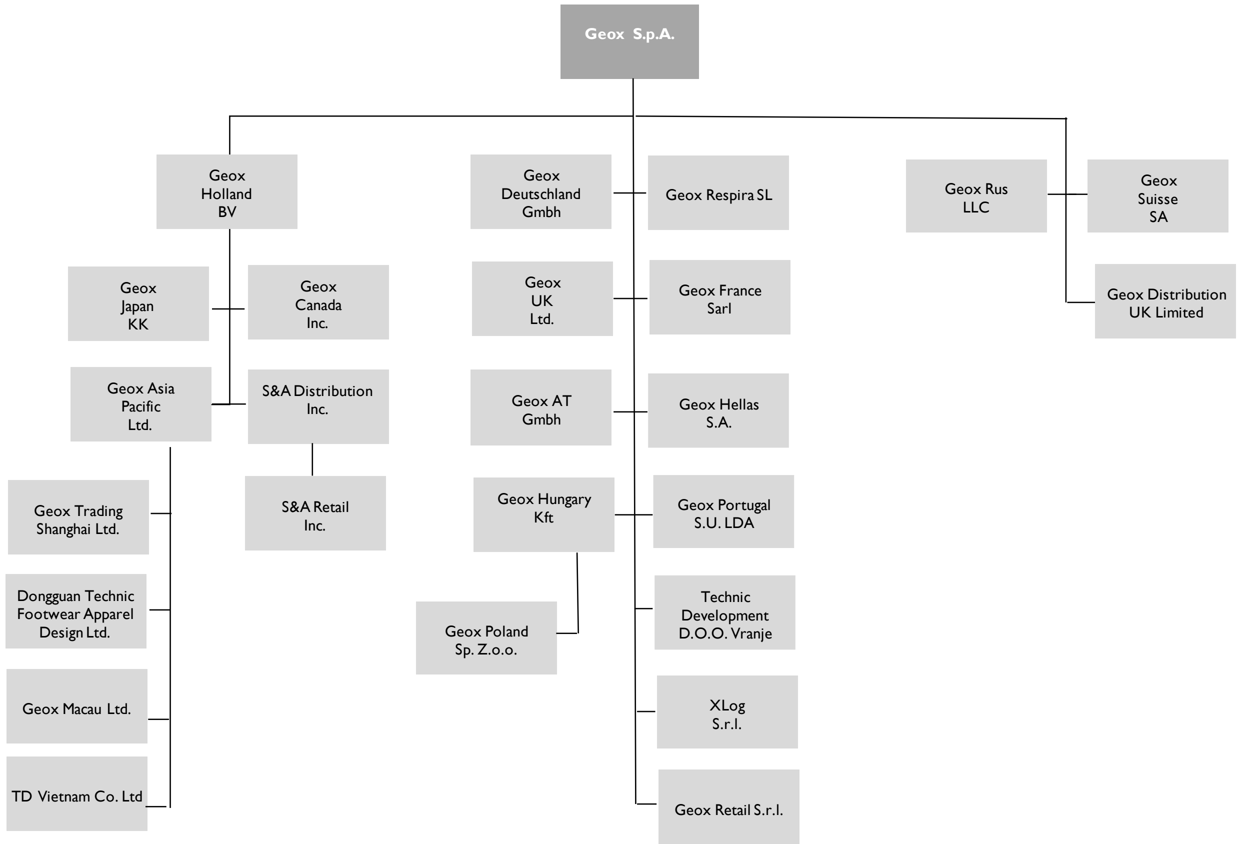
Name	Position
Sonia Ferrero	Chairman
Francesco Gianni	Statutory Auditor
Fabrizio Colombo	Statutory Auditor
Fabio Antonio Vittore Caravati	Alternate Auditor
Giulia Massari	Alternate Auditor

Independent Auditors

Deloitte & Touche S.p.A.

Group Structure

GROUP CHART JUNE 30, 2021



The structure of the Group controlled by Geox S.p.A., which acts as an operating holding company, is split into 3 macro-groups:

- **Non-EU trading companies.** Their role is to monitor and develop the business in the various markets. They operate on the basis of licensing or distribution agreements stipulated with the Parent Company.

- **EU companies.** At the beginning their role was to provide commercial customer services and coordinate the sales network in favor of the Parent Company which distributes the products directly on a wholesale basis. Then, they started to manage the Group's own shops in the various countries belonging to the European Union.

- **European trading companies.** They are responsible for developing and overseeing their area in order to provide a better customer service, increasing the presence of the Group through localized direct sales force and investments in showrooms closer to the market. The trading companies in Switzerland, Russia and UK also have the need of purchasing a product immediately marketable in the territory, having already complied with the customs.

Impacts of the Covid-19 pandemic on the 2021 half-year Financial Report

The third wave of Covid-19 led Governments of many countries to reintroduce new restrictions to mobility or lockdown measures during the first half of 2021, in order to contain the growth of contagions. On average, about 34% of stores were temporarily closed in the first quarter and 20% in the second quarter (28% on average in the first half).

The results of the first half, although still strongly impacted by the COVID-19 pandemic, show a significant improvement compared to last year thanks to the positive evolution of sales, supported by the strong recovery in the second quarter (+91%), the increase in gross margins (+690 bps) and the incisive and continuous saving initiative on costs, achieved also thanks to the lump sum support received in some European countries (-8.5%).

Despite that, after the reopening of the stores in Italy and France (second half of May), Germany (mid-June) and lastly in Ontario on 30 June, the Group's entire direct distribution network is back in operation, albeit with the upholding of certain restrictions on entry aimed at avoiding crowds and maintaining safety distances in the stores. Tourist flows in Europe are still far from pre-Covid levels.

The evolution of digital sales and of the markets on which the Group continues to concentrate its investments is particularly comforting.
Geox's online sales in the extended sense, including those towards e-tailers who distribute our products, reached one-third of the Group's total sales with growth close to +50% compared to last year and +30% compared to the first half of 2019. Russia, one of the few markets to have little impact from the lockdown during the half year, reported sales up by +64% on the first half of 2020 and by +9% on the first half of 2019.
All this confirms the validity of the strategic path undertaken based on exiting unprofitable business segments, which allow the release of more resources to be channelled into more strategic activities, and on the creation of a business model focused on full integration between the physical and digital, which is increasingly leaner and more consistent with the evolution of the market and consumers' purchasing choices.
In the first half of the year we experienced the first results of the initiatives, with positive effects on several fronts. The margins of direct stores are improving, operating costs are further reducing, working capital and financial position remain under control. Following this, we also freed up new resources to invest more in advertising, with the launch of the 'Spherica' TV campaign in the main markets, which not only achieved sell-through rates of 85% in our retail, but also awakened the interest of wholesale customers in our collections, thus opening up new business opportunities for us in the future.
The initiatives undertaken to contain operating costs can be summarize as follows:

- Reorganisation (NoI) in Canada with the exiting of 10 unprofitable DOS and the retention of 20 DOS with a significant reduction in rents (mainly transformed in variable rents -turnover based - in 2021).
- Reorganisation in the USA with exiting from the physical retail market (2 DOS) and maintenance of the business through the wholesale channel and the direct online channel.
- Liquidation of the branch in Japan, exiting from the physical retail market (7 DOS) and maintenance of the business through the wholesale channel and the direct online channel with a distributor.
- Restructuring procedure out of court in Germany and the UK with the exiting of 14 unprofitable stores (11 in Germany and 3 in the UK) (aggregate operating loss of Euro 1.3 million in 2019).
- Progressive closure, as planned, of unprofitable stores and those in which rents are no longer deemed adequate with current market conditions.
- Closure of the retail structures of Geox Retail S.r.l in France, Spain, Austria, Germany and the United Kingdom moving the business into the countries' subsidiaries for a fully omnichannel approach

All of this evidence makes us even more convinced that the path on which we have embarked, combined with our historic brand values, such as people's well-being and sustainability, will enable us both to become increasingly relevant to consumers and to significantly improve the Group's service level and profitability profile.

Economic results summary

In the first half of 2021, financial results continue to be strongly affected by the spread of Covid-19 despite a significant improvement compared to last year.
Main results are outlined below:

- Net sales of Euro264.0 million, with an increase of 8.4% compared to Euro 243.6 million of the first half 2020;
- Positive EBITDA of Euro 9.5 million, Euro -20.6 million in first half 2020;
- EBIT of Euro -29.2 million, compared to Euro -83.9 million of first half 2020;
- Net income of Euro -37.0 million, compared to Euro -81.9 million of the first half 2020.

In the following table a comparison is made between the consolidated income statement:

(Thousands of Euro)	I half 2021	%	I half 2020	%	2020	%
Net sales	**264,040**	**100.0%**	**243,618**	**100.0%**	**534,897**	**100.0%**
Cost of sales	(137,534)	(52.1%)	(143,789)	(59.0%)	(303,074)	(56.7%)
Gross profit	**126,506**	**47.9%**	**99,829**	**41.0%**	**231,823**	**43.3%**
Selling and distribution costs	(17,768)	(6.7%)	(22,170)	(9.1%)	(41,395)	(7.7%)
General and administrative expenses	(125,644)	(47.6%)	(138,103)	(56.7%)	(278,329)	(52.0%)
Advertising and promotion	(12,639)	(4.8%)	(10,198)	(4.2%)	(23,049)	(4.3%)
Operating result	**(29,545)**	**(11.2%)**	**(70,642)**	**(29.0%)**	**(110,950)**	**(20.7%)**
Restructuring charges	304	0.1%	(151)	(0.1%)	(1,134)	(0.2%)
Net asset impairment	-	0.0%	(13,142)	(5.4%)	(12,436)	(2.3%)
EBIT	**(29,241)**	**(11.1%)**	**(83,935)**	**(34.5%)**	**(124,520)**	**(23.3%)**
Net financial expenses	(4,081)	(1.5%)	(4,032)	(1.7%)	(8,129)	(1.5%)
PBT	**(33,322)**	**(12.6%)**	**(87,967)**	**(36.1%)**	**(132,649)**	**(24.8%)**
Income tax	(3,657)	(1.4%)	6,027	2.5%	4,444	0.8%
Tax rate	*n.s.*		*n.s.*		*n.s.*	
Net result	**(36,979)**	**(14.0%)**	**(81,940)**	**(33.6%)**	**(128,205)**	**(24.0%)**
EBITDA	**9,464**	**3.6%**	**(20,616)**	**(8.5%)**	**(13,727)**	**(2.6%)**
EBITDA excl. IFRS 16	**(18,364)**	**(7.0%)**	**(54,370)**	**(22.3%)**	**(81,737)**	**(15.3%)**

EBITDA: is the EBIT plus depreciation, amortization and can be directly calculated from the financial statements as integrated by the notes .

EBITDA and EBITDA adjusted are not defined under IFRS accounting standards applied in the European Union and therefore their definition should be attentively assessed and analyzed by investors. Those measures are included in this report in order to improve the level of transparency for the financial community. Management considers that adjusted measures help evaluating Group's operating performance and help the comparison with companies operating in the same sector. Those indicators aim to give a supplementary view of results excluding the impact of unusual, not recurring and not operating items.

Disclaimer
This Report, and in particular the section entitled "Outlook for operation and significant subsequent events", contains forward-looking statements. These statements are based on the Group's current expectations and projections about future events and, by their nature, are subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future, and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including: volatility and deterioration of capital and financial markets, changes in commodity prices, changes in general economic conditions, economic growth and other changes in business conditions, changes in government regulation (in each case, in Italy or abroad), and many other factors, most of which are outside of the Group's control.

Sales performance in first half of 2021

Consolidated revenue for the first half of 2021 stood at Euro 264.0 million, up by +8.4% compared with the previous year (+10.1% at constant exchange rates) thanks to the excellent recovery in the second quarter (+90.5% compared with the second quarter of 2020, +91.6% at constant exchange rates) boosted by the gradual reopening of stores.
The entire half-year, although positive, was negatively impacted by both the loss of revenue resulting from the rationalisation of the perimeter (-126 stores compared to the first half of 2020, equal to approximately Euro -9.5 million in turnover) and the temporary closure due to lockdown of approximately 28% of the network (34% in the first quarter and 20% in the second quarter).

Sales by distribution channel

(Thousands of Euro)	I half 2021	%	I half 2020	%	Var. %
Wholesale	**141,807**	**53.7%**	**121,442**	**49.8%**	**16.8%**
Franchising	17,851	6.8%	17,818	7.3%	0.2%
DOS*	104,382	39.5%	104,358	42.8%	0.0%
Geox Shops	**122,233**	**46.3%**	**122,176**	**50.2%**	**0.0%**
Net sales	**264,040**	**100.0%**	**243,618**	**100.0%**	**8.4%**

* Directly Operated Store

Sales from multi-brand stores, accounting for 53.7% of Group sales (49.8% in the first half of 2020), amounted to Euro 141.8 million (+16.8% at current exchange rates, +19.2% at constant exchange rates) compared to Euro 121.4 million in the first half of 2020. The half-year trend benefited from the excellent performance of the second quarter (+169%) thanks to the excellent trend in seasonal replenishment, earlier timing of shipments of the FW21 collection (as requested by partners) and increased sales of stock from previous seasons. These effects were able to more than offset the cautious initial order intake for the SS21 collection and thus define the positive performance of the half-year.

Sales from the franchising channel, which accounted for 6.8% of Group sales, amounted to Euro 17.9 million, substantially stable compared to Euro 17.8 million in the first half of 2020. Again, the half-year performance was possible thanks to the strong recovery in the second quarter (+60%) characterised by the gradual reopening of stores, whose positive performance, combined with a favourable timing effect on shipments, made it possible to neutralise the negative effects of the reduction in the scope of consolidation (approximately Euro -4.3 million or -24%). In fact, the total number of franchised stores decreased from 354 in June 2020 to 311 in June 2021.

Sales from directly-operated stores (DOS), which account for 39.5% of Group sales, amounted to Euro 104.4 million, in line with the first half of 2020 (+0% at current exchange rates, +1.0% at constant exchange rates). Like-for-like (LFL) sales at the end of the half year stood at +15% (+56% in the second quarter alone) and also benefited from the lower percentage of shops temporarily closed for lockdown in the half year (approximately 28% compared to 35% in the first half of 2020). This performance offset the loss of sales due to the contraction in the scope of consolidation (-74 DOS, equal to approximately Euro -5.2 million in sales) that occurred in the period. As of 1 July 2021, all Group stores are operational again.
The trend in like-for-like sales in July continued positively (+23% on July 2020 and -6% on July 2019). To date (week 29), like-for-like sales (LFL) of directly operated stores stand at +17% from the beginning of the year.

The Group's direct online business continues to experience significant growth (LFL): +30% compared to the end of June 2020 and +80% on June 2019. After an excellent first quarter (+85%), there was a slight drop in the second quarter (-7%) essentially due to the shift of traffic and purchases (especially for kids) to the stores, affected by the gradual reopening in April and May 2021, months which were characterised by the most acute phase of the lockdown in 2020. The sale of kids' shoes in particular, with an increase in sales of +53% in physical stores and -36% online, showed in the quarter both an aggregate growth in volumes (+13%) and a reduction in average discounts (-7 points in physical stores and flat online). In the second quarter of 2020 also, kids showed an outstanding performance in online channel (+153% vs 2Q19).
Sales of men's and women's shoes were also positive in the second quarter in both the physical and digital channels, with a reduction in average discounts for both genders on both channels.

Sales by region

(Thousands of Euro)	I half 2021	%	I half 2020	%	Var. %
Italy	64,370	24.4%	59,932	24.6%	7.4%
Europe (*)	121,355	46.0%	113,796	46.7%	6.6%
North America	10,430	4.0%	11,768	4.8%	(11.4%)
Other countries	67,885	25.7%	58,122	23.9%	16.8%
Net sales	**264,040**	**100.0%**	**243,618**	**100.0%**	**8.4%**

(*) Europe includes: Austria, Benelux, France, Germany, UK, Iberia, Scandinavia, Switzerland.

Sales generated in Italy, which represent 24.4% of Group sales (24.6% in the first half of 2020), amounted to Euro 64.4 million, compared to Euro 59.9 million in the first half of 2020 (+7.4%). The performance in Italy benefited from a lower percentage of stores closed due to lockdown than in 2020. The second quarter was particularly positive, with sales doubling compared to the second quarter of 2020. At the half-year level, growth was led by the wholesale channel (+18%); the DOS channel was marginally positive (+3%), and the franchising channel slightly negative. Both retail channels were impacted by the ongoing rationalisation (-43 stores compared to June 2020, or 17% of the network).

Sales generated in Europe, accounting for 46.0% of the Group's revenues (46.7% in the first half of 2020), amounted to Euro 121.4 million, compared to Euro 113.8 million in the first half of 2020, an increase of 6.6% mainly due, as in Italy, to the good performance of the wholesale channel (+22%). The positive trend in the first half of the year was also particularly significant in view of the greater impact of the lockdown in the first half of 2021 compared to the first half of 2020. In this regard, the excellent performance reported in France (+23%) should be noted, despite the fact that it was one of the countries most affected by the lockdown in the half year.
Direct stores in Europe, although with positive like-for-like sales (+5%), were impacted by the ongoing rationalisation (-32 of DOS, corresponding to 20% of the network), closing the half year at -10%. Franchising also showed a negative trend (-8%), also affected by the ongoing rationalisation.

North America recorded a turnover of Euro 10.4 million, a decrease of 11.4% (-8.3% at constant exchange rates). The half-year was affected by both the sharp reduction in the scope of consolidation (10 net closures, representing 30% of the network) and the lockdowns in Canada (43% of DOS closed, compared with 46% in the first half of 2020), which continued until 30 June in the Ontario region. To date, the entire network is operational. The direct online channel showed a positive performance (+44%).

The Other Countries report a turnover increase of 16.8% compared to the first half of 2020 (+23.6% at constant exchange rates), with particularly different trends in the individual areas.
In the Asia Pacific region in particular, turnover fell by 9.5%, mainly as a result of the reorganisation in Japan. China reported sales in line with the first half of 2020, with comparable sales from direct stores up +26%.

In Eastern Europe, revenues in the region grew by 28% in the first half of the year, driven by the performance in Russia (+64%). The directly-operated stores in the entire area reported comparable sales up by 60% (Russia +109%); double-digit growth was also positive in the wholesale and franchising channels.

Sales by product category

(Thousands of Euro)	I half 2021	%	I half 2020	%	Var. %
Footwear	245,357	92.9%	220,510	90.5%	11.3%
Apparel	18,683	7.1%	23,108	9.5%	(19.1%)
Net sales	**264,040**	**100.0%**	**243,618**	**100.0%**	**8.4%**

Footwear accounted for 92.9% of consolidated revenues, amounting to Euro 245.4 million, an increase of 11.3% (+13.1% at constant exchange rates) compared to the first half of 2020. Clothing accounted for 7.1% of consolidated sales, amounting to Euro 18.7 million, compared to Euro 23.1 million in the first half of 2020 (-19.1% at current exchange rates, -18.5% at constant exchange rates).

Mono-brand store network – Geox shops

As of 30 June 2021, there was a total of 810 “Geox Stores”, of which 376 were DOS. During the first half of 2021, 14 new Geox Stores were opened and 71 were closed, in line with the store network optimisation planned in more mature markets and the expansion in countries where the Group’s presence is still limited but developing well.

	06-30-2021		12-31-2020		I half 2021		
	Geox Shops	of which DOS	Geox Shops	of which DOS	Net Openings	Openings	Closings
Italy	215	134	226	139	(11)	2	(13)
Europe (*)	218	124	246	142	(28)	-	(28)
North America	22	22	24	24	(2)	-	(2)
Other countries (**)	355	96	371	105	(16)	12	(28)
Total	**810**	**376**	**867**	**410**	**(57)**	**14**	**(71)**

(*) Europe includes: Austria, Benelux, France, Germany, UK, Iberia, Scandinavia, Switzerland.

(**) Includes Under License Agreement Shops (123 as of June 30 2021, 135 as of December 31 2020). Sales from these shops are not included in the franchising channel.

Cost of sales and gross margin

The cost of sales was equal to 52.1% of sales, compared with the 59.0% recorded in the first half of 2020, producing a gross profit of 47.9% (41.0% in the first half of 2020).

The strong improvement in the margin is particularly due to: 1) +860 bps deriving from lower write-downs and a general business trend in the period that allowed no need for an extraordinary impairment differently from first half of 2020 (in the first half of 2020 there was an extraordinary impairment of Euro 15.1 million related to the SS20 collection as a result of the excess stock caused by the closure of stores during lockdown) 2) -170 bps due to the unfavourable channel mix with a lower incidence of direct channel sales, characterised by a higher gross margin, due to temporary lockdowns. On this last point, we must highlight the progress reported by the DOS channel, with gross margin up +350 BPS thanks to the strong reduction of average discounts in the period.

Operating expenses and EBIT

Total operating costs (general and administrative costs, sales and distribution costs and advertising) amounted to Euro 156.1 million in the first half of the year compared with Euro 170.5 million in the first half of 2020, with a saving of approximately Euro 14 million (-8.5%).

In particular:

- Sales and distribution costs stood at Euro 17.8 million, down from last year (Euro 22.2 million in the first half of 2020). This result was possible thanks in particular to the general improvement in the market context compared to the first half of 2020, when some extraordinary provisions of Euro 5.6 million had been made in connection with the credit exposures of some counterparties who were in difficulty during the most acute phase of the lockdown.
- General and administrative costs amounted to Euro 125.6 million, compared with Euro 138.1 million in the first half of 2020. Within the aggregate, the following components must be reported: 1) use of social cushioning for personnel for approximately Euro 7.1 million (Euro 10.3 million in the first half of 2020) 2) renegotiation of rents for Euro 4.3 million (not present in the first half of 2020) 3) governmental contributions for the impacts suffered by the business in the various countries as a result of the pandemic for Euro 5.7 million (Euro 1 million in the first half of 2020)
- Advertising and promotion costs amounted to Euro 12.6 million, up from Euro 10.2 million in the corresponding period of the previous year and related to the increased marketing initiatives undertaken (primarily Spherica).

The operating result, before net impairment losses on fixed assets and restructuring costs, (EBIT adjusted) came to Euro -29.5, a strong improvement on the Euro -70.6 million of the first half of 2020, supported by the increase in sales, the recovery of gross margins and the reduction in costs.

Net write-downs of fixed assets

The first half of 2021, unlike the first half of 2020, was not impacted by the impairment of some of the Group's assets (stores) as a result of the impairment test. The result of this test, in the first half of 2020, resulted in a net impairment loss of Euro 13.1 million, relating to 169 stores, which were fully or partially written down. In the first half of 2021, on the other hand, no further write-downs were required.

Restructuring charges (income)

In the first half of 2021, there was income of Euro 0.3 million, compared with a cost of Euro 0.2 million in the first half of 2020. This income is mainly due to the closure of the Canadian restructuring procedure (NoI), which resulted in the cancellation of certain previously recognised liabilities that more than offset the restructuring costs incurred during the period.

Taxes and tax rate

Income taxes for the first half of 2021 amounted to Euro 3.7 million, compared to income of Euro 6.0 million in the first half of 2020.
Taxes are affected by the prudent non-recognition of deferred tax assets of approximately Euro 11.5 million (Euro 15.2 million in the first half of 2020), relating to tax losses generated in the half-year for which, at the date of this report, there is no reasonable certainty of recovery through future taxable income.

IFRS 16 effects on first half 2021 Profit and Loss

In order to give a clearer representation of the Group's performance and to improve the level of transparency for the financial community, the reconciliation table between the economic values for the half year and those that exclude the accounting effects deriving from the application of IFRS 16 is presented below:

(Thousands of Euro)	**I half 2021 Reported**	**IFRS 16 impact**	**I half 2021 excl. IFRS 16**	**%**	**I half 2020 excl. IFRS 16**	**%**
Net sales	**264,040**	**-**	**264,040**	**100.0%**	**243,618**	**100.0%**
Cost of sales	(137,534)	-	(137,534)	(52.1%)	(143,789)	(59.0%)
Gross profit	**126,506**	**-**	**126,506**	**47.9%**	**99,829**	**41.0%**
Selling and distribution costs	(17,768)	(632)	(18,400)	(7.0%)	(22,861)	(9.4%)
General and administrative expenses	(125,644)	(2,114)	(127,758)	(48.4%)	(137,401)	(56.4%)
Advertising and promotion	(12,639)	(113)	(12,752)	(4.8%)	(10,311)	(4.2%)
Operating result	**(29,545)**	**(2,859)**	**(32,404)**	**(12.3%)**	**(70,744)**	**(29.0%)**
Restructuring charges	304	-	304	0.1%	(151)	(0.1%)
Net asset impairment	-	-	-	0.0%	(1,926)	(0.8%)
EBIT	**(29,241)**	**(2,859)**	**(32,100)**	**(12.2%)**	**(72,821)**	**(29.9%)**
Net interest	(4,081)	1,869	(2,212)	(0.8%)	(1,715)	(0.7%)
PBT	**(33,322)**	**(990)**	**(34,312)**	**(13.0%)**	**(74,536)**	**(30.6%)**
Income tax	(3,657)	-	(3,657)	(1.4%)	6,027	2.5%
Tax rate	*n.a.*	*n.a.*	*n.a.*		*n.a.*	
Net result	**(36,979)**	**(990)**	**(37,969)**	**(14.4%)**	**(68,509)**	**(28.1%)**
EBITDA adjusted	**9,464**	**(27,828)**	**(18,364)**	**(7.0%)**	**(54,370)**	**(22.3%)**

The item 'IFRS 16 Impact' includes the following effects:

- elimination of depreciation relating to Right-of-use assets for Euro 24,969 thousand;
- higher rent and lease costs for Euro 27,828 thousand;
- lower financial charges relating to financial lease liabilities for Euro 1,869 thousand.

It is emphasized that the economic statements set out above, which exclude the impacts deriving from the IFRS 16 application, are not to be considered as a substitute for those defined by the IFRS accounting standards adopted by the European Union and therefore their presentation must be carefully evaluated by the reader of this Financial Report.

The Group's financial performance

Group's financial performance

The following table summarizes the reclassified consolidated balance sheet:

(Thousands of Euro)	June 30, 2021	Dec. 31, 2020	June 30, 2020
Intangible assets	33,084	35,834	38,565
Property, plant and equipment	46,711	50,413	57,281
Right-of-use assets	216,350	241,808	255,919
Other non-current assets - net	41,072	47,686	45,953
Total non-current assets	**337,217**	**375,741**	**397,718**
Net operating working capital	**168,891**	**177,528**	**223,243**
Other current assets (liabilities), net	**(6,213)**	**(8,462)**	**(16,251)**
Net invested capital	**499,895**	**544,807**	**604,710**
Equity	140,648	167,208	224,042
Provisions for severance indemnities, liabilities and charges	9,703	9,849	7,834
Net financial position	349,544	367,750	372,834
Net invested capital	**499,895**	**544,807**	**604,710**

The following table shows the mix and changes in net operating working capital and other current assets (liabilities):

(Thousands of Euro)	June 30, 2021	Dec. 31, 2020	June 30, 2020
Inventories	292,929	267,964	286,507
Accounts receivable	89,559	87,718	117,596
Trade payables	(213,597)	(178,154)	(180,860)
Net operating working capital	**168,891**	**177,528**	**223,243**
% of sales for the last 12 months	***30.4%***	***33.2%***	***34.3%***
Taxes payable	(9,730)	(13,057)	(10,702)
Other non-financial current assets	34,784	35,093	27,938
Other non-financial current liabilities	(31,267)	(30,498)	(33,487)
Other current assets (liabilities), net	**(6,213)**	**(8,462)**	**(16,251)**

Net working capital amounted to Euro 169 million, down compared with Euro 223 million recorded in the first half of 2020. Net operating working capital as a percentage of sales was equal to 30.4%, compared with 34.3% in the same period last year.

The following table gives a breakdown of the net financial position:

(Thousands of Euro)	**June 30, 2021**	**Dec. 31, 2020**	**June 30, 2020**
Cash and cash equivalents	51,233	83,130	66,172
Current financial assets - excluding derivatives	2,386	2,971	2,971
Bank borrowings and current portion of long-term loans	(68,254)	(61,969)	(106,836)
Current financial liabilities - excluding derivatives	(57)	(116)	(116)
Net financial position - current portion	**(14,692)**	**24,016**	**(37,809)**
Non-current financial assets	24	24	24
Long-term loans	(98,010)	(113,832)	(55,382)
Net financial position - non-current portion	**(97,986)**	**(113,808)**	**(55,358)**
Net financial position - prior to fair value adjustment of derivatives and IFRS 16 impact	**(112,678)**	**(89,792)**	**(93,167)**
Lease liabilities	(241,306)	(267,907)	(284,026)
Net financial position - prior to fair value adjustment of derivatives	**(353,984)**	**(357,699)**	**(377,193)**
Fair value adjustment of derivatives	4,440	(10,051)	4,359
Net financial position	**(349,544)**	**(367,750)**	**(372,834)**

The combination of rationalisation initiatives undertaken, and the positive trend in sales in the direct channel at the time of reopening, has made it possible to keep the net financial position under control, which at the end of June, despite the exceptional situation, stood at Euro -108.2 million (pre IFRS 16) (Euro -88.8 million at 30 June 2020, Euro -99.8 million at December 2020 and Euro -109.8 million at March 2021). In particular, in May and June, with the reopening of shopping centres and outlets at the weekend, the Group reported cash generation of approximately Euro 12 million.
The Group proposed to suspend the payment of some rents while stores were temporarily closed and then began to pay rent in proportion to sales performance following their reopening, until reaching an agreement with the various landlords.
This approach is in line with the ongoing talks being held with the various landlords, aimed at renegotiating the contractual agreements in place, bringing them more in line with the changes to the economic scenario; this involves introducing variable rents based on the level of turnover, at least while there is reduced footfall caused by the restrictive measures and the strong reduction in tourist numbers. These closed talks with landlords are continuing from one quarter to the next, and the Group has already concluded a significant number of agreements and others are in an advanced phase of negotiation; however, the Group is also convinced that the right course of action is to terminate the relative agreement if solutions cannot be found that reflect current market values. As of 30 June 2021, the overdue part of the rental payments that were suspended or only partially paid amounted to approximately Euro 14 million.

IFRS 16 effects on Group's financial performance

In order to give a clearer representation of the Group's financial performance and to improve the level of transparency for the financial community, the reconciliation table between the balance sheet amounts as of June 30, 2021 and those excluding accounting effects, deriving from the application of IFRS 16, is presented below:

(Thousands of Euro)	**June 30, 2021**	**IFRS 16 impact**	**June 30, 2021 excluding IFRS 16**	**December 31, 2020 excluding IFRS 16**	**June 30, 2020 excluding IFRS16**
Intangible assets	33,084	360	33,444	36,236	38,565
Property, plant and equipment	46,711	-	46,711	50,413	57,281
Right-of-use assets	216,350	(216,350)	-	-	-
Other non-current assets - net	41,072	(590)	40,482	47,096	45,953
Total non-current assets	**337,217**	**(216,580)**	**120,637**	**133,745**	**141,799**
Net operating working capital	**168,891**	**(14,318)**	**154,573**	**163,809**	**211,756**
Other current assets (liabilities), net	**(6,213)**	**-**	**(6,213)**	**(9,059)**	**(17,205)**
Net invested capital	**499,895**	**(230,898)**	**268,997**	**288,495**	**336,350**
Equity	140,648	12,143	152,791	180,610	239,708
Provisions for severance indemnities, liabilities and charges	9,703	(1,735)	7,968	8,042	7,834
Net financial position	349,544	(241,306)	108,238	99,843	88,808
Net invested capital	**499,895**	**(230,898)**	**268,997**	**288,495**	**336,350**

The item 'IFRS 16 Impact' mainly includes the following effects:

- elimination of Right-of-use assets for Euro 216,350 thousand;
- reverse of the reclassification related overdue lease payables to Financial lease liabilities for an amount of Euro 14,318 thousand;
- elimination of Financial lease liabilities for an amount of Euro 241,306 thousand.

It is emphasized that the balance sheets set out above, which exclude the impacts deriving from the application of IFRS 16, are not to be considered as a substitute for those defined by the IFRS accounting standards adopted by the European Union and therefore their presentation must be carefully evaluated by the reader of this Financial Report.

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Reclassified consolidated cash flow statement and investments of the period

The following table gives a reclassified consolidated cash flow statement:

(Thousands of Euro)	**I half 2021**	**I half 2020**	**2020**
Net result	**(36,979)**	**(81,940)**	**(128,205)**
Depreciation, amortization and impairment	38,705	63,320	110,793
Other non-cash items	(5,103)	19,399	26,317
	(3,377)	**779**	**8,905**
Change in net working capital	12,888	(68,639)	(29,825)
Change in other current assets/liabilities	737	(1,855)	(5,677)
Cash flow from operations	**10,248**	**(69,715)**	**(26,597)**
Capital expenditure	(7,291)	(9,325)	(18,212)
Disposals	0	221	183
Net capital expenditure	**(7,291)**	**(9,104)**	**(18,029)**
Free cash flow	**2,957**	**(78,819)**	**(44,626)**
Increase in right-of-use assets	1,364	(4,878)	(18,317)
Change in net financial position	**4,321**	**(83,697)**	**(62,943)**
Initial net financial position - prior to fair value adjustment of derivatives	**(357,699)**	**(296,020)**	**(296,020)**
Change in net financial position	4,321	(83,697)	(62,943)
Translation differences	(606)	965	1,264
Final net financial position - prior to fair value adjustment of derivatives	**(353,984)**	**(378,752)**	**(357,699)**
Fair value adjustment of derivatives	4,440	5,918	(10,051)
Final net financial position	**(349,544)**	**(372,834)**	**(367,750)**

During the first half of the year, investments of Euro 7.3 million were made, compared to Euro 9.3 million in the first half of 2020, mainly related to the store restyling plan (Euro 2.3 million) aimed at improving performance and investments in IT (Euro 2.3 million).

Consolidated capital expenditure is analyzed in the following table:

(Thousands of Euro)	**I half 2021**	**I half 2020**	**2020**
Trademarks and patents	169	159	578
Opening and restructuring of Geox Shop	2,281	4,880	7,747
Production plant	55	51	110
Industrial plant and equipment	1,059	1,047	2,334
Logistic	258	430	560
Information technology	2,323	2,371	5,958
Offices furniture, warehouse and fittings	1,146	387	925
Total cash capex	**7,291**	**9,325**	**18,212**
Right-of-Use	(1,299)	4878	20,123
Total capex	**5,992**	**14,203**	**38,335**

IFRS 16 effects on Reclassified consolidated cash flow statement

In order to provide a clearer representation of the changes in the Group's net financial position in the first half of the year and to improve the level of transparency for the financial community, the reconciliation table between the values of the consolidated cash flow statement for the first half 2021 and those that exclude the accounting effects deriving from the application of IFRS 16 is presented below:

(Thousands of Euro)	**I half 2021**	**IFRS 16 impact**	**I half 2021 excluding IFRS 16**	**I half 2020 excluding IFRS 16**
Net result	**(36,979)**	**(990)**	**(37,969)**	**(68,509)**
Depreciation, amortization and impairment	38,705	(24,969)	13,736	18,451
Other non-cash items	(5,103)	-	(5,103)	18,045
Totale non-cash items	**(3,377)**	**(25,959)**	**(29,336)**	**(32,013)**
Change in net working capital	12,888	600	13,488	(56,788)
Change in other current assets/liabilities	737	(597)	140	(1,855)
Cash flow from operations	**10,248**	**(25,956)**	**(15,708)**	**(90,656)**
Capital expenditure	(7,291)	-	(7,291)	(9,325)
Disposals	-	-	-	221
Net capital expenditure	**(7,291)**	**-**	**(7,291)**	**(9,104)**
Free cash flow	**2,957**	**(25,956)**	**(22,999)**	**(99,760)**
(Increase)/decrease in right-of-use assets	1,364	(1,364)	-	-
Change in net financial position	**4,321**	**(27,320)**	**(22,999)**	**(99,760)**
Initial net financial position - prior to fair value adjustment of derivatives	**(357,699)**	**267,907**	**(89,792)**	**5,364**
Change in net financial position	4,321	(27,320)	(22,999)	(99,760)
Translation differences	(606)	719	113	(330)
Final net financial position - prior to fair value adjustment of derivatives	**(353,984)**	**241,306**	**(112,678)**	**(94,726)**
Fair value adjustment of derivatives	4,440	-	4,440	5,918
Final net financial position	**(349,544)**	**241,306**	**(108,238)**	**(88,808)**

The item 'IFRS 16 impact' includes the effects described above on the income statement items (mainly reversal of depreciation relating to Right-of-use assets and consideration of lease costs) and on the balance sheet and financial position (mainly reversal of Right-of-use assets and financial lease liabilities).

It is emphasized that the above statements, which exclude the impacts deriving from the application of IFRS 16, are not to be considered as a substitute for those defined by the IFRS accounting standards adopted by the European Union and therefore their presentation must be carefully evaluated by the reader of this Financial Report.

Treasury shares and equity interests in parent companies

Geox S.p.A. launched a programme, starting from June 5, 2019, to buy back up to a maximum of 3,996,250 ordinary shares (equal to 1.54% of the current share capital), in accordance with the resolution passed by the Shareholders' Meeting on April 16, 2019, pursuant to articles 2357 and 2357-ter of the (Italian) civil code.
The purpose of the programme is to buy back Geox shares to be used for the 2019-2021 Stock Grant Plan, approved by the Shareholders' Meeting on April 16, 2019.
The buy-back programme started on June 5, 2019 and ended on November 20, 2019.
Further to the buy-back transactions above, as at June 30, 2021, the treasury shares held by the Company amount to 3,996,250 corresponding to 1,54% of the total number of ordinary shares.

Stock Plan

The extraordinary Shareholders' Meeting, on April 16, 2019, revoked the resolution to increase the share capital against payment, aimed at implementing the so-called "stock plan", passed by the Shareholders' Meeting on December 18, 2008 ("2008 Share Capital Increase"). The same Shareholders' Meeting approved the proposal for a free, divisible share capital increase pursuant to article 2349, paragraph I, of the (Italian) Civil Code ("Share Capital Increase") for the purpose of backing one or more stock grant plans, including the 2019-2021 Stock Grant Plan, through the use of a dedicated profit reserve (approved by the Ordinary Shareholders' Meeting) for a maximum nominal amount of Euro 1,200,000, corresponding to a maximum number of 12,000,000 ordinary Company shares, each with a nominal value of Euro 0.10, to be issued in several tranches under the terms and conditions stated by the aforementioned Plan, with subsequent amendment of article 7 of the Articles of Association.
The Shareholders' Meeting approved a medium-long term incentive plan involving the free issue of up to a maximum of five million ordinary Company shares (2019-2021 Stock Grant Plan), to the benefit of the Chief Executive Officer, Corporate General Manager, Executives with strategic responsibilities and other senior managers and employees who are considered key resources for Geox or other Group Companies. The Plan has a three-year vesting period and, as a result, the shares may be assigned from the date the Shareholders' Meeting approves the financial statements for the year ending December 31, 2021. Shares being assigned will also depend on and be proportional to the achievement of performance results based on the accumulated consolidated net income reported in Geox Group's 2019-2021 Strategic Business Plan.
The Plan states that these shares, at the discretion of the Board of Directors and in accordance with applicable legal provisions, may come (a) from a free share capital increase pursuant to article 2349, paragraph I, of the (Italian) Civil Code, to be made by using a profit reserve that is non-distributable for the purpose of said share capital increase and/or (b) from shares that may have been purchased on the market and/or held by the Company in another form, subject to an ordinary Shareholders' Meeting authorizing the purchase and making treasury shares available pursuant to articles 2357 et seq. of the (Italian) Civil Code.
In order to put the resolutions passed by Shareholders' Meeting into effect, the Board of Directors of Geox S.p.A., during the same meeting, resolved to implement the 2019-2021 Stock Grant Plan, with 3,996,250 rights initially being attributed to 107 beneficiaries. As of June 30, 2021 a number of 2,759,467 rights are in circulation.

The Shareholders' Meeting held on April 22, 2021 approved a medium/long-term incentive scheme entitled "2021-2023 Equity (Stock Grant) & Cash-Based Plan" (the "Plan"), which involves up to 7,696,626 ordinary shares in the Company being assigned for free (the so-called "Equity Component") as well as the payment of a gross cash sum of up to Euro 1,320,000 in the event of any overachievement of targets (the so-called ("Cash Component"); this plan is for the Chief Executive Officer and Executives with Strategic Responsibilities, as well as for Senior Managers and Key People within Geox and the Group's other companies.
The Plan has a three-year vesting period and, as a result, the shares may be assigned from the date of Shareholders' Meeting approval of the consolidated financial statements for the year ending 31 December 2023. Allocation of the Equity Component to beneficiaries is subject to them remaining in their employment/directorship role until the date of Board approval of the draft of the consolidated financial statements for the year ending 31 December 2023 and to a number of profitability objectives being met, linked to EBIT in 2022 and the target EBITDA in 2023 (the latter is stated in the scenarios of the 2021-2024 business plan), in addition to a number of other Group financial-asset and liability targets for 2023. The Cash Component will be subject to an overachievement target being met.
The Plan states that the shares to be allocated may come in the same manner described in the previous plan.
By implementing this Plan, the Company intends to promote and pursue the following objectives: − involve and provide an incentive to beneficiaries whose work is considered to be of fundamental importance for the achievement of the Group's objectives; − increase beneficiaries' loyalty by providing an incentive to remain

within the Group; − share and align beneficiaries' interests with those of the Company and the shareholders over the medium-long term, recognising the contribution made by the management team to increasing the Company's value.
The Board of Directors of Geox S.p.A. resolved to implement the 2021-2023 Equity (Stock Grant) & Cash-Based Plan, with a first thanche of 7,671,892 rights initially being attributed to 99 beneficiaries. As of June 30, 2021 a number of 7,244,498 rights are in circulation.

Transactions between Related Parties

During the period, there were no transactions with related parties which can be qualified as unusual or atypical. Any related party transactions formed part of the normal business activities of companies in the Group. Such transactions are concluded at standard market terms for the nature of goods and/or services offered.

Information on transactions with related parties is provided in Note 33 of the Consolidated Financial Statements.

Outlook for operation

The results for the half-year were in line with the guidance provided to the market in terms of revenue development. In terms of operating result (EBIT), the results achieved were above expectations, thanks also to the first releases of the actions undertaken to structurally improve the Group's profitability profile, which allowed an initial important improvement in store margins, and a further reduction in operating costs, also thanks to the *one-off* support received in some European countries this half-year.

As of 1 July, the Group's entire operational network is open again.
To date (week 29) comparable sales (*LFL*) are +17% year to date compared to last year.
July got off to a positive start in terms of both sales (+23% on July 2020 and -6% on July 2019) and margins (average markdown reduction).

The good start to the third quarter in the retail channel and the positive initial FW21 order collection in the multi-brand channel lead us to estimate, assuming that there are no further lockdowns in the second half of the year, that there will be further consolidation in the second half of the positive trend achieved at 30 June 2021. All this should therefore allow for a double digit growth in sales for the whole year. Forecasting uncertainty and caution must, however, remain very high due to the evolution of the pandemic with particular reference to new variants and to the lack of vaccination in many countries.

For this reason, also in the second half of the year, the Group will continue the initiatives undertaken in the last quarters in terms of cost reduction in order to mitigate the impacts deriving from the strong increase in transport costs related to production supply. It is therefore believed that these initiatives may allow an improvement in the results of the second half of the year compared to the results of the first half of the year, both in terms of sales and in terms of operating result (Ebit).

As regards liquidity, as previously stated, the financial position, after having reached its peak at the end of April, has shown a positive trend in recent months, favoured by the progressive reopening of stores and outlets that are allowing both the disposal of stock and a greater flow of receipts from counterparties. In particular, over the course of the year, cash flows will be able to benefit from the sale of certain products from the 2020 collections which, despite being paid for, have actually never been presented to or seen by customers due to store closures.

Biadene di Montebelluna, July 29, 2021

for the Board of Directors
The Chairman
Mr. Mario Moretti Polegato

CONSOLIDATED FINANCIAL STATEMENTS AND EXPLANATORY NOTES

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Consolidated income statement

(Thousands of Euro)	Notes	I half 2021	of which related party	I half 2020	of which related party	2020	of which related party
Net sales	3-33	**264,040**	**480**	**243,618**	**242**	**534,897**	**626**
Cost of sales	33	(137,534)	951	(143,789)	234	(303,074)	829
Gross profit		**126,506**		**99,829**		**231,823**	
Selling and distribution costs		(17,768)		(22,170)		(41,395)	
General and administrative expenses	4-33	(125,644)	100	(138,103)	(2)	(278,329)	12
Advertising and promotion	33	(12,639)	(82)	(10,198)	(82)	(23,049)	(145)
Restructuring charges	8	304		(151)		(1,134)	
Net asset impairment	6	-		(13,142)		(12,436)	
EBIT	3	**(29,241)**		**(83,935)**		**(124,520)**	
Net financial expenses	9-33	(4,081)	(692)	(4,032)	(214)	(8,129)	(579)
PBT		**(33,322)**		**(87,967)**		**(132,649)**	
Income tax	10-33	(3,657)	(5)	6,027	(81)	4,444	(81)
Net result		**(36,979)**		**(81,940)**		**(128,205)**	
Earnings per share [Euro]	11	(0.14)		(0.32)		(0.50)	
Diluted earnings per share [Euro]	11	(0.14)		(0.32)		(0.50)	

Consolidated statement of comprehensive income

(Thousands of Euro)	I half 2021	of which related party	I half 2020	of which related party	2020	of which related party
Net income	**(36,979)**		**(81,940)**		**(128,205)**	
Other comprehensive income that will not be reclassified subsequently to profit or loss:						
- Net gain (loss) on actuarial defined-benefit plans	170	-	154	-	44	-
Other comprehensive income that may be reclassified subsequently to profit or loss:						
- Net gain (loss) on Cash Flow Hedge, net of tax	10,155	-	4,037	-	(6,058)	-
- Currency translation	(222)	-	(907)	-	(1,271)	-
Net comprehensive income	**(26,876)**		**(78,656)**		**(135,490)**	

Consolidated statement of financial position

(Thousands of Euro)	Notes	June 30, 2021	of which related party	Dec. 31, 2020	of which related party	June 30, 2020	of which related party
ASSETS:							
Intangible assets	12	33,084		35,834		38,565	
Property, plant and equipment	13	46,711		50,413		57,281	
Right-of-use assets	14	216,350		241,808		255,919	
Deferred tax assets	15	36,196		42,579		40,595	
Non-current financial assets	20	24		24		24	
Non-current lease assets	26	426		508		-	
Other non-current assets	16	8,407		7,935		8,711	
Total non-current assets		**341,198**		**379,101**		**401,095**	
Inventories	17	292,929		267,964		286,507	
Accounts receivable	18-33	89,559	1,451	87,718	1,068	117,596	659
Other non-financial current assets	19-33	34,784	221	35,093	175	27,938	1,003
Current financial assets	20	8,823		4,127		7,821	
Cash and cash equivalents	21	51,233		83,130		66,172	
Current assets		**477,328**		**478,032**		**506,034**	
Total assets		**818,526**		**857,133**		**907,129**	
LIABILITIES AND EQUITY:							
Share capital	22	25,921		25,921		25,921	
Reserves	22	151,706		269,492		280,061	
Net income	22	(36,979)		(128,205)		(81,940)	
Equity		**140,648**		**167,208**		**224,042**	
Employee severance indemnities	23	2,689		2,834		2,698	
Provisions for liabilities and charges	24	7,014		7,015		5,136	
Long-term loans	25	98,010		113,832		55,382	
Non-current lease liabilities	26-33	186,310	55,276	202,861	57,525	215,403	18,373
Other long-term payables	27	3,531		2,828		3,353	
Total non-current liabilities		**297,554**		**329,370**		**281,972**	
Trade payables	28-33	213,597	661	178,154	744	180,860	734
Other non-financial current liabilities	29	31,267		30,498		33,487	
Taxes payable	30	9,730		13,057		10,702	
Current financial liabilities	20	2,054		11,323		607	
Current lease liabilities	26-33	55,422	5,849	65,554	5,143	68,623	7,567
Bank borrowings and current portion of long-term loans	25	68,254		61,969		106,836	
Current liabilities		**380,324**		**360,555**		**401,115**	
Total liabilities and equity		**818,526**		**857,133**		**907,129**	

Consolidated statement of cash flow

(Thousands of Euro)	Notes	I half 2021	I half 2020	2020
CASH FLOW FROM OPERATING ACTIVITIES:				
Net result		**(36,979)**	**(128,205)**	**(81,940)**
Adjustments to reconcile net income to net cash provided (used) by operating activities:				
Depreciation and amortization and impairment	5-6	38,705	110,793	63,320
Other non-cash items		(5,103)	26,317	19,399
		33,602	**137,110**	**82,719**
Change in assets/liabilities:				
Accounts receivable		(7,126)	23,656	(3,231)
Other assets		(1,377)	(5,902)	(2,351)
Inventories		(19,249)	(5,461)	(19,238)
Accounts payable		39,263	(48,020)	(46,170)
Other liabilities		6,196	(2,793)	55
Taxes payable		(4,082)	3,018	441
		13,625	**(35,502)**	**(70,494)**
Operating cash flow		**10,248**	**(26,597)**	**(69,715)**
CASH FLOW USED IN INVESTING ACTIVITIES:				
Capital expenditure on intangible assets	12	(2,424)	(6,793)	(2,781)
Capital expenditure on property, plant and equipment	13	(4,867)	(10,971)	(6,544)
Capital expenditure on right-of-use assets		-	(448)	-
		(7,291)	**(18,212)**	**(9,325)**
Disposals		-	183	221
(Increase) decrease in financial assets		708	(2,227)	(145)
Cash flow used in investing activities		**(6,583)**	**(20,256)**	**(9,249)**
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES:				
Increase (decrease) in short-term bank borrowings, net		(2,502)	(3,486)	5,667
Lease liabilities repayment	26	(26,394)	(48,611)	(20,792)
Loans:				
- Proceeds		11,000	157,240	117,950
- Repayments		(18,148)	(22,207)	(5,671)
Cash flow used in financing activities		**(36,044)**	**82,936**	**97,154**
Increase (decrease) in cash and cash equivalents		**(32,379)**	**36,083**	**18,190**
Cash and cash equivalents, beginning of the period	21	**83,130**	**48,449**	**48,449**
Effect of translation differences on cash and cash equivalents		482	(1,402)	(467)
Cash and cash equivalents, end of the period	21	**51,233**	**83,130**	**66,172**
Supplementary information to the cash flow statement:				
- Interest paid during the period		3,379	3,358	7,159
- Interest received during the period		667	738	1,583
- Taxes paid during the period		1,390	1,597	2,294

Consolidated statement of changes in equity

(Thousands of Euro)	Share Capital	Legal reserve	Share premium reserve	Translation reserve	Stock option reserve	Cash flow hedge reserve	Retained earnings	Net income	Group equity
Balance at Dec. 31, 2019	**25,921**	**5,184**	**37,678**	**(2,267)**	**(582)**	**-**	**261,523**	**(24,759)**	**302,698**
Allocation of 2019 result	-	-	-	-	-	-	(24,759)	24,759	-
Net comprehensive result	-	-	-	(1,271)	(6,058)	-	44	(128,205)	(135,490)
Balance at Dec. 31, 2020	**25,921**	**5,184**	**37,678**	**(3,538)**	**(6,640)**	**-**	**236,808**	**(128,205)**	**167,208**
Allocation of 2020 result	-	-	-	-	-	-	(128,205)	128,205	-
Stock option movements	-	-	-	-	-	316	-	-	316
Net comprehensive result	-	-	-	(222)	10,155	-	170	(36,979)	(26,876)
Balance at June 30, 2021	**25,921**	**5,184**	**37,678**	**(3,760)**	**3,515**	**316**	**108,773**	**(36,979)**	**140,648**

(Thousands of Euro)	Share Capital	Legal reserve	Share premium reserve	Translation reserve	Stock option reserve	Cash flow hedge reserve	Retained earnings	Net income	Group equity
Balance at Dec. 31, 2019	**25,921**	**5,184**	**37,678**	**(2,267)**	**-**	**(582)**	**261,523**	**(24,759)**	**302,698**
Allocation of 2019 result	-	-	-	-	-	-	(24,759)	24,759	-
Net comprehensive result	-	-	-	(907)	-	4,037	154	(81,940)	(78,656)
Balance at June 30, 2020	**25,921**	**5,184**	**37,678**	**(3,174)**	**-**	**3,455**	**236,918**	**(81,940)**	**224,042**

Explanatory notes

1. Information about the Company: the Group's business activity

The Geox Group coordinates the third-party suppliers production and sells Geox-brand footwear and apparel to retailers and end-consumers. It also grants distribution rights and/or use of the brand name to third parties in markets where the Group has chosen not to have a direct presence. Licensees handle production and marketing in accordance with licensing agreements and pay Geox royalties.

Geox S.p.A. is a joint-stock company incorporated in Italy and controlled by Lir S.r.l..

2. Accounting policies

Form and contents of the consolidated financial statements

These explanatory notes have been prepared by the Board of Directors on the basis of the accounting records updated to June 30, 2021. They are accompanied by the directors' report on operations, which provides information on the results of the Geox Group. The consolidated financial statements have been drawn up in compliance with the International Financial Reporting Standards adopted by the European Union (IFRS, which include IAS). The accounting principles and policies used in the preparation of the consolidated financial statements are the same as last year, with the exception of those indicated below.

To facilitate comparison with the previous year, the accounting schedules provide comparative figures: at December 31, 2020 and for the I half of 2020 in the case of the income statement.

The reporting currency is the Euro and all figures have been rounded up or down to the nearest thousand Euro.

COVID-19 impacts

As explained in Director’s Report, the third wave of Covid-19 led Governments of many countries to reintroduce new restrictions to mobility or lockdown measures during the first half of 2021, in order to contain the growth of contagions. On average, about 34% of stores were temporarily closed in the first quarter and 20% in the second quarter (28% on average in the first half).

At the time of approval of 2020 Financial Statements, Directors already foreseen that the effects arising from the spread of Covid-19 and the consequent restrictions, would have a significant impact on the Group's business in the first half of 2021.

The results of the first half, although still strongly impacted by the COVID-19 pandemic, show a significant improvement compared to the same period of last year thanks to the positive evolution of sales, albeit still affected by closures of the first months of the year but supported by the strong recovery in the second quarter (+91%), the increase in gross margins (+690 bps) and the incisive and continuous saving initiative on costs, achieved also thanks to the lump sum support received in some European countries (-8.5%).

In this context, Directors continues the process already started which envisages the implementation of all the necessary actions to protect the company's liquidity and safeguard employees, as well as implementing strict cost cutting measures and speeding up the process to define a more streamlined and efficient business model that is more responsive to the new market context.

Covid-19 emergency has led the entire sector to face a significant one-off absorption of cash, in addition to the normal seasonality of the business, starting from the spring-summer 2020. The combination of rationalisation initiatives undertaken, and the positive trend in sales in the direct channel at the time of reopening, has made it possible to keep the net financial position under control, which at the end of June, despite the exceptional situation, stood at Euro -108.2 million. In particular, in May and June, with the reopening of shopping centres and outlets at the weekend, the Group reported cash generation of approximately Euro 12 million.

However expectations of improved performance depend on the fact that there will be no new lockdown periods and that the vaccination campaign will be quickly completed, allowing normal consumption habits to resume. There is significant uncertainty when it comes to defining the extent of this recovery in terms of sales performance, already highlighted in 2020 financial statements. In this context, the Group will continue to implement costs cutting measures, in order to mitigate the reduction in revenues, in addition to actions aimed at rationalizing its retail network which will be accompanied by further investments and a process of digital transformation, focusing on omnichannel services to boost sales both in the physical and online network, to cope with the current and prospective situation.

It’s to be noted that, during 2020 Financial Statements approval, The Directors have formalised their forecasts in the document entitled “Business plan scenarios for the 2021-2024 period” (hereinafter “Business plan scenarios”), which was approved on 15 March 2021; the purpose of this document was also to support the valuations relating to the financial statements. The forecasts contained in this document, used both for the purposes of the impairment test as at December 31, 2020 and for the assessment of the going concern assumption in the preparation of the 2020 consolidated Financial Statements, are substantially confirmed as at June 30, 2021, considering the trend of the first six months of 2021 in terms of margins and cash flows.

With reference to this situation, as described in more detail in the Directors’ Report, the Directors do not believe that the Group has any issues regarding its ability to fulfil its commitments in the foreseeable future, and especially over the next 12 months, despite the impacts of the aforementioned events; this belief is based on the forecasts made in the Business plan scenarios, on the lines of credit currently available and not yet used and on the loans received from the banking system during 2020 (whose financial parameters are complied with as at June 30, 2021 and are expected to be complied with in the next testing periods).

On this basis, and also considering the Group's sound balance sheet, the Directors have concluded that, despite the difficult economic and financial context, there is no significant uncertainty regarding its ability to continue operating as a going concern.

Scope of consolidation

The consolidated financial statements at June 30, 2021 include the figures, on a line-by-line basis, of all the Italian and foreign companies in which the Parent Company holds a majority of the shares or quotas, directly or indirectly.
The companies taken into consideration for consolidation purposes are listed in the attached schedule entitled “List of companies consolidated at June 30, 2021”.

Format of financial statements

The Group presents an income statement using a classification based on the “cost of sales” method, as this is believed to provide information that is more relevant. The format selected is that used for managing the business and for management reporting purposes and is consistent with international practice in the footwear and apparel sector.

For the Statement of financial position, a format has been selected to present current and non-current assets and liabilities.

The Statement of cash flow is presented using the indirect method.

In connection with the requirements of the Consob Resolution No. 15519 of July 27, 2006 as to the format of the financial statements, specific supplementary column has been added for related party transactions so as not to compromise an overall reading of the statements (Note 33).

Consolidation principles

The financial statements of the subsidiaries included in the scope of consolidation are consolidated on a line-by-line basis, which involves combining all of the items shown in their financial statements regardless of the Group's percentage interest.

If the companies included in the scope of consolidation are subject to different regulations, the most suitable reporting formats have been adopted to ensure maximum clarity, truth and fairness. The financial statements of foreign subsidiaries are reclassified where necessary to bring them into line with Group accounting policies. They are also adjusted to ensure compliance with IFRS.

In particular, for the subsidiaries included in the scope of consolidation:

- the book value of equity investments included in the scope of consolidation is eliminated against the equity of the companies concerned according to the full consolidation method. If the Group's direct or indirect investment is less than 100%, minority interests are calculated and shown separately;
- if purchase cost exceeds the net book value of the related shareholders' equity at the time of acquisition, the difference is allocated to specific assets of the companies acquired, with reference to the their fair value at the acquisition date and amortized on a straight-line basis having regard to the useful life of the investment. If appropriate, any amounts which are not allocated are recorded as goodwill. In this case, the amounts are not amortized but subjected to impairment testing at least once a year, or whenever considered necessary;
- if the book value exceeds the purchase cost, the difference is credited to the income statement.

The following are also eliminated:

- receivables and payables, costs and revenues and profits and losses resulting from intragroup transactions, taking into account the related tax effects;
- the effects of extraordinary transactions involving Group companies (mergers, capital contributions, etc).

Accounting standards, amendments and interpretations applied since January 1, 2021

Given the reform of interbank interest rates (such as the IBOR), the IASB published the "Interest Rate Benchmark Reform—Phase 2" document on 27 August 2020 containing the following amendments:

- IFRS 9 Financial Instruments;
- IAS 39 Financial Instruments: Recognition and Measurement;
- IFRS 7 Financial Instruments: Disclosures;
- IFRS 4 Insurance Contracts;
- IFRS 16 Leases.

All change entered into force on 1 January 2021. There were no significant effects from the adoption of this amendment.

Accounting standards, amendments and interpretations that are still not mandatory or that have not been adopted in advance by the Group

As at the reporting date, the competent bodies of the European Union have still not completed the approval process that is required for the following amendments and standards to be adopted:

- On May 14, 2020 issued the followings amendments:
    - Amendments to IFRS 3 *Business Combinations*;
    - Amendments to IAS 16 *Property, Plant and Equipment;*
    - Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*;
    - Annual Improvements 2018-2020.

All the amendments shall come came into force on January 1st, 2022. Directors do not expect a significant impact on the Group's consolidated financial statement from the adoption of this amendments.

Accounting standards, amendments and interpretations not yet approved by European Union

- IFRS 17 *"Insurance Contracts".* This standard, issued on May 18, 2017 will replace IFRS 4 " Insurance Contracts".
- Amendments to IAS 1 *"Presentation of Financial Statements: Classification of Liabilities as Current or Non-current"* issued on January 23, 2020.
- On February 12, 2021 IASB issued 2 amendments "*Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2*" and "*Definition of Accounting Estimates – Amendments to IAS 8*".
- On May 7, 2021 IASB issued the amendment *"Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction".*

Translation of foreign currency financial statements into Euro

The financial statements of foreign companies denominated in currencies other than the Euro are translated as follows:

- income statement items are translated at the average exchange rate for the period, whereas the closing rate is used for balance sheet items, except for net income and equity;
- equity items are translated at the historical exchange rate.

The difference between the equity translated at historical rates and the assets and liabilities translated at closing rates is recorded as a "Translation reserve" under "Reserves" as a part of consolidated equity.

The exchange rates used, as published by the Italian Bank are as follows:

Currency	Average for 06-30-2021	As at 06-30-2021	Average for 12-31-2020	As at 12-31-2020	Average for 06-30-2020	As at 06-30-2020
US Dollar	1.2057	1.1884	1.1413	1.2271	1.1015	1.1198
Swiss Franc	1.0943	1.0980	1.0703	1.0802	1.0639	1.0651
British Pound	0.8684	0.8581	0.8892	0.8990	0.8743	0.9124
Canadian Dollar	1.5040	1.4722	1.5294	1.5633	1.5031	1.5324
Japanese Yen	129.8117	131.4300	121.7755	126.4900	119.2072	120.6600
Chinese Yuan	7.7980	7.6742	7.8708	8.0225	7.7481	7.9219
Czech Koruna	25.8551	25.4880	26.4555	26.2420	26.3422	26.7400
Russian Ruble	89.6054	86.7725	82.6454	91.4671	76.6825	79.6300
Polish Zloty	4.5366	4.5201	4.4432	4.5597	4.4136	4.4560
Hungarian Forint	357.8540	351.6800	351.2043	363.8900	345.3946	356.5800
Macau Pataca	9.6382	9.5062	9.1172	9.7996	8.8049	8.9392
Serbian Dinar	117.5498	117.4597	117.6154	117.4097	117.5676	117.2388
Vietnam Dong	27,784.8333	27,358.0000	26,515.2500	28,331.0000	25,664.5000	25,983.0000
Indonesian Rupiah	17,225.5250	17,280.3000	16,619.7767	17,240.7600	16,080.6850	16,184.4100
Turkish Lira	9.5126	10.3210	8.0436	9.1131	7.1521	7.6761
Indian Rupia	88.4487	88.3240	84.5795	89.6605	81.6766	84.6235

Estimates and assumptions

Drawing up financial statements and notes in compliance with IFRS requires directors to make estimates and assumptions that can affect the value of the assets and liabilities in the balance sheet, including disclosures on contingent assets and liabilities at the balance sheet date. The estimates and assumptions used are based on experience and other relevant factors.

It’s to be noted that forecasts are by their nature subject to significant factors of uncertainty, especially in the current economic situation characterized by the Covid-19 pandemic. So it cannot be exclude that the results over the coming months may differ from what has been forecasted, and this in turn could lead to adjustments that obviously cannot be estimated or foreseen as of today.

Estimates and assumptions are revised periodically and the effects of each variation made to them are reflected in the income statement for the period when the estimate is revised. In particular, with regard to asset values, the pandemic is classed as an external impairment indicator, due to its intensity and unpredictability; impairment tests were therefore updated, assessing the performance of the various CGUs based on multi-scenario hypothesis over the business plan period, as described in note 6.

The items in the financial statements that are principally affected by these situations of uncertainty are: asset impairment, deferred tax assets, the provisions for returns, the provision for obsolete and slow-moving inventory, the provision for bad and doubtful accounts and lease liabilities (and the related Right-of-Use assets).

The following is a summary of the critical valuation processes and key assumptions used by management in the process of applying the accounting standards with regard to the future and which could have significant effects on the values shown in the financial statements.

Asset Impairment

The Group has set up provisions against the possibility that the carrying amounts of tangible and intangible assets may not be recoverable from them by use. The directors are required to make a significant subjective assessment to determine the amount of asset impairment that should be recognized. They estimate the possible loss of value of assets in relation to future economic performance closely linked to them. Further details and the main Directors’ assumptions related impairment test are provided in note 6.

Deferred tax assets

Deferred tax assets are booked on all carry-forward tax losses to the extent that it is probable that there will be adequate taxable income in the future to absorb them. The directors are required to make a significant subjective assessment to determine the amount of deferred tax assets that should be recognized. They have to assess the timing and amount of future taxable income and develop a tax planning strategy for the coming years. The book value of the tax losses that have been recognized is shown in note 15.

Provision for returns

The Group has provided for the possibility that products already sold may be returned by customers. To this end, the Group has made certain assumptions based on the quantity of goods returned in the past and their estimated realizable value. The Group took into account the changed economic scenario and made a provision for returns which reflects the assumptions relating to the performance of its customers until the end of the season and therefore of the expected returns.
Further details are provided in note 28.

Provision for obsolete and slow-moving inventory

The Group has set up provisions for products in inventory that may have to be sold at a discount, which means that they will have to be adjusted to their estimated realizable value. For this purpose, the Group has developed assumptions regarding the quantity of goods sold at a discount in the past and the possibility of selling them through the Group's own outlets. In particular, the Group reflected in the inventory write-down provision its assumptions regarding the disposal of previous collections inventories, including spring/summer collection products, considering the current scenario of uncertainty.
Further details are provided in note 17.

Provision for bad and doubtful accounts

The provision for bad and doubtful accounts is calculated on the basis of a specific analysis of items in dispute and of those balances which, even if not in dispute, show signs of delayed collection. Furthermore, the provision includes the receivable evaluation according to the lifetime expected loss model. Evaluating the overall amount of trade receivables that are likely to be paid requires the use of estimates regarding the probability of collecting such items, as well as the write-down percentages applied for not in dispute positions, so it is an assessment that is subject to uncertainties.
In particular, Directors took into account the current uncertainty scenario and made a bad debt provision consistent with the situation of the accounts receivable that are partly subject to insurance.
Further details are provided in note 18.

Lease liabilities and Right-of-use assets

The Group records right-of-use assets and lease liabilities. Right-of-use assets are initially valued at cost, and then at cost net of amortisation and accumulated losses due to reductions in value and are adjusted in order to reflect revaluations of lease liabilities.
The Group values lease liabilities at the current value of the payments due for lease contracts and not yet paid as at the effective date. Lease liabilities are then subsequently increased by the interest that accrues on them and are reduced by the payments made for the leasing. Lease liabilities are also revalued if future payments due for the leasing are altered, due to a change to the index or rate, if there is a change to the amount that the Group believes it will have to pay as a guarantee on the residual value or if the Group alters its valuation with reference to the option to purchase the asset, or to extend or terminate the lease contract.
The Group has estimated the duration of leasing for contracts for which it acts as lessee and that provide for a renewal option. The Group's assessment as to whether or not it is reasonably certain that the option will be exercised affects the estimate of the duration of the leasing, thereby significantly impacting the amount of the lease liabilities and of the right-of-use assets recorded.
The Group has analysed all lease contracts, defining the lease term for each by combining the "non cancellable" period with the effects of any extension or early termination clauses that are expected to be exercised with reasonable certainty. More specifically, with regard to real estate, this valuation took into account the specific facts and circumstances for each asset. With regard to other categories of assets, mainly company cars and equipment, the Group generally did not deem it likely for extension or early termination clauses to be exercised, considering the approach normally taken by the Group.

Further details are provided in note 14 with regard to Right-of-use assets and note 26 with regard to lease liabilities.

Accounting policies

The financial statements are prepared on a historical cost basis, amended as required for the valuation of certain financial instruments. They are also prepared on a going-concern basis because of the Directors, while taking into account the uncertainty of the economic and financial context as of 30 June, believe that the business continuity is fully guaranteed by the Group's capitalization and its financial solidity.
Please refer to what has already been indicated in the Directors' report for further considerations on the Group's financial situation.

The main accounting policies are outlined below:

Intangible assets

Intangible assets with a finite useful life are recorded at purchase or production cost, including directly-related charges, and amortized systematically over their residual useful lives, as required by IAS 36.

Amortization is applied systematically over the useful life of the assets based on the period that they are expected to be of use to the Group. The residual value of intangible assets at the end of their useful life is assumed to be zero, unless there is a commitment on the part of third parties to purchase the asset at the end of their useful life or there is an active market for them. As regards the item key money, it is pointed out that in France the protection provided to the tenant by the local law, supported by the market practice, allows the

recognition of a recovering value of each trading position, even at the end of the contract. This led the directors to estimate a residual value of the key money paid at the end of each lease.
The directors review the estimated useful life of intangible assets at the end of each period.

Intangible assets with an indefinite useful life are not amortized; instead, they are subjected to impairment testing.

The following table summarizes the useful life (in years) of the various intangible assets:

Trademarks	10 years
Geox patents	10 years
Other patents and intellectual property rights	3-5 years
Key money	Period of the rental contract
Other intangible assets	Period of the rental contract

Trademarks include the costs incurred to protect and disseminate them.
Similarly, Geox patents include the costs incurred to register, protect and extend new technological solutions in various parts of the world.
The other patents and intellectual property rights mainly relate to the costs of implementing and customizing software programs which are amortized in 3-5 years, taking into account their expected future use.

Key money includes:

- amounts paid to acquire businesses (shops) that are managed directly or leased to third parties under franchising agreements;
- amounts paid to access leased property by taking over existing contracts or persuading tenants to terminate their contracts so that new ones can be signed with the landlords. The premises were then fitted out as Geox shops.

Goodwill is initially recognized by capitalizing the excess cost of acquisition compared with the fair value of the net assets of the company recently acquired. Goodwill is not amortized; instead, it is subjected to impairment testing at least once a year, or more frequently if there is evidence of a loss in value, to verify whether its value has been impaired. The elements that satisfy the definition of "assets acquired in a business combination" are only accounted for separately if their fair value can be established with a reasonable degree of reliability.

Property, plant and equipment

Property, plant and equipment are booked at their purchase or construction cost, which includes the price paid for the asset (net of any discounts and allowances) and any directly-related purchasing and start-up costs. Property, plant and equipment are shown at cost, net of accumulated depreciation and write-downs/write backs.

The residual value of the assets, together with their estimated useful life, is reviewed at least once a year at the end of each accounting period and written down if it is found to be impaired in accordance with IAS 36, regardless of the amount of depreciation already charged. The value is reinstated in subsequent years if the reasons for the write-down no longer apply.

Routine maintenance costs are charged in full to the income statement, whereas improvement expenditure is allocated to the assets concerned and depreciated over their residual useful life.

The following table shows the useful life in years related to the depreciation rates applied:

Building	20-30 years
Plant and machinery	3-8 years
Photovoltaic plant	11 years
Industrial and commercial equipment	2-4 years
Moulds	2 years
Office furniture	8 years
Electronic machines	3-5 years
Motor vehicles	4 years
Internal transport and trucks	5 years
Leasehold improvements	Period of contract *
Shop equipment	Lower of contract period and 8 years
Shop fittings	4 years
Concept stores	2-4-5 years

* Depreciated over the lower of the useful life of the improvements and the residual duration of the lease.

Assets acquired under finance leases are shown in the consolidated financial statements at their nominal value at the start of the contract, at the same time recognizing the financial liability owed to leasing companies. These assets are depreciated using the depreciation schedules normally applied to similar types of fixed assets.

Leased assets

Upon signing a contract, the Group assess whether it is, or contains, a leasing agreement. In other words, if the contract grants the right to use a given asset for a period of time in exchange for a fee.

The Group as lessee

The Group applies a single model to recognise and measure all leasing contracts, with certain exceptions referring to short-term leases and the leasing of assets of modest value. The Group recognises liabilities relative to payments for leasing and assets for the right to use the assets referred to by the contract.

- *Right-of-use assets*
  The Group recognises right-of-use assets as at the leasing start date (i.e. the date when the underlying asset becomes available for use). Right-of-use assets are valued at cost, net of accumulated amortisation and losses in value, and are adjusted for any revaluations of lease liabilities. Right-of-use assets are amortised using constant rates starting from the effective date of the lease and until the end of the useful life of the right-of-use asset.
  Right-of-use assets are subject to impairment.

- *Lease liabilities*
  As at the effective date of the lease contract, the Group records the relative lease liabilities, measuring them as the current value of the payments due for the leasing and that have not yet been paid as at said date. Payments due include fixed payments (including fixed payments in terms of substance) net of any leasing incentives to be received, variable leasing payments that depend on an index or rate and amounts that are expected to be due as a guarantee on the residual value. Leasing payments also include the price to exercise the purchase option, if there is reasonable certainty that the Group will exercise said option, and the penalty payments for termination of the lease contract, if the duration of the lease takes into account the Group exercising the option to terminate the lease in question.
  Variable leasing payments that do not depend on an index or rate are recorded as costs during the period in which the event or condition arises that generates the payment.
  When calculating the current value of payments due, the Group uses the incremental borrowing rate as at the start date. After the effective date, the lease liability amount is increased to take into account the interest accruing on said lease liabilities and is reduced to take into account any payments made.

Furthermore, the book value of lease liabilities is recalculated if any changes are made to the lease agreements or if the contractual terms and conditions are reviewed to alter payments; this is also recalculated if there are any changes to the valuation of the option to purchase the underlying asset or to future payments deriving from an alteration to the index or rate used to calculate said payments.

- Short-term leases and leases for assets of modest value
  The Group applies the exemption for recording short-term leases and leases for assets of modest value.

Impairment of property, plant and equipment and intangible assets

The book value of the Geox Group's property, plant and equipment and intangible assets is reviewed whenever there is internal or external evidence that the value of such assets, or group of assets (defined as a Cash Generating Unit or CGU), may be impaired. Goodwill, consolidation differences and intangible assets with an indefinite useful life have to be subjected to impairment testing at least once a year.
Impairment tests are performed by comparing the book value of the asset or of the CGU with its realizable value, represented by its fair value (net of any disposal costs) or, if greater, the present value of the net cash flows that the asset or CGU is expected to generate.
If the book value of the asset is greater than its recoverable value this asset is consequently impaired in order to align it to its recoverable value.
Each unit, to which the specific values of assets are allocated (tangible and intangible), represents the lowest level at which the Group monitors such assets.
The Group's terms and conditions for reinstating the value of an asset that has previously been written down are those established by IAS 36. Write backs of goodwill are not possible under any circumstances.

Financial instruments

Financial instruments held by the Group are presented in the financial statements as described in the following paragraphs:

- other non-current financial assets comprise investments in unconsolidated companies, held-to-maturity securities, non-current loans and receivables and other non-current available-for-sale financial assets;
  Current financial assets include trade receivables, receivables from financing activities, current securities, and other current financial assets (which include derivative financial instruments stated at fair value as assets), as well as cash and cash equivalents;
- cash and cash equivalents include cash at banks, units in liquidity funds and other money market securities that are readily convertible into cash and are subject to an insignificant risk of changes in value;
- financial liabilities refer to debts, which includes asset-backed financing, and other financial liabilities (which include derivative financial instruments stated at fair value as liabilities), trade payables and other payables.

Non-current financial assets other than investments, as well as current financial assets and financial liabilities, are accounted for in accordance with IFRS 9.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value depending on the business model of the company for the management of financial assets and the contractual terms that give rise to cash flows of the financial assets. Specifically:

- Debt instruments held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortized cost;
- Debt instruments held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- All the other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if the financial asset is not held for trading and it is not a contingent consideration recognized by an acquirer in a business combination;
- the Group may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

During the current year, the Group did not designate any debt instrument that satisfies the amortized cost or FVTOCI criteria to be measured at fair value through profit or loss (FVTPL).

When the financial assets do not have a fixed term, they are measured at acquisition cost. Receivables with maturities of over one year which bear no interest or an interest rate significantly lower than market rates are discounted using market rates.

Assessments are made regularly as to whether there is any objective evidence that a financial asset or group of assets may be impaired. If any such evidence exists, an impairment loss is included in the income statement for the period.

Accounts receivable are initially recognized at their fair value and then presented net of the provision for bad debt determined in accordance with the impairment model introduced by IFRS 9 (expected losses model). The accrual for the doubtful debts found is charged to the income statement.
Receivables subject to impairment are written off when it’s confirmed that they are not recoverable.
Receivables sold to the factor without recourse (*pro-soluto*) have been removed from the Balance Sheet as the relative contract transfers ownership of the receivables, together with all cash flows generated by said receivable and all related risks and benefits, to the factor.

Except for derivative instruments, financial liabilities are measured at amortized cost using the effective interest method.

Financial assets and liabilities hedged by derivative instruments are measured in accordance with hedge accounting principles applicable to fair value hedges: gains and losses arising from remeasurement at fair value, due to changes in relevant hedged risk, are recognized in the income statement and are offset by the effective portion of the loss or gain
arising from remeasurement at fair value of the hedging instrument.

Derivative financial instruments

All derivative financial instruments are measured in accordance with IFRS 9 at fair value.

Derivative financial instruments are used for hedging purposes, in order to reduce currency, interest rate and market price risks. In accordance with IFRS 9, derivative financial instruments qualify for hedge accounting only when at the inception of the hedge there is formal designation and documentation of the hedging relationship and the hedge relationship is effective on the basis of the “economic relationship” between the hedged item and the hedge instrument.

When derivative financial instruments qualify for hedge accounting, the following accounting treatment applies:

- Fair value hedge – Where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognized asset or liability that is attributable to a particular risk and could affect the income statement, the gain or loss from remeasuring the hedging instrument at fair value is recognized in the income statement. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognized in the income statement;
- Cash flow hedge – Where a derivative financial instrument is designated as a hedge of the exposure to variability in future cash flows of a recognized asset or liability or a highly probable forecasted transaction and could affect income statement, the effective portion of any gain or loss on the derivative financial instrument is recognized directly in equity. The cumulative gain or loss is removed from equity and recognized in the income statement at the same time as the economic effect arising

from the hedged item affects income. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognized in the income statement immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in equity and is recognized in the income statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in equity is recognized in the income statement immediately.

If hedge accounting cannot be applied, the gains or losses from the fair value measurement of derivative financial instruments are recognized immediately in the income statement.

Inventories

Inventories of finished products are measured at the lower of purchase or production cost and their estimated net realizable or replacement value. For raw materials, purchase cost is calculated at the weighted average cost for the period.
For finished products and goods, purchase or production cost is calculated at the weighted average cost for the period, including directly-related purchasing costs and a reasonable proportion of production overheads.
Obsolete and slow-moving goods are written down according to the likelihood of them being used or sold.

Employee benefits

Benefits paid to employees under defined-benefit plans on termination of employment (employee severance indemnities) are recognized over the period that the right to such benefits accrues.

The liability arising under defined-benefit plans, net of any assets servicing the plan, is determined using actuarial assumptions and recorded on an accruals basis in line with the work performed to earn the benefits. The liability is assessed by independent actuaries.

The amount reflects not only the liabilities accrued up to the balance sheet date, but also future pay rises and related statistical trends.
The benefits guaranteed to employees through defined-contribution plans (also in virtue of the recent changes in the Italian regulations on pensions) are recognized on an accruals basis; at the same time, they also give rise to the recognition of a liability at face value.

Share-based payments

Some group employees receive part of their compensation in the form of share-based payments. Employees therefore provide services in exchange for shares (“equity-based transactions”).
The cost of equity-based transactions with employees is measured on the basis of the fair value at the grant date. The fair value is determined by an independent appraiser using an appropriate valuation method. Further details are provided in note 31.
The cost of the equity-based transactions and the corresponding increase in equity is accounted for from the time that the conditions for the attainment of the objectives and/or provision of the service are met, and ends on the date when the employees concerned have fully accrued the right to receive the compensation (the "maturity date").
The accumulated costs recorded for such transactions at the end of each accounting period up to the maturity date are compared with a best estimate of the number of equity securities that will effectively reach maturity at the end of the maturity period. The gain or loss posted to the income statement reflects the change in the accumulated cost recorded at the beginning and end of the accounting period.
No costs are booked for rights that do not reach full maturity, except in the case of rights whose granting is linked to market conditions. These are treated as if they had matured independently of the underlying market conditions, as long as all the other conditions are met.
If the initial conditions are changed, at the very least a cost has to be indicated, assuming that the conditions have remained the same. Moreover, a cost is recorded for each change implying an increase in the total fair value of the payment plan, or in any case when the change is favorable to the employees. This cost is measured taking into account the date on which the change takes place.

If rights are cancelled, they are treated as though they had reached maturity on the date of cancellation and any unrecorded costs relating to these rights are recognized immediately. However, if a cancelled right is replaced by a new right and the latter is recognized as a replacement on the date it is granted, the cancelled right and the new right are treated as though they were a change in the original right, as explained in the previous paragraph.
The dilutive effect of any vested options not yet exercised is reflected in the calculation of the dilution of earnings per share (see note 11).

Provisions for liabilities and charges

Provisions for liabilities and charges are recognized when there is an effective obligation (legal or implicit) deriving from a past event, providing there will probably be an outlay of resources to settle the obligation and the amount of the obligation can be reliably estimated.
Provisions represent the best estimate of the amount that the business would have to pay to settle the obligation or transfer it to third parties at the balance sheet date. Provisions are determined by discounting the expected future cash flows if the effect of discounting the value of money is significant.

Revenue and income

The Geox Group creates, produces, promotes and distributes Geox-brand footwear and apparel, the main feature of which is the use of innovative and technological solutions that can guarantee the ability to breathe and remain waterproof at the same time.

The Group's revenues include:

- sales of goods to customers operating through mono-brand stores (franchising stores) or multi-brand stores (wholesalers):
- sales of goods directly through Geox shops or e-commerce channel;
- Rental income relates to the Geox Shops owned by the Group and leased to third parties under franchising agreements;
- Royalties.

Sale of goods (Wholesale and Franchising)

Revenue from the sale of goods is recognized when control of the asset is transferred to the buyer, i.e. when the asset is delivered to the customer in accordance with contractual provisions and the customer acquires the ability to direct the use of and obtain substantially all of the benefits from the asset. If the sales contract includes retrospective volume-related discounts, the Group estimates the relevant impact and treat it as variable consideration. Group estimates the impact of potential returns from customers. This impact is accounted for as variable consideration, recognizing a liability for returns and the corresponding asset in the statement of financial position. This estimate is based on the Group’s right of return policies and practices along with historical data on returns.
The Group includes in the transaction price the variable considerations estimated (discounts and returns) only to the extent that it is highly probable that a significant reversal in the amount of recognized revenue will not occur in the future.

Sale of goods (Retail)

Retail revenue is recognized upon receipt of the goods by the customer at the retail location. The relevant consideration is usually received at the time of the delivery. Any advance payments or deposits from customers are not recognized as revenue until the product is delivered. Concerning sales through the e-commerce channel, the moment in which the customer obtains control of the asset is identified based on the specific terms and conditions applied by the on-line sales platforms used by the Group. In some countries, the Group allows customers to return the products for a certain period of time after the purchase: therefore, it estimates the relevant impact by accounting for it as variable consideration, recognizing the relevant assets and liabilities (see *Sale of goods (Wholesale and Franchising)*).
The estimate is based on the historical trend in returns, accounts for the time elapsed from the purchase date, and is regularly reviewed. The Group includes in the transaction price the variable considerations estimated

only to the extent that it is highly probable that a significant reversal in the amount of recognized revenue will not occur in the future. There are no postdelivery obligations other than product warranties, if required by local law; these warranties do not represent a separate performance obligation.

Loyalty programs

The companies of the Retail division offer their customers discount programs or similar loyalty programs with a term of 12 months or greater. Customers who present a valid loyalty card receive a fixed percentage discount off the retail prices for a specified range of products and/or services. Revenue under these arrangements is recognized upon receipt of the products or services by the customer at the retail location.

Rental income

Rental income relates to the Geox Shops owned by the Group and leased to third parties under franchising agreements; rental income are recognized on an accruals basis.

Royalties

Royalties are accounted for on an accruals basis in accordance with the substance of the contractual agreements.

Costs and expenses

Costs and expenses are accounted for on an accruals basis.

Government Grants

Government grants are recognized in the financial statements when there is reasonable assurance of the Group's compliance with the conditions for receiving such grants and that the grants will be received. Government grants are recognized as income over the periods necessary to match them with the related costs which they are intended to offset.

Income tax

Current income taxes

Current income taxes for the period are calculated on the basis of taxable income in accordance with the tax rules in force in the various countries.

Deferred taxes

Deferred tax assets and liabilities are recognized on temporary differences between the amounts shown in the balance sheet and their equivalent value for fiscal purposes. Deferred tax assets are also recognized on the tax losses carried forward by Group companies when they are likely to be absorbed by future taxable income earned by the same companies.
Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply in the various countries in which the Geox Group operates in the tax periods when the temporary differences reverse or expire.
Deferred tax assets are recorded to the extent that, according to future plans, there is likely to be sufficient taxable income to cover deductible temporary differences.
The book value of deferred tax assets is reviewed at each balance sheet date and if necessary reduced to the extent that future taxable income is no longer likely to be sufficient to recover all or part of the assets. These write-downs are reversed if the reasons for them no longer apply.
Income taxes on the amounts booked directly to equity are also charged directly to equity rather than to the income statement.

Earnings per share (EPS)

Basic EPS is calculated by dividing the net income attributable to the Parent Company's shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the net income attributable to the Parent Company's shareholders by the weighted average number of shares outstanding, taking into account the effects of all potentially dilutive ordinary shares (e.g. employee stock option plans).

Potential liabilities

The Group is subject to legal and tax litigations arising from the ordinary course of the business in the countries where it operates.
Based on the information currently available, the Group believes that the provisions recognized as liabilities are sufficient to correctly represent the Consolidated Financial Statements.

3. Segment reporting

For management purposes, the Group runs and controls its business according to the type of products being supplied, and for disclosure purposes these consist of two operating segments: footwear and apparel.

The directors monitor the results of these two business units separately so that they can make decisions regarding the allocation of resources and check the return on investment. The yield of each segment is evaluated on the basis of the operating result, which is allocated to the various operating segments as follows:

- Net sales, cost of sales, direct selling costs and advertising are input directly to the segment concerned as they are clearly identifiable;
- General and administrative costs, including non-industrial depreciation and amortization, are input to the segment concerned to the extent that they are directly attributable. When such costs are common to various segments, they are allocated in proportion to their respective percentage of total cost of sales;
- The Group's financial activities (including financing costs and revenues) and income taxes are handled at Group level and not allocated to the individual segments;
- There are no problems of transfer pricing between segments as they are totally independent from each other.

The following table provides information on the Group's business segments:

		I half 2021	**%**	**I half 2020**	**%**
Footwear	Net sales	245,357		220,510	
	EBIT	(24,115)	(9.8%)	(72,202)	(32.7%)
Apparel	Net sales	18,683		23,108	
	EBIT	(5,126)	(27.4%)	(11,733)	(50.8%)
	Net sales	**264,040**		**243,618**	
	EBIT	**(29,241)**	**(11.1%)**	**(83,935)**	**(34.5%)**

The following table provides Net sales on the Group's geographical segments:

(Thousands of Euro)	**I half 2021**	**%**	**I half 2020**	**%**	**Var. %**
Italy	64,370	24.4%	59,932	24.6%	7.4%
Europe (*)	121,355	46.0%	113,796	46.7%	6.6%
North America	10,430	4.0%	11,768	4.8%	(11.4%)
Other countries	67,885	25.7%	58,122	23.9%	16.8%
Net sales	**264,040**	**100.0%**	**243,618**	**100.0%**	**8.4%**

(*) Europe includes: Austria, Benelux, France, Germany, UK, Iberia, Scandinavia, Switzerland.

4. General and administrative expenses

General and administrative expenses are analyzed in the following table:

	I half 2021	I half 2020	Change
Wages and salaries	41,253	42,330	(1,077)
Rental expenses	2,650	8,275	(5,625)
Other costs	87,515	89,587	(2,072)
Rental income	(757)	(1,405)	648
Other income	(5,017)	(684)	(4,333)
Total	**125,644**	**138,103**	**(12,459)**

Rental and lease expenses, equal to Euro 2,650 thousand, relate to the shops, offices and industrial property leased by the Group. The reduction compared to the same period of last year is mainly due to the decrease in shop network and to the results of the negotiation with the landlords of the properties for which it has operating leases in place.
It's to be noted that, starting from January 1st, 2019, only leases excluded from the application of IFRS 16 are accounted for in this item. The ensuing economic benefits coming from the negotiations with landlord are recorded under the 'Rent payable and building expenses' item as decreases to rental payments, in line with the provisions of the amendment to the IFRS 16 accounting standard *"Covid-19-Related Rent Concessions (Amendment to IFRS 16)",* amounted to Euro 4,705 thousand (on which Euro 4,168 thousand related to discount obtained in the first half).
With regard to the parent company Geox S.p.A. and the subsidiary Geox Retail S.r.l., it should also be noted that the Group benefited from a tax credit on rent instalments pursuant to Art. 65 of Italian Decree Law no. 18 of 17 March 2020, as converted with amendments by Italian law no. 27 of 24 April 2020, equal to a total of Euro 282 thousand; the subsidiary Geox Canada Inc. also received a government grant towards the rent costs incurred, for Euro 818 thousand.
In addition to the benefits explained. the item includes service charges for an amount of Euro 3,628 thousand, variable rents for an amount of Euro 1,592 thousand, short term leases for Euro 2,399 thousand and lease contracts for which the underlying asset is classed as a "low-value assets" for an amount of Euro 836 thousand.

Rental income relates to the Geox Shops owned by the Group and leased to third parties under franchising agreements.

Other costs mainly include: depreciation and amortization, services and consulting, sample costs, utilities, insurance, maintenance and bank charges.

Other income mainly includes sales of miscellaneous goods, insurance compensation and government grants obtained in the various countries where the Group operates, to support the business following the Pandemic.

5. Depreciation, amortization and payroll costs included in the consolidated income statement

The following table shows all of the depreciation and amortization charges included in the consolidated income statement:

	I half 2021	I half 2020	Change
Industrial depreciation	2,954	3,298	(344)
Non-industrial depreciation and amortization	35,751	46,879	(11,128)
Total	**38,705**	**50,177**	**(11,472)**

Amortization and depreciation amount to Euro 38,705 thousand, on which Euro 24,969 thousand following the application of the IFRS 16 accounting standard.

Payroll costs amounted to Euro 55,690 thousand (Euro 54,351 thousand in the first half 2020). The slight increase compared to the first half of 2020 is mainly due to the lesser use of the social safety nets implemented by the governments to address the exceptional circumstances following Covid-19 pandemic.

6. Net write-downs of fixed assets (*Impairment test*)

As explained in detail in the Directors' report, the first half of 2021, unlike the first half of 2020, was not impacted by a further loss in value of the Group's assets following the update of the impairment test. In the first half of 2020, this test resulted in a net write-down of Euro 13.1 million, referring to 169 stores.

Given the performance of the first 6 months of 2021, substantially aligned with the forecasts, and the forecast for the year 2021, approved by the Directors on July 29, 2021, it was decided to confirm the forecasts contained in the document "Business plan scenarios for the period 2021-2024" (hereinafter "Business Plan Scenarios") approved by the Directors on March 15, 2021 together with the 2020 Financial Statements, for the purposes of the half-year assessments, as well as the related impairment tests.

In accordance with regulators' guidelines, when drawing up the 2020 Annual Report, Directors therefore carried out an impairment test based on the cash flows deriving from the forecasts contained in the "Business plan scenarios", please reference to 2020 Annual Report for the main assumptions.

Consistently with the impairment test approach adopted for the 2020 Annual Report, the test envisaged a first phase in which the recoverability of the invested capital in each store managed directly by the Group (DOS) was verified. At that stage for each of the cash-generating units (CGUs) identified by the Group, the recoverable value is based on the value in use, calculated using estimated future cash flows.

As of June 30, 2021, Directors deemed it appropriate to update this first phase of the test in order to consider impairment effects in the Half-Year Report given the actions carried out in the first months of 2021 regarding the store network, as well as the renegotiation of the lease agreements.

In this contest, in order to calculate the present value, future cash flows obtained from Business Plan scenario have been discounted using the WACC as at the reference date of the test, taking into consideration the specific characteristics and risks of each area in which the Group operates (between 5.30% and 7.73%).

As of June 30, 2021, Directors therefore adjusted the write-downs of assets related to 65 stores (CGU), compared to the 95 stores written down as of December 31, 2020. This reduction in the number of stores affected by impairments is due to the closures that took place during the first six months.

The total impairment provision set aside to adjust fixed assets at June 30, 2021 is equal to Euro 14,246 thousand, compared Euro 20,380 thousand at December 31, 2020.

Next phase of the impairment test concerns the higher level, in order to assess the recoverability of the Group's net invested capital, including goodwill amounting to Euro 1,138 thousand.

An asset-side approach was instead used to check the recoverable value of the Group's goodwill and net invested capital, comparing the value in use of each cash generating unit with the relative carrying amount.

Considering the performance of the first 6 months of 2021, the forecast for the year 2021 and the confirmation of the forecasts included in "Business plan scenarios for the period 2021-2024", Directors deemed it appropriate to do not updated the impairment test at this level, postponing the test to 2021 Annual Report. At that stage the update of the Business Plan will be available, which will include, among other things, further results of the store network and foreign subsidiaries rationalization, started in 2021.

The cash flow projections taken into consideration for the purpose of the first-level impairment test as of December 31, 2020 were defined within the scope of different scenarios, for the period between 2021 and 2024. With regard to the main assumptions used by Directors, please reference to 2020 Annual Report.

However, it should be noted that the forecasts are by their nature subject to significant factors of uncertainty, especially in the current economic context characterized by the Covid-19 pandemic still in progress. Therefore, it is possible, on the basis of currently available knowledge, that the actual results could differ from these estimates and could require adjustments that are currently difficult to estimate and foresee.

7. Personnel

The average number of employees is shown below:

	I half 2021	I half 2020	Change
Managers	46	46	0
Middle managers and office staff	909	963	(54)
Shop employees	2,111	2,655	(544)
Factory workers	1,233	1,244	(11)
Total	**4,299**	**4,908**	**(609)**

The average number of employees for first half 2021 amounted to 4,299, showing a reduction of 609 employees compared with first half 2020, mainly due to closure of some stores managed directly by the Group.

8. Restructuring charges (income)

In the first half of 2021, there was income of Euro 0.3 million, compared with a cost of Euro 0.2 million in the first half of 2020. This income is mainly due to the closure of the Canadian restructuring procedure (NoI), which resulted in the cancellation of certain liabilities (Euro 2.4 million). That income more than offset the restructuring costs incurred during the period linked to the reorganization measures previously described (Euro 2.1 million).

9. Net financial expenses

This item is made up as follows:

	I half 2021	I half 2020	Change
Interest income	1,418	2,147	(729)
Interest expense	(5,558)	(5,732)	174
Exchange differences	59	(447)	506
Total	**(4,081)**	**(4,032)**	**(49)**

Interest income is made up as follows:

	I half 2021	I half 2020	Change
Interest from banks	18	17	1
Interest from customers	20	18	2
Other interest income	1,380	2,112	(732)
Total	**1,418**	**2,147**	**(729)**

Other interest income mainly consists of the effect of accounting for financial derivatives as explained in note 32.

Interest expense is made up as follows:

	I half 2021	I half 2020	Change
Bank interest and charges	23	75	(52)
Interest on loans	722	233	489
Interest on leases	1,961	2,132	(171)
Other interest expense	1,529	2,128	(599)
Financial discounts and allowances	1,323	1,164	159
Total	**5,558**	**5,732**	**(174)**

The increase in “Interest on loans” is mainly due to the increase in the average debts towards banks.

Interest on leases relate to the application of the new accounting standard IFRS 16. The weighted average of the interest borrowing rate of the year is 1.54%. The reduction of this item is mainly due to the decrease of Lease Financial liabilities.

Other interest expense mainly consists of the effect of accounting for financial derivatives as explained in note 32.

Financial discounts and allowances relate to the discounts granted to customers who pay in advance, as per practice in various European markets.

Exchange differences are made up as follows:

	I half 2021	I half 2020	Change
Exchange gains	11,597	16,033	(4,436)
Exchange losses	(11,538)	(16,480)	4,942
Total	**59**	**(447)**	**506**

10. Income taxes

Income taxes for first half 2021 are equal to Euro 3,6 million, compared to a revenue of Euro 6,0 of the first half 2020.

The following table shows reconciliation between the Group's effective tax burden and its theoretical tax charge, based on the current tax rate in force during the period in Italy (the country of Geox S.p.A., the Parent Company):

	I half 2021	%	I half 2020	%
PBT	(33,322)	100.0%	(87,968)	100.0%
Theoretical income taxes (*)	(7,997)	24.0%	(21,112)	24.0%
Effective income taxes	3,657	n.a.	(6,027)	n.a.
Difference due to:	**11,654**	**n.a.**	**15,085**	**n.a.**
1) different tax rates applicable in other countries	69	n.a.	(65)	n.a.
2) permanent differences:				
i) IRAP and other local taxes	274	n.a.	(103)	n.a.
ii) write-downs of deferred tax assets and other	11,311	n.a.	15,253	n.a.
Total difference	**11,654**	**n.a.**	**15,085**	**n.a.**

(*) Theoretical income taxes based on the tax rates applicable to Geox S.p.A.

It should be noted that the tax amount has been affected by the prudent choice not to make a provision for deferred tax assets equal to approximately Euro 11.5 million (Euro 15.2 million in the first half of 2020), referring to the tax losses generated during the first half 2021 in relation to which, as at the date of this report, it's not considered likely that sufficient taxable income will be generated to recover them.

11. Earnings per share

EPS is calculated by dividing the net income for the period attributable to the ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the net income for the period attributable to the Parent Company's shareholders by the weighted average number of shares outstanding during the period, taking into account the effects of all potentially dilutive ordinary shares (for example, vested options under a stock option plan that have not yet been exercised).

The following table shows the result and the number of ordinary shares used to calculate basic and diluted EPS in accordance with IAS 33:

	I half 2020	I half 2020
Earning/(Loss) per share (Euro)	(0.14)	(0.32)
Diluted earning/(loss) per share (Euro)	(0.14)	(0.32)
Weighted average number of shares outstanding:		
- basic	255,211,081	255,211,081
- diluted	255,211,081	255,211,081

12. Intangible assets

Intangible assets are made up as follows:

	Balance at June 30, 2021	Balance at Dec. 31, 2020	Change
Industrial patents and intellectual property rights	12,217	12,714	(497)
Trademarks, concessions and licenses	326	361	(35)
Key money	16,304	17,634	(1,330)
Assets in process of formation and payments on account	2,960	3,640	(680)
Other intangible assets	139	347	(208)
Goodwill	1,138	1,138	-
Total	**33,084**	**35,834**	**(2,750)**

The following table shows the changes in intangible assets during first half of 2021:

	12-31-20	Purchases and capital.	Translation Differences	Amort./ write-down	Dispo-sals	Other Changes	06-30-21
Intangible assets with finite useful life:							
Industrial patents and intellectual property rights	12,714	1,360	1	(3,575)	(4)	1,721	12,217
Trademarks, concessions and licenses	361	23	-	(58)	-	-	326
Key money	17,634	-	21	(1,318)	(33)	-	16,304
Other intangible assets	347	-	-	(208)	-	-	139
Assets in process of formation and payments on account	3,640	1,041	-	-	-	(1,721)	2,960
Intangible assets with an indefinite useful life:							
Goodwill	1,138	-	-	-	-	-	1,138
Total intangible assets	**35,834**	**2,424**	**22**	**(5,159)**	**(37)**	**-**	**33,084**

Investments during the period mainly concern:

- personalization of the IT system and software utilization licenses for a total of Euro 1,214 thousand;
- assets in process of formation for a total of Euro1,041 thousand. Such amounts include the sums paid for the further implementations and customizing of the new IT system.

13. Property, plant and equipment

Details of property, plant and equipment are shown in the following table:

	Balance at June 30, 2021	**Balance at Dec. 31, 2020**	**Changes**
Land and buildings	7,452	7,903	(451)
Plant and machinery	4,937	5,967	(1,030)
Industrial and commercial equipment	2,397	2,634	(237)
Other assets	10,230	11,498	(1,268)
Leasehold improvements	20,243	22,038	(1,795)
Construction in progress and payments on account	1,452	373	1,079
Total	**46,711**	**50,413**	**(3,702)**

The following table shows the changes in property, plant and equipment during first half of 2021:

	12-31-20	**Purchases and capital.**	**Translation Differences**	**Amort./ write-down**	**Dispo-sals**	**Other Chan-ges**	**06-30-21**
Land and buildings	7,903	5	(5)	(455)	-	4	7,452
Plant and machinery	5,967	89	(1)	(1,108)	(10)	-	4,937
Industrial and commercial equipment	2,634	1,121	3	(1,350)	(9)	(2)	2,397
Other assets	11,498	1,027	79	(2,403)	(23)	52	10,230
Leasehold improvements	22,038	1,451	107	(3,261)	(137)	45	20,243
Construction in progress and payments on account	373	1,174	7	-	(3)	(99)	1,452
Total	**50,413**	**4,867**	**190**	**(8,577)**	**(182)**	**-**	**46,711**

Investments during the period mainly concern:

- The purchase of industrial equipment (mainly molds for shoe soles) by the parent company Geox S.p.A. and its productive subsidiary in Serbia;
- Geox shop, office and head office fittings and hardware;
- leasehold improvements relate to industrial buildings and offices for Euro 272 thousand and to premises fitted out as Geox Shop for Euro 1,179 thousand;
- Construction in progress for Euro 1,452 thousand. That item mainly includes the sums paid to purchase the hardware necessary for the implementation of IT projects not yet completed at the date of the present report.

Other assets are made up as follows:

	Balance at June 30, 2021	Balance at Dec. 31, 2020	Change
Electronic machines	2,064	2,318	(254)
Furniture and fittings	7,661	8,594	(933)
Motor vehicles and internal transport	505	586	(81)
Total	**10,230**	**11,498**	**(1,268)**

14. Right-of-use assets

Right-of-use assets are made up as follows:

	Saldo al 30-06-2021	Saldo al 31-12-2020	Variazione
Right-of-use - Apartments	417	510	(93)
Right-of-use - Building	214,848	240,333	(25,485)
Right-of-use - Cars and Trucks	1,084	965	119
Total Right-of-use	**216,349**	**241,808**	**(25,459)**

The following table shows the changes in Right-of-use assets during first half of 2021:

	12-31-20	Translation differences	Net increases	Amort./write-down	06-30-21
Right-of-use assets	**241,808**	809	(1,299)	(24,969)	**216,349**

The increases refers to new lease contracts signed over the course of first half 2021, mainly for Geox Shops, or renegotiations of existing contracts.

15. Deferred taxes

The following table analyses the change in deferred tax assets and the nature of the items and temporary differences that gave rise to them. The Group has offset the deferred tax assets and liabilities as the law permits the compensation of fiscal assets with fiscal liabilities.

	Balance at June 30, 2021	Balance at Dec. 31, 2020	Change
Carry-forward tax losses	4,212	4,212	-
Depreciation and amortization and impairment	7,551	7,976	(425)
Evaluation derivates	-	2,096	(2,096)
Provision for obsolescence and slow-moving inventory and returns	15,881	19,209	(3,328)
Bad debt provision	5,978	4,581	1,397
Other	3,889	4,707	(818)
Deferred tax assets	**37,511**	**42,781**	**(5,270)**
Depreciation and amortization	(179)	(178)	(1)
Evaluation derivates	(1,111)	-	(1,111)
Other	(25)	(24)	(1)
Deferred tax liabilities	**(1,315)**	**(202)**	**(1,113)**
Total deferred taxes	**36,196**	**42,579**	**(6,383)**

Prepaid tax assets, net of deferred tax liabilities, were also analysed and written down, to the extent that sufficient future taxable income is not expected to be available to allow for them to be partially or fully used.
In order to calculate projections of future taxable income, reference was made to the aforementioned Business plan scenarios as described in note 10.

The deferred tax assets on carry-forward tax losses amount to Euro 4,212 thousand, relate entirely to the tax loss generated during 2019 by the parent company Geox S.p.A. as part of the domestic tax consolidation with the Italian subsidiaries Geox Retail S.r.l. and Xlog. S.r.l..
This amount has been subjected to a strict evaluation by the directors in order to book it only if future taxable profit are considered recoverable in the time frame covered by the aforementioned Business plan scenarios.

Derivatives that are defined as cash flow hedges and valued on a mark-to-market basis booked directly to equity require all related taxes also to be booked directly to equity and not to the income statement.
The deferred tax liabilities booked directly to equity amount to Euro 1,111 thousand (tax assets amounting to Euro 2,096 thousand in December 31, 2020).

Deferred tax assets included in "Other" are mainly related to the provisions for liabilities and charges (note 24 and note 29).

Deferred tax assets have been calculated at the tax rates applied in the various countries concerned.

16. Other non-current assets

Other non-current assets are made up as follows:

	Balance at June 30, 2021	Balance at Dec. 31, 2020	Change
Accounts receivable from others in 1 to 5 years	7,166	6,726	440
Accounts receivable from others in more than 5 years	1,241	1,209	32
Total	**8,407**	**7,935**	**472**

Non-current assets mainly relate to guarantee deposits for utilities and shop leases and accounts receivable, payable more than 1 year.

17. Inventories

The following table shows the breakdown of inventories:

	Balance at June 30, 2021	Balance at Dec. 31, 2020	Change
Raw materials	10,237	13,413	(3,176)
Work in process and semi-finished products	1,263	1,682	(419)
Finished products and goods for resale	281,206	252,792	28,414
Furniture and fittings	223	77	146
Total	**292,929**	**267,964**	**24,965**

Inventories of finished products include goods in transit acquired from countries in the Far East and the costs related to the expected returns on sales for Euro 14,380 thousand (Euro 15,127 thousand as at December 31, 2020).

Furniture and fittings relate to furnishings that will be used or sold to franchisees for opening new Geox Shops.

The book value of inventories is not significantly different from their current cost at the end of the period.

Inventories are shown net of the provision for obsolete and slow-moving inventory, which is considered adequate for a prudent valuation of finished products from previous collections and raw materials that are no longer used.

The provision for obsolete and slow-moving inventory is analyzed below:

Balance at January 1	**39,649**
Provisions	34,877
Translation differences	202
Utilizations	(39,649)
Balance at June 30	**35,079**

The write-down mainly reflects the adjustment to market value based on statistical forecasts of discounted sales of products from previous collections.

18. Accounts receivable

Accounts receivable are made up as follows:

	Balance at June 30, 2021	Balance at Dec. 31, 2020	Change
Gross value	116,627	108,827	7,800
Provision for bad and doubtful accounts	(27,068)	(21,109)	(5,959)
Net value	**89,559**	**87,718**	**1,841**

Accounts receivable amounted to Euro 116,627 thousand at June 30, 2021.

The following is an ageing analysis of accounts receivable:

	Not yet due	Past due 0 - 90 days	Past due 91 - 180 days	Past due over 180 days	Total
Gross value of trade receivables at June 30, 2021	70,706	13,449	6,747	25,725	**116,627**
Gross value of trade receivables at December 31, 2020	58,819	15,765	7,716	26,527	**108,827**

As regards the sales made to individual customers, there are no situations of particular concentration as all are well under the threshold of 10% of total revenues.

The book value of trade receivables coincides with their fair value.

The Group continues to maintain tight control over credit. This management practice ensures that the investment in working capital is limited.

Accounts receivable are adjusted to their estimated realizable value by means of a provision for bad and doubtful accounts based on a review of individual outstanding balances. The provision at June 30, 2021 represents a prudent estimate of the current collection risk.

Changes in the provision during the year are as follows:

Balance at January 1	**21,109**
Provisions	2,226
Translation differences	33
Reclassification	4,216
Utilizations	(516)
Balance at June 30	**27,068**

The risk of customer insolvency is significantly mitigated as specific contracts with leading credit insurance companies cover credit risk on most of the turnover. The clauses provide that, initially, the insurance is configured solely as a request to accept the credit risk up to previously agreed credit limits. The insurance does become operating only after a formal communication of non-payment by the due date. The increase in the provision for bad and doubtful accounts reflects the changing market conditions due to the health emergency and its effects on the financial solvency of some clients.

19. Other non-financial current assets

This item is made up as follows:

	Balance at June 30, 2021	Balance at Dec. 31, 2020	Change
Tax credits	5,957	4,590	1,367
VAT recoverable	10,881	14,476	(3,595)
Advances to vendors	2,955	2,034	921
Other receivables	10,047	9,509	538
Accrued income and prepaid expenses	4,944	4,484	460
Total	**34,784**	**35,093**	**(309)**

As at June 30, 2021 the Group has a tax credit for an amount of Euro 169 thousand (Euro 174 thousand as of December 31, 2020) towards the ultimate Parent Company LIR S.r.l..

Other receivables include:

- Euro 3,943 thousand due from a credit insurance representing the value of claims assigned for which reimbursement has not yet been received;
- Euro 2,163 thousand related to grants received by German administration to cover fixed costs. That amount has been collected in July 2021;
- Euro 1,090 thousand towards social security institutions mainly due to various forms of government aids in payroll costs;
- Euro 965 thousands due from factoring companies (arising from non-recourse factoring transactions).

Prepaid expenses mainly include prepayments for rentals and maintenances.

20. Financial assets and liabilities

The book value of the financial assets and liabilities shown below coincides with their fair value.

The following table shows the breakdown of this item:

	Balance at June 30, 2021	Balance at Dec. 31, 2020	Change
Term bank deposits	24	24	-
Total non current financial assets	**24**	**24**	**-**
Fair value derivative contracts	6,436	1,156	5,280
Other current financial assets	2,387	2,971	(584)
Total current financial assets	**8,823**	**4,127**	**4,696**
Fair value derivative contracts	(1,996)	(11,207)	9,211
Other current financial liabilities	(58)	(116)	58
Total current financial liabilities	**(2,054)**	**(11,323)**	**9,269**

The term bank deposits of Euro 24 thousand include amounts lodged to guarantee rent contracts on foreign shops.

As regards the mark-to-market derivative contracts, see the comments in note 32.

21. Cash and cash equivalents

The amount of Euro 51,233 thousand relates to short term deposits for Euro 16 thousand, a current account in Euro for Euro 38,184 thousand, a current account in US Dollars for Euro 3,822 thousand, a current account in Chinese Yuan for Euro 816 thousand, a current account in Canadian Dollars for Euro 832 thousand, a current account in British Pound for Euro 2,093 thousand, a current account in Russian Ruble for Euro 2,161 thousand and other currencies for the rest. The term deposits relate to investments of surplus cash remunerated at a rate linked to Euribor. The cash on the current account in US Dollars is used to pay suppliers in the Far East when their invoices fall due; it has a yield substantially in line with the reference rate.

The book value of the financial assets and liabilities shown below coincides with their fair value.

22. Equity

Share capital

The share capital of Euro 25,921 thousand is fully paid and is made up of 259,207,331 shares with a par value of Euro 0.10 each.

Other reserves

This item is made up as follows:

	Balance at June 30, 2021	Balance at Dec. 31, 2020	Change
Legal reserve	5,184	5,184	-
Share premium reserve	37,678	37,678	-
Translation reserve	(3,760)	(3,538)	(222)
Reserve for cash flow hedges	3,515	(6,640)	10,155
Reserve for stock options	316	-	316
Retained earnings	108,773	236,808	(128,035)
Total	**151,706**	**269,492**	**(117,786)**

The legal reserve amounts to Euro 5,184 thousand. This reserve is not distributable.

The share premium reserve was set up mainly in 2004 as a result of the public offering of shares which increased the share capital by Euro 850 thousand, then this reserve was increased following the exercise of the stock option plans reserved for management.

The reserve for cash flow hedges originated as a result of valuing the financial instruments defined as cash flow hedges at June 30, 2021. Fair value valuation of cash flow hedges is stated net of the tax effect as explained in greater detail in note 32. This reserve is not distributable.

The decrease in Retained earnings item refers to the allocation of 2020 result.

Amounts are shown net of tax, where applicable.

23. Employee severance indemnities

Employee severance indemnities at June 30, 2021 amount to Euro 2,689 thousand, as shown in the following table:

Balance at December 31, 2020	**2,834**
Reversal of 0.50% withholding	(100)
Reversal of 17% flat-rate tax	(4)
Payments to supplementary pension schemes	(535)
Advances granted to employees	(119)
Provision for the period	1,965
Payments to supplementary pension schemes run by INPS net of amounts paid to leavers	(1,155)
Change as a result of actuarial calculations and other IAS 19 implications	(190)
Translation differences	(7)
Balance at June 30, 2021	**2,689**

Changes in the provision for severance indemnities during first half 2021 show a utilization of Euro 535 thousand for payments to supplementary pension funds and one of Euro 1,155 thousand for payments to supplementary pension schemes run by INPS. This is because, based on the legislative changes introduced by Law 296/06, with effect from June 30, 2007, severance indemnities accruing after January 1, 2007 have to be paid by companies (with more than 50 employees) to a special treasury fund set up by INPS or, if the employee prefers, to a supplementary pension fund that complies with D.Lgs 252/05.

Instead, companies book a short-term payable which is then cancelled when the amount is paid over to INPS.

The actuarial valuation of the severance indemnities is carried out on the basis of the Projected Unit Credit Method in accordance with IAS 19. This method involves measurements that reflect the average present value of the pension obligations that have accrued on the basis of the period of service that each employee has worked up to the time that the valuation is carried out, without extrapolating the employee's pay according to the legislative amendments introduced by the recent Pension Reform.

The various stages of the calculation can be summarized as follows:

- for each employee on the books at the date of the valuation, an extrapolation of the severance indemnity already accrued up to the time that it will probably be paid;
- for each employee, a calculation of the severance indemnity that will probably have to be paid by the Company when the employee leaves due to dismissal, resignation, disability, death and retirement, as well as if an advance is requested;
- discounting the probable payments to the date of the valuation.

The actuarial model used for the valuation of the provision for severance indemnities is based on various assumptions, some demographic, others economic and financial. The main assumptions used in the model are as follows:

- mortality rates: RG48 life expectancy table
- disability rates: INPS tables split by age and gender
- employee turnover rate: 2.00%
- discount rate (index Iboxx Corporate AA con duration 10+): 0.86%
- rate of severance indemnities increase: 2.1%
- inflation rate: 0.80%

The following table shows the effect that there would be on the obligation for the defined benefit obligation as a result of changes of significant actuarial assumptions at the June 30, 2021:

Changes in assumptions	
+1% employee turnover rate	(24)
-1% employee turnover rate	27
+1/4% inflation rate	49
-1/4% inflation rate	(48)
+1/4% discount rate	(73)
-1/4% discount rate	77

24. Provisions for liabilities and charges

This item is made up as follows:

	Balance at Dec. 31, 20	Utilization	Provisions	Translation differences	Actuarial adjustment	Balance at June 30, 21
Provision for agents' severance indemnities	5,145	(173)	59	34	(4)	5,061
Other	1,870	(30)	110	3	-	1,953
Total	**7,015**	**(203)**	**169**	**37**	**(4)**	**7,014**

The “provision for agents’ severance indemnities” is provided for on the basis of legislative rules and collective agreements that regulate situations in which agency mandates may be terminated. Provisions represent the best estimate of the amount that the business would have to pay to settle the obligation or transfer it to third parties at the balance sheet date. The cumulative effect of the actuarial valuation carried out in accordance with IAS 37 amounts to Euro 89 thousand.

“Other” reflects mainly an estimate of the risks involved in outstanding disputes.

25. Long-term loans, Bank borrowings and current portion of long-term loans

This item is made up as follows:

	Balance at June 30, 2021	Balance at Dec. 31, 2020	Change
Bank loans	97,948	113,770	(15,822)
Other loans	62	62	-
Total long-term loans	**98,010**	**113,832**	**(15,822)**
Cash advances	105	2,504	(2,399)
Loans	68,149	59,404	8,745
Total bank borrowings short term	**68,254**	**61,908**	**6,346**
Other Loans	-	61	(61)
Total bank borrowings and current portion of long term loans	**68,254**	**61,969**	**12,631**

Overall the item shows a decrease of Euro 3,191 compared to December 31, 2020.
In fact the Group, already in 2020, provided adequate lines of credit available thanks to the fact that, since the beginning of the emergency, it has implemented a strategy to cover its financing needs. The aim of this strategy is to ensure that the sources of financing remain as coherent as possible with funding requirements, in order to have the right balance between short-term lines of credit to deal with normal business seasonality, medium-term financing to manage the temporary one-off absorption of cash caused by the Covid-19 emergency and long-term financing to also support the investments required to develop a truly omnichannel business model that perfectly integrates physical and digital stores.

It’s to be noted that on July 30, 2020 the Group completed its already solid financial structure to support its business and investments over the next three years, by signing a loan agreement for a total of Euro 90 million, obtained thanks to its solid track record in terms of balance sheet and financial indicators. Pursuant to the provisions of Italian Decree Law no. 23 of 8 April 2020, SACE (export credit insurance company) promptly issued a so-called “Italy guarantee”, through the simplified procedure, for 90% of the amount granted by the banks, following an in-depth investigation. This loan will mainly be used to cover personnel costs and investments, as well as working capital dynamics for production facilities and business activities in Italy. The loan has a maximum duration of 6 years, with a 24-month grace period and quarterly repayments.

That loan is subject to financial covenants (to be calculate before IFRS 16 effects), to be tested on a half-yearly basis in June and December, with reference to the consolidated financial statements. That financial covenants are: net financial position, indebtedness ratio (net financial position/Equity) and the ratio between net financial position and EBITDA. The value of financial covenants are different over the duration of the contract and can be healed by Equity cure operations. As regards results before IFRS 16 effects:

- net financial position must be less than Euro 180 million over the course of 2021;
- indebtedness ratio must be less than 1.15 as at December 2021, less than 1.00 in 2022 and less than 0.75 in 2023;
- the ratio between net financial position and EBITDA must be less than 3.25 as at June 2022, 3.00 as at December 2022, less than 2.75 in 2023 and less than 2.5 in 2024.

As of June 30, 2021 net financial position amount to Euro 108.2 million, the covenant is therefore respected.

Based on the forecasts included in the aforementioned document entitled Business plan scenarios, it’s considered that these financial indicators will be respected in the next testing periods.

Other outstanding loans are not subject to financial covenants.

It should be noted that the Group has not had to resort to suspending loan repayments.

26. Lease liabilities

The item refers to the present value of the payments due for rents following the application of IFRS 16 Accounting Standard.

The item is made as follows:

	Balance at June 30, 2021	Balance at Dec. 31, 2020	Change
Long term lease assets – third parties	426	508	(82)
Total long term lease assets	**426**	**508**	**(82)**
Long term lease liabilities - third parties	131,034	145,336	(14,302)
Long term lease liabilities - related parties	55,276	57,525	(2,249)
Total long term lease liabilities	**186,310**	**202,861**	**(16,551)**
Short term lease liabilities - third parties	49,573	60,411	(10,838)
Short term lease liabilities - related parties	5,849	5,143	706
Total short term lease liabilities	**55,422**	**65,554**	**(10,132)**
Total lease liabilities	**241,306**	**267,907**	**(26,601)**

The following table shows the changes lease liabilities during first half 2021:

	12-31-20	Translation Differences	Net increases	Payments	06-30-21
Total Lease liabilities	**267,907**	1,092	(1,299)	(26,394)	**241,306**

It should be noted that the Group proposed to suspend the payment of some rents while stores were temporarily closed and then began to pay rent in proportion to sales performance following their reopening, until reaching an agreement with the various landlords.
This approach is in line with the ongoing talks being held with the various landlords, aimed at renegotiating the contractual agreements in place, bringing them more in line with the changes to the economic scenario; this involves introducing variable rents based on the level of turnover, at least while there is reduced footfall caused by the restrictive measures and the strong reduction in tourist numbers. These closed talks with landlords are continuing from one quarter to the next, and the Group has already concluded a significant number of agreements and others are in an advanced phase of negotiation; however, the Group is also convinced that the right course of action is to terminate the relative agreement if solutions cannot be found that reflect current market values. As of 30 June 2021, the overdue part of the rental payments that were suspended or only partially paid amounted to approximately Euro 14 million.

The weighted average of the interest borrowing rate of the year is 1.54%.

27. Other long-term payables

This item is made up as follows:

	Balance at June 30, 2021	Balance at Dec. 31, 2020	Change
Guarantee deposits	460	169	291
Accrued expenses and deferred income	3,071	2,659	412
Total	**3,531**	**2,828**	**703**

The guarantee deposits refer to amounts received from third parties to guarantee business lease contracts (for Geox Shops).

Accrued expenses and deferred income mainly relate to the amount due beyond 12 months of the grant received by Republic of Serbia for the construction and start-up of the factory in Vranje for a residual amount of Euro 2,160 thousand.

28. Trade payables

The item is made as follows:

	Balance at June 30, 2021	Balance at Dec. 31, 2020	Change
Accounts payable	174,892	134,928	39,964
Provision for returns	38,705	43,226	(4,521)
Total	**213,597**	**178,154**	**35,443**

Accounts payable at June 30, 2021 amount to Euro 174,892 thousand, showing an increase of Euro 39,964 thousand if compared with December 31, 2020.

It should also be noted that the Group has made all payments to its supply chain on time and has not had to resort to suspending loan repayments.

All amounts are due within the next 12 months. Terms and conditions of the above financial liabilities:

- Trade payables are normally settled within 30-180 days and do not generate interest;
- The terms and conditions applied to related parties are the same as those applied to third parties.

The book value of accounts payable coincides with their fair value.

Changes in the refund liabilities during first half 2021 are as follows:

Balance at January 1	**43,226**
Provisions	28,148
Translation differences	205
Utilizations	(32,874)
Balance at June 30	**38,705**

The provision for returns has been estimated based on the potential returns and credit notes arising from the trade agreements signed with customers, in particular with franchising ones.

29. Other non-financial current liabilities

This item is made up as follows:

	Balance at June 30, 2021	Balance at Dec. 31, 2020	Change
Social security institutions	3,294	4,629	(1,335)
Employees	15,966	10,500	5,466
Provisions for liabilities and charges	2,207	7,124	(4,917)
Other payables	6,835	6,049	786
Accrued expenses and deferred income	2,965	2,196	769
Total	**31,267**	**30,498**	**769**

The amounts due to social security institutions mainly relate to pension contributions for first half 2021, paid in second half 2021.

The amounts due to employees include payroll, bonuses and accrued vacation not yet taken as of June 30, 2021.

The provisions for liabilities and charges mainly include the estimated costs related to the rationalization and optimization plan of the distribution network.

Other payables are mainly advances received from customers and the short term part of the guarantee deposits received from third parties.

Accrued expenses and deferred income mainly relate to the amount due within 12 months of the grant received by Republic of Serbia for the construction and start-up of the factory in Vranje.

30. Taxes payable

This item is made up as follows:

	Balance at June 30, 2021	Balance at Dec. 31, 2020	Change
Witholding taxes	2,758	2,726	32
VAT payable	5,640	9,195	(3,555)
Corporate income taxes	1,332	1,136	196
Total	**9,730**	**13,057**	**(3,327)**

31. Share-based payments

In accordance with IFRS 2, the adoption of a stock option/stock grant plan requires that the fair value of the options at the grant date is recognized as a cost. This cost is charged to the income statement over the vesting period, and a specific equity reserve is booked. The fair value of these options has been determined by an independent expert using the binomial method.

At the date of this report there are two medium-long term incentive plans, as described in Directors' Report.

32. Risk management: objectives and criteria

Credit risk

Geox Group policy is to insure its trade receivables, thereby minimizing the risk of bad debts due to non-payment and/or significant payment delays on the part of customers. The policy of insuring against credit risk is applied to the main part of the Geox Group's accounts receivable from third parties.

The maximum risk involved in the Group's financial assets, which include cash and cash equivalents, derivative and other financial assets, is the book value of these assets in the event of counterparty insolvency.

Interest rate risk

Indebtedness to the banking system exposes the Group to the risk of interest rate fluctuations. Floating rate loans, in particular, run the risk of cash flow variations. At June 30, 2021, the Group's indebtedness to the banking system amounts to Euro 166.2 million and is mainly floating rate. In this context, given expectations of stability in the dynamics of interest rates and the medium/short-term nature of the debt, the Group did not deem it necessary to implement general policies to hedge the risk of interest rate fluctuations but rather entered into two Interest Rate Swap (IRS) transactions to hedge the medium-long term loan, for a total amount of Euro 67.5 million, the Group has signed two Interest Rate Swap (IRS) agreements to hedge its only medium/long-term loan, with the specific aim of removing the original floor to zero on the entire notional amount, in relation to the Euribor included in the variable rate.
In terms of sensitivity analysis, we would emphasize that a positive (negative) variation of 50 b.p. in the level of interest rates applicable to short-term variable-rate financial liabilities that are not hedged would have resulted in a higher (lower) annual financial burden, gross of tax, of approximately Euro 286thousand.

Exchange risk

The Geox Group also carries on its activity in countries outside the Euro-zone, which means that exchange rate fluctuations are an important factor to be taken into consideration.

The principal exchange rates to which the Group is exposed are the following:

- EUR/USD, in relation to purchases of finished product in U.S. dollars, made by Geox S.p.A., typically in the Far East, where the U.S. dollar is the reference currency for trade;
- EUR/GBP, EUR/CHF, EUR/RUB, EUR/PLN in relation to sales in the British, Swiss, Russian and Polish territories;

The Group initially calculates the amount of exchange risk, from trading transactions forecast for the coming 12 months, that is involved in the budget for the coming period. It then gradually hedges this risk during the process of order acquisition to the extent that the orders match the forecasts. These hedges take the form of specific forward contracts and options for the purchase and sale of the foreign currency. Group policy is not to arrange derivative transactions for speculative purposes.

The Board of Directors believes that the risk management policies adopted by the Geox Group are appropriate.

Group companies may find themselves with trade receivables or payables denominated in a currency different from the money of account of the company itself. In addition, it may be convenient from an economic point of view, for companies to obtain finance or use funds in a currency different from the money of account. Changes in exchange rates may result in exchange gains or losses arising from these situations. It is the Group's policy to hedge fully, whenever possible, the exposure resulting from receivables, payables and securities denominated in foreign currencies different from the company's money of account.

Some of the Group's subsidiaries are located in countries which are not members of the European monetary union. As the Group's reference currency is the Euro, the income statements of those entities are converted into Euro using the average exchange rate for the period, and while revenues and margins are unchanged in local currency, changes in exchange rates may lead to effects on the converted balances of revenues, costs and the result in Euro.

The assets and liabilities of consolidated companies whose money of account is different from the Euro may acquire converted values in Euro which differ based on the fluctuation in exchange rates. The effects of these changes are recognized directly in the item Cumulative Translation Adjustments reserve, included in Other Comprehensive income.

There have been no substantial changes in first half 2021 in the nature or structure of exposure to currency risk or in the Group's hedging policies.

Liquidity risk

The sector in which the Group operates is very seasonal in nature. The year can be split into two collections (Spring/Summer and Fall/Winter), which more or less coincide with the first and second half. On the one hand, purchases and production are concentrated in the three months prior to the half-year in question, leading to an increase in inventory and, subsequently, the absorption of cash. On the other hand the wholesale and franchising sales are concentrated in the first three months of the half-year in question, transforming inventory into receivables. The same period sees the completion of payment of accounts payable. Receipts from customers and end consumers, on the other hand, are collected before the end of the half-year in question. These situations bring about very strong seasonal trends, also in the Group's financial cycle, which leads to peaks of absorption of financial resources in January to April and in July to October.
The Group manages liquidity risk by maintaining tight control over the various components of working capital, especially inventory and accounts receivable. The Group's credit risk hedging policies guarantee short-term collection of all accounts receivable, even those from customers in financial difficulty, eliminating almost entirely the risk of insolvency. In addition, the finished products remained in stores at the end of the season are then disposed of in a planned way in the outlets owned by the Group and through promotional sales to third parties.
The Group also has bank lines of credit in line with the strong balance sheet and which are also roomy compared to seasonal phenomena described above.

It's to be noted that Covid-19 emergency has led (and continue to cause) the entire sector to face a significant one-off absorption of cash, in addition to the normal seasonality of the business.
With reference to the situation described above and the direct impacts on the assessment of liquidity risk, Directors do not believe that the Group has any issues regarding its ability to fulfil its commitments in the foreseeable future, and especially over the next 12 months, despite the impacts of the aforementioned events; this belief is based on the forecasts made in the Business plan scenarios, on the lines of credit currently available and not yet used and on the loans received from the banking system during 2020 (whose financial parameters are complied with as at June 30, 2021 and are expected to be complied with in the next testing periods).

Fair value and related hierarchy

As at June 30, 2021 financial instruments are as follows:

	Notional value on 06-30-21	Fair value on 06-30-21 (debit)	Fair value on 06-30-21 (credit)	Notional value on 12-31-20	Fair value on 12-31-20 (debit)	Fair value on 12-31-20 (credit)
FX Forward buy agreements to hedge exch. rate risk	146,261	2,260	(428)	143,559	20	(5,975)
FX Forward sell agreements to hedge exch. rate risk	80,222	145	(1,167)	95,862	1.136	(260)
FX Currency Option agreem. to hedge exch. rate risk	244,026	4,031	-	138,538	-	(4,310)
Interest Rate Swap	67,500	-	(401)	67,500	-	(662)
Total financial assets/(liabilities)	**538,009**	**6,436**	**(1,996)**	**445,459**	**1,156**	**(11,207)**

IFRS 7 requires financial instruments recognized in the statement of financial position at fair value to be classified on the basis of a hierarchy that reflects the significance of the inputs used in determining fair value.

The following levels are used in this hierarchy:

- Level 1 – quoted prices in active markets for the assets or liabilities being measured;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) on the market;
- Level 3 – inputs that are not based on observable market data.

All the financial assets and liabilities measured at fair value at June 30, 2021 are classified on Level 2. In first half 2021 there were no transfers from Level 1 to Level 2 or to Level 3 or vice versa.

The Group holds the following derivatives to cover exchange rate fluctuations at June 30, 2021:

- FX forward exchange agreements to hedge future purchases and sales of foreign currency;
- FX Currency Option agreements for future purchases and sales of foreign currency.

These agreements hedge future purchases and sales planned for the Fall/Winter 2021 and Spring/Summer 2022 seasons.
The fair value mentioned above agrees with the amount shown in the balance sheet. The fair value measurement of the derivatives being analyzed was carried out by means of independent valuation models on the basis of the following market data posted on June 30, 2021:

- Short-term interest rates on the currencies in question as quoted on www.euribor.org and www.bba.org.uk;
- The spot exchange rates taken directly from the European Central Bank's website and the relative volatility posted by Bloomberg.

With regard to derivative financial instruments to hedge the interest rate risk, at June 30, 2021, the Group held only an Interest Rate Swap (IRS), used to alter the profile of original interest rate risk exposure from variable rate to fixed rate. On set dates, this IRS exchanges interest flows with the counterparties, calculated on the basis of a reference notional value, at the agreed fixed and variable rates.

33. Related-party transactions

Pursuant to IAS 24, the Group's related parties are companies and people who are unable to exercise control or significant influence and associated companies. Finally, are considered related parties the members of the Board of Directors, the Statutory Auditors and Executives with strategic roles of the Group and their families.

The Group has dealings with the ultimate parent company (LIR S.r.l.) and with third parties that are directly or indirectly linked by common interests to the majority shareholder. The commercial relations with these parties are based on the utmost transparency and normal market conditions.

The main effects on profit and loss of the transactions with these parties for first half 2021 and 2020 are summarized below:

	Total I half 2021	Parent company	Affiliated company	Total of which related parties	Effect on Total (%)
Net sales	**264,040**	-	480	**480**	**0.18%**
Cost of sales	**(137,534)**	951	-	**951**	**(0.69%)**
General and administrative expenses	**(125,644)**	48	52	**100**	**(0.08%)**
Advertising and promotion	**(12,639)**	-	(82)	**(82)**	**0.65%**
Net financial expenses	**(4,081)**	(670)	(22)	**(692)**	**16.96%**
Income taxes	**(3,657)**	-	(5)	**(5)**	**0.14%**

	Total I half 2020	Parent company	Affiliated company	Total of which related parties	Effect on Total (%)
Net sales	**243,618**	-	242	**242**	**0.10%**
Cost of sales	**(143,789)**	-	234	**234**	**(0.16%)**
General and administrative expenses	**(138,103)**	7	(9)	**(2)**	**0.00%**
Advertising and promotion	**(10,198)**	(82)	-	**(82)**	**0.80%**
Net financial expenses	**(4,032)**	(23)	(191)	**(214)**	**5.30%**
Income taxes	**6,027**	(81)	-	**(81)**	**(1.34%)**

The main effects on financial statement of the transactions with these parties at June 30, 2021 and at December 31, 2020 are summarized below:

	Balance at June 30, 21	Parent company	Affiliated company	Total of which related parties	Effect of Total (%)
Accounts receivable	**89,559**	19	1,432	**1,451**	**1.62%**
Other non-financial current assets	**34,784**	170	51	**221**	**0.58%**
Non-current lease liabilities	**186,310**	1,693	53,583	**55,276**	**29.67%**
Trade payables	**213,597**	216	445	**661**	**0.31%**
Current lease liabilities	**55,422**	309	5,540	**5,849**	**10.55%**

	Balance at Dec. 31, 20	Parent company	Affiliated company	Total of which related parties	Effect of Total (%)
Accounts receivable	**87,718**	50	1,018	**1,068**	**1.22%**
Other non-financial current assets	**35,093**	175	-	**175**	**0.50%**
Non-current lease liabilities	**202,861**	1,848	55,677	**57,525**	**28.36%**
Trade payables	**178,154**	582	162	**744**	**0.42%**
Current lease liabilities	**65,555**	350	4,793	**5,143**	**7.85%**

34. Commitments and contingent liabilities

The future rental payments under lease contracts, excluded from the application of IFRS 16, as of June 30, 2021 are as follows:

	06-30-2021
Within 1 year	9,792
Within 1-5 years	19,207
Beyond 5 years	4,100
Total	**33,099**

35. Significant subsequent events after June 30, 2021

PRODUCTION PLANT IN SERBIA DUE TO SHUT DOWN

The production plant in Vranje, in southern Serbia, was built between 2014 and 2015 and became fully operational in 2016 to produce formal men's and women's shoes when a significant part of the market demand and turnover of the Geox Group focused on these types of products. Serbia was and still is one of the most attractive countries to invest in, thanks to the support received as well as infrastructure and professional manpower available. The plant also afforded undoubted advantages from a logistical perspective, as it is close to the main reference markets.
Unfortunately, in recent years the progressive change in consumer purchasing choices has in fact led to a marked shift in consumption towards casual and lower-priced shoes at the very expense of formal footwear. Against such a backdrop, despite being no longer able to rely on demand for formal shoes in such quantities as to fill production facilities at the Serbian factory, since 2018 the Group has been endeavouring to support local production by moving production from Asia and importing all materials into the country, incurring significant cost increases.
Unfortunately, the Covid-19 pandemic has considerably accelerated the current trends and has had a significant adverse impact on the entire footwear and clothing sector, resulting in a sharp reduction in turnover, the shutdown of many stores and a sizeable increase in unsold stock.
This difficult situation, which is most likely to last in the medium term, the structural evolution of market demand, combined with the impact of the pandemic and the forecasts of future demand for these types of products, make it therefore unsustainable to maintain production operations in Serbia.

According to current information available, the Group believes that the realisable values of the property — as also evidenced by independent appraisals — and equipment allows the above amount to be recovered.

The Board of Directors of Geox S.p.A., held today, resolved to proceed with the liquidation process of the subsidiary, in accordance with the provisions of the law and, at the current state notwithstanding the uncertainty relative to the management of a complex procedure, it is expected that the proceeds from the realisation of the assets will enable outstanding liabilities and liquidation costs to be met.

The Geox Group will make its best effort to support the transition process as much as possible in order to attract new investors who can mitigate the impact that TD Vranje's difficulties caused on employment levels in the area.

UPDATE ON THE OPERATIONAL STATUS OF THE STORES AND THE PRODUCTION CHAIN - COVID-19

The third wave of Covid-19 led Governments of many countries to reintroduce new restrictions to mobility or lockdown measures during the first half of 2021, in order to contain the growth of contagions. On average, about 34% of stores were temporarily closed in the first quarter and 20% in the second quarter (28% on average in the first half).

After the reopening of the stores in Italy and France (second half of May), Germany (mid-June) and lastly in Ontario on 30 June, the Group's entire direct distribution network is back in operation, albeit with the upholding of certain restrictions on entry aimed at avoiding crowds and maintaining safety distances in the stores. Tourist flows in Europe are still far from pre-Covid levels.

The increase in the number of infections in recent weeks due to the so-called Delta variant is in fact leading to the introduction of new restrictive measures in some countries without, however, requiring stores to close, for the time being.

The rise in the number of contagions is in fact creating greater criticality in the Group's production chain, with the temporary interruption of activities of some production plants in some Asian areas still characterised by a low incidence of the vaccinated population. As at today it is believed that these interruptions may be temporarily limited. The situation is constantly evolving and requires great caution and attention throughout the supply chain, with events being constantly monitored in order to promptly identify possible delays in production and deliveries, as well as implementing any appropriate mitigation actions.

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Biadene, Montebelluna, July 29, 2021

for the Board of Directors
The Chairman
Mr. Mario Moretti Polegato

Attachment 1

Biadene, Montebelluna, July 29, 2021

ATTESTATION

OF THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH ART-154-BIS, PARAS. 5 AND 5-BIS OF LEGISLATIVE DECREE 58 OF FEBRUARY 24, 1998 "THE FINANCIAL INTERMEDIATION CODE".

The undersigned Livio Libralesso, Chief Executive Officer of Geox S.p.A. and Massimo Nai, Financial Reporting Manager of Geox S.p.A., attest, bearing in mind the provisions of art. 154-bis, paras. 3 and 4 of Legislative Decree 58 of February 24, 1998:

- the adequacy in relation to the characteristics of the enterprise and
- the effective application,

of the administrative and accounting procedures for preparing the consolidated financial statements during the first half of 2021.

They also confirm that the consolidated financial statements:

a) agree with the books of account and accounting entries;

b) are prepared in accordance with the International Financial Reporting Standards adopted by the European Union, as well as the provisions issued to implement art. 9 of Legislative Decree 38/2005, and to the best of their knowledge, they are able to give a true and fair view of the assets and liabilities, results and financial position of the Issuer and of the other enterprises included in the consolidation;

c) provide a fair and correct representation of the financial conditions, results of operations and cash flows of the Company as of June 30, 2021 and for the first half 2021;

d) Director's report includes a reliable operating and financial review of the Company as well as a description of the main risks and uncertainties to which it is exposed.

Livio Libralesso CEO	Massimo Nai Financial Reporting Manager

Attachment 2

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2021

Name	Location	Year end	Currency	Share capital	% held Directly	% held Indirectly	% held Total
- Geox S.p.A.	Biadene di Montebelluna (TV), Italy	Dec. 31	EUR	25,920,733			
- Geox Deutschland Gmbh	Munich, Germany	Dec. 31	EUR	500,000	100,00%		100,00%
- Geox Respira SL	Barcelona, Spain	Dec. 31	EUR	1,500,000	100,00%		100,00%
- Geox Suisse SA	Lugano, Switzerland	Dec. 31	CHF	200,000	100,00%		100,00%
- Geox UK Ltd	London, U.K.	Dec. 31	GBP	1,050,000	100,00%		100,00%
- Geox Japan K.K.	Tokyo, Japan	Dec. 31	JPY	100,000,000		100,00%	100,00%
- Geox Canada Inc.	Mississauga, Canada	Dec. 31	CAD	100		100,00%	100,00%
- S&A Distribution Inc.	New York, Usa	Dec. 31	USD	1		100,00%	100,00%
- Geox Holland B.V.	Breda, Netherlands	Dec. 31	EUR	20,100	100,00%		100,00%
- Geox Retail S.r.l.	Biadene di Montebelluna (TV), Italy	Dec. 31	EUR	100,000	100,00%		100,00%
- Geox Hungary Kft	Budapest, Hungary	Dec. 31	HUF	10,000,000	99,00%	1,00%	100,00%
- Geox Hellas S.A.	Athens, Greece	Dec. 31	EUR	220,000	100,00%		100,00%
- Geox France Sarl	Sallanches, France	Dec. 31	EUR	15,000,000	100,00%		100,00%
- S&A Retail Inc.	New York, Usa	Dec. 31	USD	200		100,00%	100,00%
- Geox Asia Pacific Ltd	Hong Kong, China	Dec. 31	USD	1,282		100,00%	100,00%
- XLog S.r.l.	Signoressa di Trevignano (TV), Italy	Dec. 31	EUR	110,000	100,00%		100,00%
- Geox Rus LLC	Moscow, Russia	Dec. 31	RUB	60,000,000	100,00%		100,00%
- Geox AT Gmbh	Wien, Austria	Dec. 31	EUR	35,000	100,00%		100,00%
- Geox Poland Sp. Z.o.o.	Warszawa, Poland	Dec. 31	PLN	5,000		100,00%	100,00%
- Geox Portugal S.U. LDA	Lisbon, Portugal	Dec. 31	EUR	300,000	100,00%		100,00%
- Technic Development D.O.O. Vranje	Vranje, Serbia	Dec. 31	RSD	802,468,425	100,00%		100,00%
- Geox Macau Ltd	Macau, China	Dec. 31	MOP	5,000,000		100,00%	100,00%
- Geox Trading Shangai Ltd	Shanghai, China	Dec. 31	CNY	69,269,816		100,00%	100,00%
- Dongguan Technic Footwear Apparel Design Ltd	Dongguan, China	Dec. 31	CNY	3,795,840		100,00%	100,00%
- Technic Development Vietnam Company Ltd	Ho Chi Minh City, Vietnam	Dec. 31	VND	3,403,499,500		100,00%	100,00%
- Geox Distribution UK Ltd	London, U.K.	Dec. 31	GBP	100,000	100,00%		100,00%

Company’s data and information for Shareholders

Registered office

Via Feltrina Centro, 16
31044 Biadene di Montebelluna (TV)

Legal data

Share Capital: Euro 25,920,733.1 i.v.
Economic and Administrative Database no. 265360
Treviso Commercial Register and Taxpayer’s Code no. 03348440268

Investor Relations

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Documents for shareholders

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E-MARKET SDIR CERTIFIED

REPORT ON REVIEW OF THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Geox S.p.A.

Introduction

We have reviewed the half-yearly condensed consolidated financial statements of Geox S.p.A. and subsidiaries (Geox Group), which comprise the consolidated statement of financial position as of June 30, 2021 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Directors are responsible for the preparation of the half-yearly condensed consolidated financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on the half-yearly condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-yearly financial statements under Resolution n° 10867 of July 31, 1997. A review of half-yearly condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed consolidated financial statements of Geox Group as at June 30, 2021 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Alessandro Boaro
Partner

Udine, Italy
August 4, 2021

This report has been translated into the English language solely for the convenience of international readers.