2022 HALF-YEAR FINANCIAL REPORT

CONTENTS

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

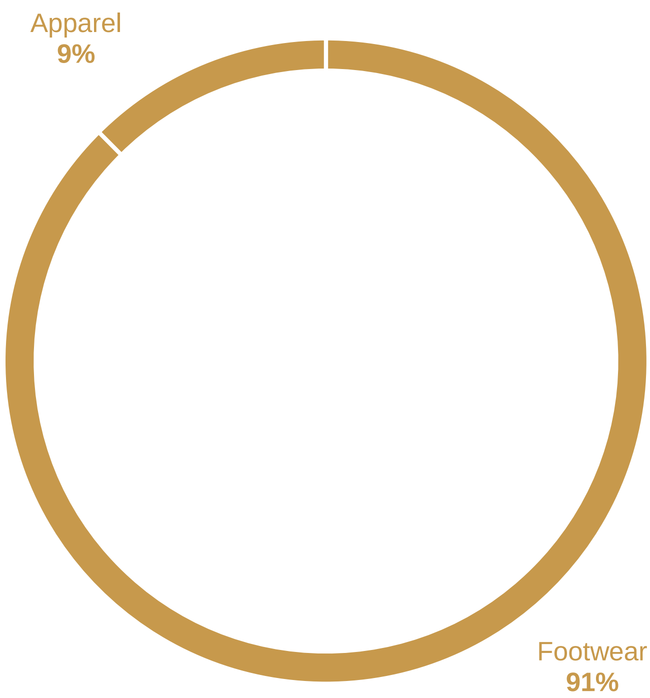
Profile

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 61 different patents and by 5 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.

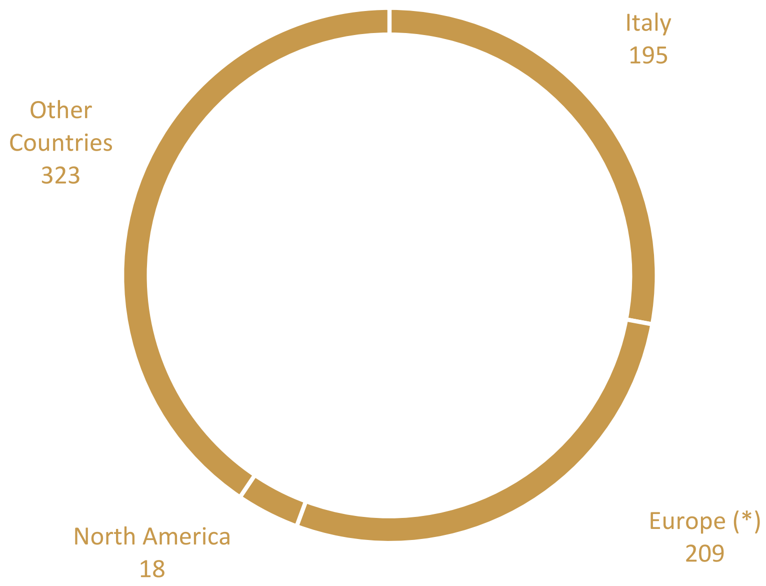
Geox is market leader in Italy in its own segment and is one of the leading brands world-wide in the "International Branded Casual Footwear Market" (source: Shoe Intelligence, 2021).



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, 2022, the overall number of "Geox Shops" came to 745, of which 337 operated directly, 301 in franchising and 107 under license agreement.



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. 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.

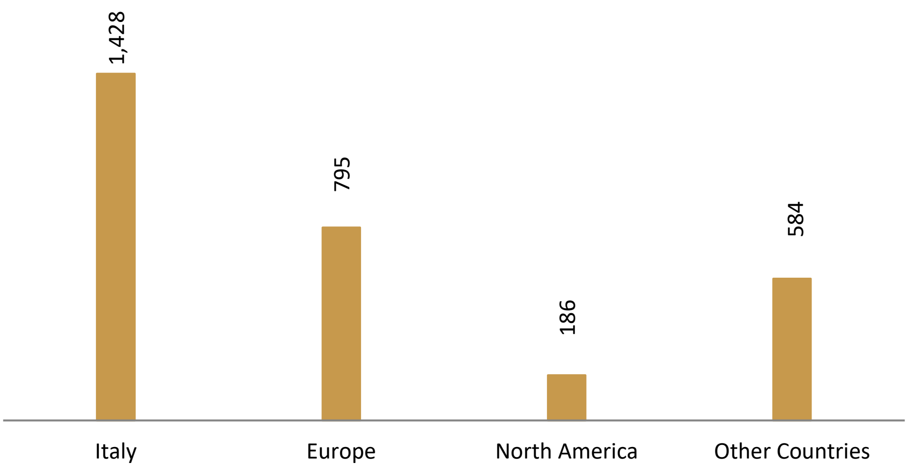
Human Resources

At June 30, 2022 the Group had 2,993 employees, showing a decrease of 25 employees compared with 3,018 employees at 31 December 2021.

As of June 30, 2022 the employees were splitted as follows:

Level	30-06-2022	31-12-2021
Managers	43	42
Middle Managers and office staff	855	869
Shop Employees	2,094	2,104
Factory Workers	1	3
Total	**2,993**	**3,018**

The graph shows the employees of the Group at June 30, 2022, 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	11,293	14,892,967
from 5,001 to 10,000 shares	925	7,093,400
10,001 shares and over	808	241,893,566
Lack of information on disposal of individual positions previously reported		(4,672,602)
Total	**13,026**	**259,207,331**

(*) As reported by Computershare S.p.A. on June 30, 2022

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, 2022.

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)	Director
Alessandro Antonio Giusti (2)	Director
Francesca Meneghel (2) (4)	Independent Director
Silvia Zamperoni (3)	Independent Director
Silvia Rachela (2) (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 April 14, 2022.

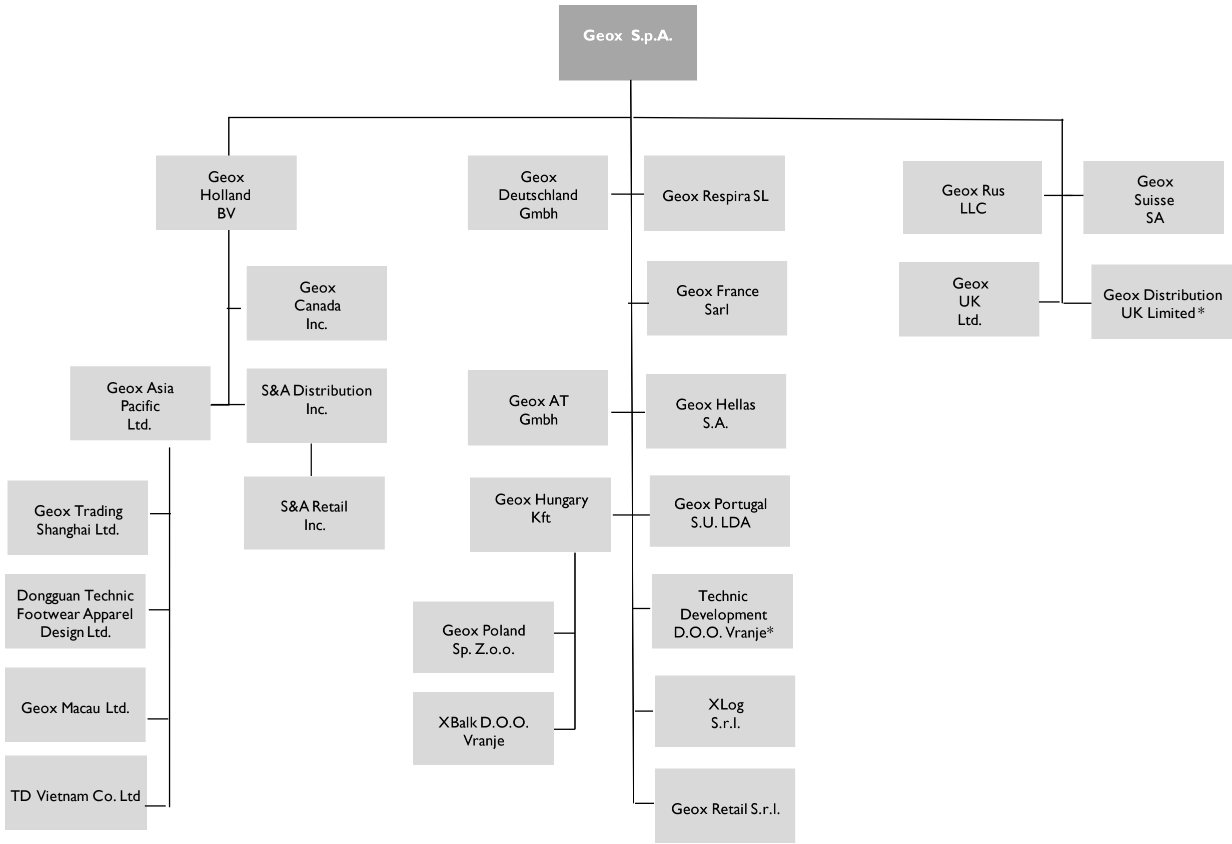
Board of Statutory Auditors

Name	Position
Sonia Ferrero	Chairman
Gabriella Covino	Statutory Auditor
Fabrizio Colombo	Statutory Auditor
Fabio Antonio Vittore Caravati	Alternate Auditor
Francesca Salvi	Alternate Auditor

Independent Auditors

KPMG S.p.A.

Group Structure



* Company under liquidation process

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.

Economic results summary

The results for the first half of the year, albeit in a particularly complex context, show a significant improvement compared to the same period of last year.

Main results are outlined below:

- Net sales of Euro 340.6 million, with an increase of 29% compared to Euro 264.0 million of the first half 2021;
- Positive EBITDA of Euro 25.5 million, Euro 9.4 million in first half 2021;
- EBIT of Euro -11.0 million, compared to Euro -29.2 million of first half 2021;
- Net income of Euro -19.6 million, compared to Euro -37.0 million of the first half 2021.

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

(Thousands of Euro)	I half 2022	%	I half 2021	%	2021	%
Net sales	**340,589**	**100.0%**	**264,040**	**100.0%**	**608,915**	**100.0%**
Cost of sales	(179,355)	(52.7%)	(137,534)	(52.1%)	(324,653)	(53.3%)
Gross profit	**161,234**	**47.3%**	**126,506**	**47.9%**	**284,262**	**46.7%**
Selling and distribution costs	(18,526)	(5.4%)	(17,768)	(6.7%)	(37,659)	(6.2%)
General and administrative expenses	(138,199)	(40.6%)	(125,644)	(47.6%)	(262,691)	(43.1%)
Advertising and promotion	(15,232)	(4.5%)	(12,639)	(4.8%)	(29,195)	(4.8%)
Operating result	**(10,723)**	**(3.1%)**	**(29,545)**	**(11.2%)**	**(45,283)**	**(7.4%)**
Restructuring charges	(285)	(0.1%)	304	0.1%	351	0.1%
Net asset impairment	-	0.0%	-	0.0%	0	0.0%
EBIT	**(11,008)**	**(3.2%)**	**(29,241)**	**(11.1%)**	**(44,932)**	**(7.4%)**
Net financial expenses	(4,359)	(1.3%)	(4,081)	(1.5%)	(8,336)	(1.4%)
PBT	**(15,367)**	**(4.5%)**	**(33,322)**	**(12.6%)**	**(53,268)**	**(8.7%)**
Income tax	(4,278)	(1.3%)	(3,657)	(1.4%)	(6,419)	(1.1%)
Tax rate	*n.s.*		*n.s.*	0%	*n.s.*	
Net result from continuing operations	**(19,645)**	**(5.8%)**	**(36,979)**	**(14.0%)**	**(59,687)**	**(9.8%)**
Net result from discontinued operations	**-**		**-**		(2,460)	(0.4%)
Net result	**(19,645)**	**(5.8%)**	**(36,979)**	**(14.0%)**	**(62,147)**	**(10.2%)**
EBITDA	**25,466**	**7.5%**	**9,464**	**3.6%**	**30,803**	**5.1%**
EBITDA excl. IFRS 16	**(249)**	**(0.1%)**	**(18,364)**	**(7.0%)**	**(22,909)**	**(3.8%)**

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

Consolidated net sales for the first half of 2022 amounted to Euro 340.6 million, up +29.0% on the previous year (+26.9% at constant exchange rates) thanks to an excellent performance of all main distribution channels. Particularly significant was the performance in the second quarter, which with approximately 156 million in sales (+35% vs 2Q21 and +12% vs 2Q19) was the best second quarter in the history of the Group.

Sales by distribution channel

(Thousands of Euro)	I half 2022	%	I half 2021	%	Var. %
Wholesale	**168,257**	**49.4%**	**141,807**	**53.7%**	**18.7%**
Franchising	28,947	8.5%	17,851	6.8%	62.2%
DOS*	143,385	42.1%	104,382	39.5%	37.4%
Geox Shops	**172,332**	**50.6%**	**122,233**	**46.3%**	**41.0%**
Net sales	**340,589**	**100.0%**	**264,040**	**100.0%**	**29.0%**

* Directly Operated Store

Sales generated by wholesale stores, which accounted for 49.4% of Group revenues (53.7% in H1 2021), amounted to Euro 168.3 million (+18.7% at current exchange rates, +16.8% at constant exchange rates) compared to Euro 141.8 million in June 2021. The trend benefited from a positive order collection for the SS22 collection and a good trend in seasonal re-orders.

Sales in the franchising channel, which accounted for 8.5% of Group revenues, amounted to Euro 28.9 million, +62.2% compared to the first half of 2021. The trend for the period benefited from the gradual reopening of stores, whose positive performance was combined with a favourable timing effect on shipments. Total franchised stores decreased from 311 shops in June 2021 to 301 in June 2022.

Sales of the DOS channel, which account for 42% of the Group's revenues, amounted to Euro 119.0 million compared to Euro 78.1 million in H1 2021 (+37.4% at current exchange rates, +34.8% at constant exchange rates). Comparable sales (LFL) at the end of the period amounted to +41% thanks to both the full reopening of shops from the second half of 2021 (in 1H21, approximately 27% of direct shops had been temporarily closed due to pandemic-related restrictions) and the gradual release of the initiatives envisaged in the Strategic Plan. In particular, physical shops reported comparable sales growth of about 60% compared to 1H21, while the online channel showed a decline of about 11% in line with the stabilisation of performance after lockdowns. However, the growth of the online channel remains particularly high (around +60%) compared to 2019.
It should be noted that in April, the increase in Covid-19 infections in Asia led to the temporary closure of 19 direct shops in Shanghai for about two months.
Finally, as regards the distribution perimeter, the number of DOS decreased from 376 stores in June 2021 to 337 in June 2022 (350 at the end of 2021). This reduction substantially defined the overall change in channel sales, which despite comparable sales (LFL) growth of +41% closed the reporting period at around +37%.

Sales by region

(Thousands of Euro)	I half 2022	%	I half 2021	%	Var. %
Italy	92,648	27.2%	64,370	24.4%	43.9%
Europe (*)	157,796	46.3%	121,355	46.0%	30.0%
North America	13,506	4.0%	10,430	4.0%	29.5%
Other countries	76,639	22.5%	67,885	25.7%	12.9%
Net sales	**340,589**	**100.0%**	**264,040**	**100.0%**	**29.0%**

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

Sales generated in Italy, which accounted for 27% of Group revenues (24.4% in 1H21), amounted to Euro 92.6 million (+62.1%) compared to Euro 64.4 million in 1H21. Growth was driven by direct shops (+54%) and the franchising channel (+81%), which were also favoured by the gradual reopening of the distribution network. The wholesale channel also performed well (+20%).

Sales generated in Europe accounted for 46.1% of the Group's revenues (46.0% in the first half of 2021), amounting to Euro 157.6 million, compared to Euro 121.4 million in 1H21, with an increase of 29.9%, mainly due, as in Italy, to the good performance of the retail channel.
DOS in Europe reported a positive performance (+41%) due to the good trend in comparable sales (+41%) and the gradual reopening of shops. The performance of franchising was also positive, driven by the same logic (+73%).

North America reported sales for Euro 13.5 million, +29.5% (+19.0% at constant exchange rates) compared to the first half of 2021; the trend of DOS was positive (+50%), while the wholesale channel (+6%) was affected by the cancellation of some orders as a result of critical issues that emerged in the supply chain (production delays and/or delivery delays).

Other countries reported a +12.9% increase in sales compared to 1H21 (+20.0% at constant exchange rates). In the Asia Pacific region in particular, sales decreased by -23.8% mainly as a result of the reorganisation in Japan, which led to the closure of the subsidiary and the transfer of the business to a distributor. China was also down (-22%), penalised by the lockdown during the second quarter.
On the other hand, sales in Eastern Europe grew by +23.6%. DOS in the entire area reported comparable sales up +26%; growth in the wholesale and franchising channel was also positive.

Sales by product category

(Thousands of Euro)	I half 2022	%	I half 2021	%	Var. %
Footwear	308,139	90.5%	245,357	92.9%	25.6%
Apparel	32,450	9.5%	18,683	7.1%	73.7%
Net sales	**340,589**	**100.0%**	**264,040**	**100.0%**	**29.0%**

Footwear accounted for 91% of consolidated sales, amounting to Euro 245.4 million, up 25.6% (+23.4% at constant exchange rates) compared to 1H21. Apparel accounted for 9% of consolidated revenue at Euro 32 million, compared to Euro 18.7 million in 1H21 (+73.7% at current exchange rates, +73.3% at constant exchange rates).

Mono-brand store network – Geox shops

As at 30 June 2022, the total number of "Geox Shops" was 745 of which 337 DOS. During the first half of 2022, 14 new Geox Shops were opened and 37 were closed, in line with the planned optimisation of shops in the more mature markets and an expansion in countries where the Group's presence is still limited but developing positively.

	06-30-2022		**12-31-2021**		**I half 2022**		
	Geox Shops	**of which DOS**	**Geox Shops**	**of which DOS**	**Net Openings**	**Openings**	**Closings**
Italy	195	123	200	128	(5)	1	(6)
Europe (*)	209	117	210	117	(1)	4	(5)
North America	18	18	20	20	(2)	0	(2)
Other countries (**)	323	79	338	85	(15)	9	(24)
Total	**745**	**337**	**768**	**350**	**(23)**	**14**	**(37)**

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

(**) Includes Under License Agreement Shops (107 as of June 30 2022, 114 as of December 31 2021). Sales from these shops are not included in the franchising channel.

Cost of sales and gross margin

The cost of sales was equal to 52.7% of sales, compared with the 52.1% recorded in the first half of 2021, producing a gross profit of 47.3% (47.9% in the first half of 2021).

The margin evolution was particularly impacted by the difficult situation in the entire supply chain and port congestion, which led to greater use of air travel (approximately +8 million, or approximately 240 basis points of negative impact on the margin). The good sales trend and the reduction in average markdowns during the period, combined with a favourable channel mix, made it possible to limit the final impact on the annual margin trend.

Operating costs and Operating Income (EBIT)

Total operating costs (general and administrative costs, selling and distribution costs, and A&P) amounted to EUR 172.0 million in the half-year, compared to EUR 156.1 million in the first half of 2021.

In particular:

- Selling and distribution costs amounted to EUR 18.5 million compared to EUR 17.8 million in 1H21. This result is a consequence of the higher level of turnover achieved in the half-year, the incidence of these costs on turnover in fact falling to 5.4% compared to 6.7% in the previous year.
- General and administrative costs amounted to Euro 138.2 million compared to Euro 125.6 million in 1H21. It should be noted that in the first half of 2021, there were positive extraordinary items related to the difficult pandemic situation (social safety nets, renegotiation of rents, government supports) in the amount of approximately Euro 17.1 million. These components in the first half of 2022 decreased to EUR 2.6 million as a result of a gradual improvement in the health situation and the absence of lockdowns. Excluding these components, general and administrative costs are thus essentially stable year-on-year.

- Advertising and promotion expenses amounted to Euro 15.2 million, up from Euro 12.6 million in the corresponding period of the previous year and related to the increased marketing initiatives undertaken and included in the Business Plan.

The gross operating result was Euro 25.5 million (7.5% of sales), compared to euro 9.5 million in 1H21. On the other hand, EBITDA before application of IFRS 16 accounting standards is essentially break-even (-18.4 million in 1H21).

The operating result (EBIT) amounted to EUR -11.0 million, a strong improvement from EUR -29.2 million in 1H21 2021, mainly supported by the increase in revenue and the maintenance of costs.

Income taxes and tax rate

It should be noted that the value of taxes is affected by the prudent non-recognition of deferred tax assets in the amount of about €7.4 million, relating to tax losses generated in the first half of 2022 (€11.5 million in the first half of 2021) for which, at the date of this report, there is no reasonable certainty that taxable income, over the 2022-2024 Strategic Plan horizon, will allow for their recovery, in addition to the deferred tax assets already recognised in the financial statements.
These considerations are also reinforced by the extreme complexity of the international geo-political situation, the high cost of energy and the resurgence of Covid-19, which lead management to take an extremely cautious stance with reference to the evolution of the business in the second half of the year and the advisability of allocating part of the deferred tax assets on losses already in the half-year.

IFRS 16 effects on first half 2022 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 2022 Reported	IFRS 16 impact	I half 2022 excl. IFRS 16	%	I half 2021 excl. IFRS 16	%
Net sales	**340,589**	**-**	**340,589**	**100.0%**	**264,040**	**100.0%**
Cost of sales	(179,355)	-	(179,355)	(52.7%)	(137,534)	(52.1%)
Gross profit	**161,234**	**-**	**161,234**	**47.3%**	**126,506**	**47.9%**
Selling and distribution costs	(18,526)	(576)	(19,102)	(5.6%)	(18,400)	(7.0%)
General and administrative expenses	(138,199)	(942)	(139,141)	(40.9%)	(127,758)	(48.4%)
Advertising and promotion	(15,232)	(128)	(15,360)	(4.5%)	(12,752)	(4.8%)
Operating result	**(10,723)**	**(1,646)**	**(12,369)**	**(3.6%)**	**(32,404)**	**(12.3%)**
Restructuring charges	(285)	-	(285)	(0.1%)	304	0.1%
EBIT	**(11,008)**	**(1,646)**	**(12,654)**	**(3.7%)**	**(32,100)**	**(12.2%)**
Net interest	(4,359)	1,816	(2,543)	(0.7%)	(2,212)	(0.8%)
PBT	**(15,367)**	**170**	**(15,197)**	**(4.5%)**	**(34,312)**	**(13.0%)**
Income tax	(4,278)	-	(4,278)	(1.3%)	(3,657)	(1.4%)
Tax rate	*n.a.*	*n.a.*	*n.a.*		*n.a.*	
Net result	**(19,645)**	**170**	**(19,475)**	**(5.7%)**	**(37,969)**	**(14.4%)**
EBITDA adjusted	**25,466**	**(25,715)**	**(249)**	**(0.1%)**	**(18,364)**	**(7.0%)**

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

- elimination of depreciation relating to Right-of-use assets for Euro 24,069 thousand;
- higher rent and lease costs for Euro 25,715 thousand;
- lower financial charges relating to financial lease liabilities for Euro 1,816 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, 2022	Dec. 31, 2021	June 30, 2021
Intangible assets	30,971	31,853	33,084
Property, plant and equipment	36,545	35,873	46,711
Right-of-use assets	210,956	203,674	216,350
Other non-current assets - net	28,136	36,567	41,072
Total non-current assets	**306,608**	**307,967**	**337,217**
Net operating working capital	**94,303**	**112,435**	**168,891**
Other current assets (liabilities), net	**(17,198)**	**(10,219)**	**(6,213)**
Net invested capital	**383,713**	**410,183**	**499,895**
Equity	126,868	124,582	140,648
Provisions for severance indemnities, liabilities and charges	8,144	8,908	9,703
Net financial position	248,701	276,693	349,544
Net invested capital	**383,713**	**410,183**	**499,895**

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

(Thousands of Euro)	June 30, 2022	Dec. 31, 2021	June 30, 2021
Inventories	262,203	240,320	292,929
Accounts receivable	88,157	68,927	89,559
Trade payables	(256,057)	(196,812)	(213,597)
Net operating working capital	**94,303**	**112,435**	**168,891**
% of sales for the last 12 months	***13.8%***	***18.5%***	***30.4%***
Taxes payable	(7,685)	(10,079)	(9,730)
Other non-financial current assets	22,209	31,025	34,784
Other non-financial current liabilities	(31,722)	(31,165)	(31,267)
Other current assets (liabilities), net	**(17,198)**	**(10,219)**	**(6,213)**

Net working capital amounted to approximately 94 million, down from both 112 million in December 2021 and 169 million in June 2021. The reduction is due to a positive performance of all its components. Inventory decreased by approximately 31 million compared to the first half of 2021 mainly due to the disposal of unsold inventory from previous seasons. The upturn in business also experienced by our customers allowed for a good trend in collections with a reduction in receivables in the balance sheet of about 1.4 million. Lastly, payables to suppliers increased by about Euro 43 million as a consequence of new purchases for future seasons. As a result, the ratio of net operating working capital to revenues has improved significantly and decreased to 13.8% (18.5% at the end of December 2021 and 30.4% at the end of June 2021).

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

(Thousands of Euro)	June 30, 2022	Dec. 31, 2021	June 30, 2021
Cash and cash equivalents	26,531	45,655	51,233
Current financial assets - excluding derivatives	3,225	2,831	2,386
Bank borrowings and current portion of long-term loans	(44,353)	(48,954)	(68,254)
Current financial liabilities - excluding derivatives	(121)	(25)	(57)
Net financial position - current portion	**(14,718)**	**(493)**	**(14,692)**
Non-current financial assets	26	26	24
Long-term loans	(67,978)	(82,389)	(98,010)
Net financial position - non-current portion	**(67,952)**	**(82,363)**	**(97,986)**
Net financial position - prior to fair value adjustment of derivatives and IFRS 16 impact	**(82,670)**	**(82,856)**	**(112,678)**
Lease liabilities	(217,671)	(212,374)	(241,306)
Net financial position - prior to fair value adjustment of derivatives	**(300,341)**	**(295,230)**	**(353,984)**
Fair value adjustment of derivatives	51,640	18,537	4,440
Net financial position	**(248,701)**	**(276,693)**	**(349,544)**

The combination of the rationalisation actions undertaken and the positive trend of sales in the direct channel from reopenings, made it possible to keep the net financial position under control, which at the end of June stood (before IFRS 16 and after the fair value of derivative contracts) at EUR -31.0 million (EUR -64.3 million at December 2021 and EUR -108.2 million at June 2021). Net liabilities to banks alone amounted to EUR -82.7 million (EUR -82.9 million as at December 2021 and EUR -112.7 million as at June 2021).

It should be noted that the Group has effectively completed the renegotiation, due to Covid-19, of rents with real estate properties, and only a few agreements remain to be finalised. The overdue portion of rents suspended or partially paid as at 30 June 2022 fell to EUR 1.9 million (from around EUR 4.1 million at the end of December 2021 and around EUR 14 million as at 31 December 2020).

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, 2022 and those excluding accounting effects, deriving from the application of IFRS 16, is presented below:

(Thousands of Euro)	**June 30, 2022**	**IFRS 16 impact**	**June 30, 2022 excluding IFRS 16**	**December 31, 2021 excluding IFRS 16**	**June 30, 2021 excluding IFRS16**
Intangible assets	30,971	408	31,379	32,314	33,444
Property, plant and equipment	36,545	1,046	37,591	36,672	46,711
Right-of-use assets	210,956	(210,956)	-	-	-
Other non-current assets - net	28,136	-	28,136	36,567	40,482
Total non-current assets	**306,608**	**(209,502)**	**97,106**	**105,553**	**120,637**
Net operating working capital	**94,303**	**(1,927)**	**92,376**	**108,325**	**154,573**
Other current assets (liabilities), net	**(17,198)**	**-**	**(17,198)**	**(10,219)**	**(6,213)**
Net invested capital	**383,713**	**(211,429)**	**172,284**	**203,659**	**268,997**
Equity	126,868	6,242	133,110	130,432	152,791
Provisions for severance indemnities, liabilities and charges	8,144	-	8,144	8,908	7,968
Net financial position	248,701	(217,671)	31,030	64,319	108,238
Net invested capital	**383,713**	**(211,429)**	**172,284**	**203,659**	**268,997**

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

- elimination of Right-of-use assets for Euro 210,956 thousand;
- reverse of the reclassification related overdue lease payables to Financial lease liabilities for an amount of Euro 1,927 thousand;
- elimination of Financial lease liabilities for an amount of Euro 217,671 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.

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 2022	I half 2021	2021
Net result	**(19,645)**	**(36,979)**	**(62,147)**
Depreciation, amortization and impairment	36,474	38,705	77,677
Other non-cash items	(20,127)	(5,103)	(19,449)
	(3,298)	**(3,377)**	**(3,919)**
Change in net working capital	37,522	12,888	81,087
Change in other current assets/liabilities	2,472	737	2,635
Cash flow from operations	**36,696**	**10,248**	**79,803**
Capital expenditure	(11,473)	(7,291)	(18,989)
Disposals	45	-	6,505
Net capital expenditure	**(11,428)**	**(7,291)**	**(12,484)**
Free cash flow	**25,268**	**2,957**	**67,319**
Increase in right-of-use assets	(28,265)	1,364	(4,015)
Change in net financial position	**(2,997)**	**4,321**	**63,304**
Initial net financial position - prior to fair value adjustment of derivatives	**(295,230)**	**(357,699)**	**(357,699)**
Change in net financial position	(2,997)	4,321	63,304
Translation differences	(2,114)	(606)	(835)
Final net financial position - prior to fair value adjustment of derivatives	**(300,341)**	**(353,984)**	**(295,230)**
Fair value adjustment of derivatives	51,640	4,440	18,537
Final net financial position	**(248,701)**	**(349,544)**	**(276,693)**

During the first half of the year, investments of Euro 11.4 million were made, compared to Euro 7.3 million in the first half of 2021, mainly related to the store restyling plan (Euro 4.0 million) aimed at improving performance and investments in IT (Euro 3.9 million).

Consolidated capital expenditure is analyzed in the following table:

(Thousands of Euro)	I half 2022	I half 2021	2021
Trademarks and patents	176	169	396
Opening and restructuring of Geox Shop	3,989	2,281	4,494
Production plant	-	55	-
Industrial plant and equipment	1,881	1,059	2,631
Logistic	1,238	258	1,347
Information technology	3,921	2,323	8,713
Offices furniture, warehouse and fittings	268	1,146	1,408
Total cash capex	**11,473**	**7,291**	**18,989**
Right-of-Use	28,667	(1,299)	4,015
Total capex	**40,140**	**5,992**	**23,004**

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 2022	IFRS 16 impact	I half 2022 excluding IFRS 16	I half 2021 excluding IFRS 16
Net result	**(19,645)**	**170**	**(19,475)**	**(37,969)**
Depreciation, amortization and impairment	36,474	(24,069)	12,405	13,736
Other non-cash items	(20,127)	-	(20,127)	(5,103)
Totale non-cash items	**(3,298)**	**(23,899)**	**(27,197)**	**(29,336)**
Change in net working capital	37,522	(2,183)	35,339	13,488
Change in other current assets/liabilities	2,472	-	2,472	140
Cash flow from operations	**36,696**	**(26,082)**	**10,614**	**(15,708)**
Capital expenditure	(11,473)	-	(11,473)	(7,291)
Disposals	45	-	45	-
Net capital expenditure	**(11,428)**	**-**	**(11,428)**	**(7,291)**
Free cash flow	**25,268**	**(26,082)**	**(814)**	**(22,999)**
(Increase)/decrease in right-of-use assets	(28,265)	28,265	-	-
Change in net financial position	**(2,997)**	**2,183**	**(814)**	**(22,999)**
Initial net financial position - prior to fair value adjustment of derivatives	**(295,230)**	**212,374**	**(82,856)**	**(89,792)**
Change in net financial position	(2,997)	2,183	(814)	(22,999)
Translation differences	(2,114)	3,114	1,000	113
Final net financial position - prior to fair value adjustment of derivatives	**(300,341)**	**217,671**	**(82,670)**	**(112,678)**
Fair value adjustment of derivatives	51,640	-	51,640	4,440
Final net financial position	**(248,701)**	**217,671**	**(31,030)**	**(108,238)**

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.

E-MARKET SDIR CERTIFIED

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 was 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, 2022, 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 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, 2022 a number of 6,763,559 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

A number of factors related to the current business trend must be taken into account when formulating the full-year forecast:

1) The DOS channel is showing to date (week 29) positively evolving comparable sales (LFL) (around +35% vs 2021 and almost in line with 2019) with a significant reduction in markdowns (around 4 points vs 2021 and 8 points vs 2019). Unlike the first half of the year, which had benefited from an easy comparison with the first half of 2021 (which had been particularly impacted by lockdowns and the consequent closure of a high percentage of shops, especially in Europe), the performance in the second half of the year will instead be compared with a more homogeneous basis as the entire network was substantially operational in the second half of 2021. Sales in July are still positive compared to both July 2021 (+8%) and July 2019 (+3%)

2) In the wholesale channel, after an excellent initial order collection for both the SS22 season (+25%) and the FW22 season (+26% and back to 2019 levels) it is assumed that in-season reorder levels can remain in line with the high levels experienced in the previous year. Therefore, as of today, on the basis of these elements it is believed that the channel can report annual growth of around +15% (and therefore close to 2019 levels). It should be noted that the Group, in order to offset the increase in raw material and transport costs, has revised upwards its price list for both the SS22 collection (approximately +4% on average for adults) and for FW22 (approximately +8% on average).

3) A certain pressure on margins continues to exist, albeit with an improvement, due to the critical nature of the supply chain, port congestion and the increased use of air freight in order to meet the delivery times agreed with some counterparties. The overall impact of these factors in the second half of the year can be estimated at about EUR 10 million of lower revenues and EUR 8 million of lower gross margin (EUR 5 million related to lower revenues and EUR 3 million related to the increase in air transport costs).

Based on these assumptions, the management confirms the announced top line guideline and therefore expects to report double-digit growth in annual revenues, which are expected to exceed EUR 700 million. This figure would remain attainable, although becoming challenging, even in the event that a solution to the Russia-Ukraine crisis is not found in the near future, with the consequent strong impact on business in those areas.

In terms of gross margin, we expect to recover in the second half of the year the gap reported in the first part of the year. This estimate is based on the assumption of a continuation of the careful management of markdowns implemented so far, on a gradual improvement of the situation on the supply chain, and finally on the fact that in the second half of 2021 there was a prolonged lockdown in Vietnam with consequent negative impacts on the margin. All this should result in a gross margin at the end of the year in line with that of 2021.

The Group's management is confident of achieving the Plan's targets in relation to sales and is continuing to take and reinforce all necessary actions to mitigate the impacts, through tight cost control, of lower-than-expected gross margin growth due to critical issues arising from the geo-political situation, the supply chain and the high energy price.

However, these forecasts on future performance are, by their very nature, subject to high uncertainty in view of the current pandemic and geo-political environment. In particular, they are based on the fundamental assumption that the impact of the pandemic will be gradually reabsorbed over the course of the year and on the hope that the aforementioned international tensions will find a swift diplomatic settlement.

Biadene di Montebelluna, July 28, 2022

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

CONSOLIDATED FINANCIAL STATEMENTS AND EXPLANATORY NOTES

Consolidated income statement

(Thousands of Euro)	Notes	I half 2022	of which related party	I half 2021	of which related party	2021	of which related party
Net sales	3-33	**340,589**	**552**	**264,040**	**480**	**608,915**	**898**
Cost of sales	33	(179,355)	18	(137,534)	951	(324,653)	529
Gross profit		**161,234**		**126,506**		**284,262**	
Selling and distribution costs		(18,526)		(17,768)		(37,659)	
General and administrative expenses	4-33	(138,199)	48	(125,644)	100	(262,691)	97
Advertising and promotion	33	(15,232)	(82)	(12,639)	(82)	(29,195)	(149)
Restructuring charges	8	(285)		304		351	
EBIT	3	**(11,008)**		**(29,241)**		**(44,932)**	
Net financial expenses	9-33	(4,359)	(666)	(4,081)	(692)	(8,336)	(1,364)
PBT		**(15,367)**		**(33,322)**		**(53,268)**	
Income tax	10-33	(4,278)	-	(3,657)	(5)	(6,419)	(5)
Net result from continuing operations		**(19,645)**		**(36,979)**		**(59,687)**	
Net result from discontinued operations		-	-			(2,460)	1,155
Net result		**(19,645)**		**(36,979)**		**(62,147)**	
Earnings per share [Euro]	11	(0.08)		(0.14)		(0.24)	
Diluted earnings per share [Euro]	11	(0.08)		(0.14)		(0.24)	

Consolidated statement of comprehensive income

(Thousands of Euro)	I half 2022	of which related party	I half 2021	of which related party	2021	of which related party
Net income	**(19,645)**		**(36,979)**		**(62,147)**	
Other comprehensive income that will not be reclassified subsequently to profit or loss:						
- Net gain (loss) on actuarial defined-benefit plans	333	-	170	-	25	-
Other comprehensive income that may be reclassified subsequently to profit or loss:						
- Net gain (loss) on Cash Flow Hedge, net of tax	16,574	-	10,155	-	18,396	-
- Currency translation	4,061	-	(222)	-	(880)	-
Net comprehensive income	**1,323**		**(26,876)**		**(44,606)**	

Consolidated statement of financial position

(Thousands of Euro)	Notes	June 30, 2022	of which related party	Dec. 31, 2021	of which related party	June 30, 2021	of which related party
ASSETS:							
Intangible assets	12	30,971		31,853		33,084	
Property, plant and equipment	13	36,545		35,873		46,711	
Right-of-use assets	14	210,956		203,674		216,350	
Deferred tax assets	15	21,937		30,374		36,196	
Non-current financial assets	20	26		26		24	
Non-current lease assets	26	260		343		426	
Other non-current assets	16	7,985		7,754		8,407	
Total non-current assets		**308,680**		**309,897**		**341,198**	
Inventories	17	262,203		240,320		292,929	
Accounts receivable	18-33	88,157	604	68,927	907	89,559	1,451
Other non-financial current assets	19-33	22,209	1	31,025	67	34,784	221
Current financial assets	20-32	56,121		22,413		8,823	
Cash and cash equivalents	21	26,531		45,655		51,233	
Current assets		**455,221**		**408,340**		**477,328**	
Total assets		**763,901**		**718,237**		**818,526**	
LIABILITIES AND EQUITY:							
Share capital	22	25,921		25,921		25,921	
Reserves	22	120,592		160,808		151,706	
Net income	22	(19,645)		(62,147)		(36,979)	
Equity		**126,868**		**124,582**		**140,648**	
Employee severance indemnities	23	1,909		2,411		2,689	
Provisions for liabilities and charges	24	6,235		6,497		7,014	
Long-term loans	25	67,978		82,389		98,010	
Non-current lease liabilities	26-33	172,281	53,127	166,082	54,096	186,310	55,276
Other long-term payables	27	1,786		1,561		3,531	
Total non-current liabilities		**250,189**		**258,940**		**297,554**	
Trade payables	28-33	256,057	589	196,812	64	213,597	661
Other non-financial current liabilities	29	31,722		31,165		31,267	
Taxes payable	30	7,685		10,079		9,730	
Current financial liabilities	20-32	1,377		1,070		2,054	
Current lease liabilities	26-33	45,650	4,947	46,635	4,949	55,422	5,849
Bank borrowings and current portion of long-term loans	25	44,353		48,954		68,254	
Current liabilities		**386,844**		**334,715**		**380,324**	
Total liabilities and equity		**763,901**		**718,237**		**818,526**	

Consolidated statement of cash flows

(Thousands of Euro)	Notes	I half 2022	I half 2021	2021
CASH FLOW FROM OPERATING ACTIVITIES:				
Net result		**(19,645)**	**(36,979)**	**(62,147)**
Adjustments to reconcile net income to net cash provided (used) by operating activities:				
Depreciation and amortization and impairment	5-6	36,474	38,705	77,677
Other non-cash items		(20,127)	(5,103)	(19,449)
		16,347	**33,602**	**58,228**
Change in assets/liabilities:				
Accounts receivable		(10,671)	(7,126)	14,096
Other assets		5,133	(1,377)	2,222
Inventories		(10,858)	(19,249)	42,374
Accounts payable		59,051	39,263	24,617
Other liabilities		(182)	6,196	5,358
Taxes payable		(2,479)	(4,082)	(4,945)
		39,994	**13,625**	**83,722**
Operating cash flow		**36,696**	**10,248**	**79,803**
CASH FLOW USED IN INVESTING ACTIVITIES:				
Capital expenditure on intangible assets	12	(4,022)	(2,424)	(7,467)
Capital expenditure on property, plant and equipment	13	(7,451)	(4,867)	(11,372)
Capital expenditure on right-of-use assets		-	-	(150)
		(11,473)	**(7,291)**	**(18,989)**
Disposals		45	-	6,505
(Increase) decrease in financial assets		(281)	708	382
Cash flow used in investing activities		**(11,709)**	**(6,583)**	**(12,102)**
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES:				
Increase (decrease) in short-term bank borrowings, net		1,996	(2,502)	(1,861)
Lease liabilities repayment	26	(26,001)	(26,394)	(61,292)
Loans:				
- Proceeds		-	11,000	16,669
- Repayments		(21,040)	(18,148)	(59,549)
Cash flow used in financing activities		**(45,045)**	**(36,044)**	**(106,033)**
Increase (decrease) in cash and cash equivalents		**(20,058)**	**(32,379)**	**(38,332)**
Cash and cash equivalents, beginning of the period	21	**45,655**	**48,449**	**83,130**
Effect of translation differences on cash and cash equivalents		934	482	857
Cash and cash equivalents, end of the period	21	**26,531**	**16,552**	**45,655**
Supplementary information to the cash flow statement:				
- Interest paid during the period		3,669	3,379	6,736
- Interest received during the period		789	667	1,357
- Taxes paid during the period		92	1,390	3,352

Consolidated statement of changes in equity

(Thousands of Euro)	Share Capital	Legal reserve	Share Premium reserve	Transla-tion reserve	Cash flow Hedge Reserve	Stock option reserve	Retained earnings	Net income	Group Equity
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	-	-	-	-	-	1,980	-	-	1,980
Net comprehensive result	-	-	-	(880)	18,396	-	25	(62,147)	(44,606)
Balance at Dec. 31, 2021	**25,921**	**5,184**	**37,678**	**(4,418)**	**11,756**	**1,980**	**108,628**	**(62,147)**	**124,582**
Allocation of 2021 result	-	-	-	-	-	-	(62,147)	62,147	-
Stock option movements	-	-	-	-	-	963	-	-	963
Net comprehensive result	-	-	-	4,061	16,574	-	333	(19,645)	1,323
Balance at June 30, 2022	**25,921**	**5,184**	**37,678**	**(357)**	**28,330**	**2,943**	**46,814**	**(19,645)**	**126,868**

(Thousands of Euro)	Share Capital	Legal reserve	Share Premium reserve	Transla-tion reserve	Cash flow Hedge Reserve	Stock option reserve	Retained earnings	Net income	Group Equity
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)**	**316**	**3,515**	**108,773**	**(36,979)**	**140,648**

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, 2022. 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). IFRS also includes all revised International Accounting Standards ('IAS') and all interpretations of the International Financial Reporting Interpretations Committee ('IFRIC'), formerly known as the Standing Interpretations Committee ('SIC').

To facilitate comparison with the previous year, the accounting schedules provide comparative figures: at December 31, 2021 and for the I half of 2021 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.

Group performance in the first half of 2022: international tensions and Covid-19 impacts

As explained in Director’s Report, the results for the first half of 2022, albeit in a particularly complex context, show a significant improvement compared to last year, as a result of the gradual release of the initiatives envisaged in the Strategic Plan, consisting of two phases.
The first, “Focus on the core”, which was substantially completed in 2020-2021, carried out a thorough review of the business model aimed at full integration between the physical and digital channels and greater distribution consistency with consumer purchasing choices. During this phase, the Group carried out a significant rationalisation of non-profitable activities, which allowed it not only to structurally reduce its operating cost base (down 15% from pre-pandemic levels), but also to free up more resources to invest in the most crucial activities, such as marketing, digital and product innovation. It is precisely the combined effect of these actions that has allowed us to enter the 2022-2024 'Bigger & Better' growth focusing on: the relaunch of the brand and making it increasingly relevant to the consumer. The numbers we are reporting are not only in line with what was planned, but also comfort us on the goodness of the choices made. The strong improvement in turnover, while benefiting from an easy basis of comparison with the same period of 2021 that was particularly impacted by lockdowns, also drove the improvement in the Group's main economic indicators. All this despite the fact that the context is still extremely complicated, due to the international geo-political situation, the high cost of energy and the resurgence of Covid-19 mainly in the Far East.

It’s to be noted that Directors formalized their forecasts on the evolution of the business in the 2022-2024 Strategic Business Plan (hereinafter the "Business Plan"), which was approved by the Board of Directors on 1 December 2021. Following the performance in the first half of 2022, management believes that the main assumptions are still valid to support the assessments in this consolidated half-year report.

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; this belief is based on the first half 2022 performance, on the forecasts made in the Business plan, on the lines of credit currently available and not yet used and on the loans received from the banking system during 2020.

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, 2022 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, 2022".

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, 2022

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Group as of January 1st, 2022:

- Amendments to IFRS 3 Business Combinations: the purpose of the amendments is to update the reference in IFRS 3 to the Conceptual Framework in the revised version, without this entailing any changes to the provisions of the standard.
- Amendments to IAS 16 Property, Plant and Equipment: the amendments are intended to disallow the deduction from the cost of property, plant and equipment of the amount received from the sale of goods produced in the test phase of the asset itself. These sales revenues and related costs will therefore be recognised in the income statement.
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: the amendment clarifies that in estimating whether a contract is onerous, all costs directly attributable to the contract must be considered. Accordingly, the assessment of whether a contract is onerous includes not only incremental costs (such as, for example, the cost of direct material used in processing), but also all costs that the enterprise cannot avoid because it has entered into the contract (such as, for example, the portion of depreciation of machinery used to perform the contract).
- Annual Improvements 2018-2020: amendments were made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and Illustrative Examples of IFRS 16 Leases

All changes entered into force on January 1st, 2022. 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

- On May 18, 2017 IASB published IFRS 17 - Insurance Contracts which is intended to replace IFRS 4 - Insurance Contracts. The standard applies from 1 January 2023 but early application is permitted, only for entities that apply IFRS 9 - Financial Instruments and IFRS 15 - Revenue from Contracts with Customers.
- 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*". The changes will be applied from January 1st, 2023 but early application is permitted.

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

As at the date of this document, the competent bodies of the European Union have not yet completed the endorsement process necessary for the adoption of the amendments and standards described below.

- On January 23, 2020, IASB published an amendment entitled "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current".
- On May 7, 2021, IASB published an amendment entitled 'Amendments to IAS 12 Income Taxes: Deferred Tax Related to Assets and Liabilities arising from a Single Transaction'.
- On December 9, 2021, IASB published an amendment entitled 'Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information'.

E-MARKET SDIR CERTIFIED

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 applied and represent the rates available published by the Italian Bank, with the exception of the Russian Ruble exchange rate, which the ECB has decided to suspend publishing as from March 1st, 2022. As of that date, the Group considered the exchange rate published by WMR (World Market Reuters) in London. The exchange rates applied are the follows:

Descrizione delle valute	**Average 06-30-2022**	**As at 06-30-2022**	**Average 12-13-2021**	**As at 12-13-2021**	**Average 06-30-2021**	**As at 06-30-2021**
US Dollar	1.0940	1.0387	1.1835	1.1326	1.2057	1.1884
Swiss Franc	1.0320	0.9960	1.0814	1.0331	1.0943	1.0980
British Pound	0.8422	0.8582	0.8600	0.8403	0.8684	0.8581
Canadian Dollar	1.3905	1.3425	1.4835	1.4393	1.5040	1.4722
Japanese Yen	134.2987	141.5400	129.8575	130.3800	129.8117	131.4300
Chinese Yuan	7.0827	6.9624	7.6340	7.1947	7.7980	7.6742
Czech Koruna	24.6364	24.7390	25.6468	24.8580	25.8551	25.4880
Russian Ruble	84.0201	57.2385	87.2321	85.3004	89.6054	86.7725
Polish Zloty	4.6329	4.6904	4.5640	4.5969	4.5366	4.5201
Hungarian Forint	374.7123	397.0400	358.4635	369.1900	357.8540	351.6800
Macau Pataca	8.8175	8.3938	9.4748	9.0983	9.6382	9.5062
Serbian Dinar	117.5347	116.8255	117.5512	117.6165	117.5498	117.4597
Vietnam Dong	25,068.0000	24,170.0000	27,149.9167	25,819.0000	27,784.8333	27,358.0000
Indonesian Rupiah	15,803.6700	15,552.0000	16,928.5075	16,100.4200	17,225.5250	17,280.3000
Turkish Lira	16.2330	17.3220	10.4670	15.2335	9.5126	10.3210
Indian Rupia	83.3249	82.1130	87.4861	84.2292	88.4487	88.3240

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 Business Plan, 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 to be written off and thus the balance of tax assets that can be recognized considering the probability of adequate future taxable profits against which such losses can be utilised. 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 current 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 taking into account what already mentioned in previous section "Group performance in the first half of 2022: international tensions and Covid-19 impacts".
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 based on estimates that take into account the production season, the possibility of using the raw material in production and selling the finished products through the various distribution channels (outlets and stocks).

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 accrual 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.

We hereby inform that the parent company, Geox S.p.A., underwent an audit by the Guardia di Finanza, Economic and Financial Police Unit of Venice for the tax years 2016-2017-2018-2019-2020 in order to check compliance with the provisions of tax regulations for the purposes of VAT, income tax and other taxes.

The audit was concluded on June 27, 2022 with the notification of the relevant tax audit report (PVC). Faced with the findings contained in this document, the Company, as is its practice, reserved the right to provide the necessary clarifications within the envisaged timeframe, also through the filing of appropriate briefs, but already at the preliminary assessment stage, it emerges that, in the main findings made by the Guardia di Finanza, there are points that are highly questionable. To this end, the Company, supported by its tax advisors, believes that Geox S.p.A.'s actions are correct and that the position taken by the Guardia di Finanza in formulating the aforesaid findings is unfounded in fact and in law.

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 2022	%	I half 2021	%
Footwear	Net sales	308,139		245,357	
	EBIT	(9,067)	(2.9%)	(24,115)	(9.8%)
Apparel	Net sales	32,450		18,683	
	EBIT	(1,941)	(6.0%)	(5,126)	(27.4%)
	Net sales	**340,589**		**264,040**	
	EBIT	**(11,008)**	**(3.2%)**	**(29,241)**	**(11.1%)**

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

(Thousands of Euro)	**I half 2022**	**%**	**I half 2021**	**%**	**Var. %**
Italy	92,648	27.2%	64,370	24.4%	43.9%
Europe (*)	157,796	46.3%	121,355	46.0%	30.0%
North America	13,506	4.0%	10,430	4.0%	29.5%
Other countries	76,639	22.5%	67,885	25.7%	12.9%
Net sales	**340,589**	**100.0%**	**264,040**	**100.0%**	**29.0%**

(*) 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 2022	**I half 2021**	**Change**
Wages and salaries	50,599	41,253	9,346
Rental expenses	5,112	2,650	2,462
Other costs	84,791	87,515	(2,724)
Rental income	(647)	(757)	110
Other income	(1,656)	(5,017)	3,361
Total	**138,199**	**125,644**	**12,555**

The item Rental expenses includes costs related to short term leases, variable rents, service charges and lease contracts for which the underlying asset is classed as a "low-value assets".

Rental and lease expenses amount to Euro 5,112 thousand, compared to Euro 2,650 thousand of the first half 2021, and relate to the shops, offices and industrial property leased by the Group. The increase shown in the first half of 2022 was mainly due to the lower rent concession as results of the negotiation with the landlords of the properties following the pandemic restrictions. It's to be noted that the Group began an important process to

negotiate with the main landlords of the properties for which it has operating leases in place; these negotiations have been completed between the end of 2020 and over the course of 2021. The ensuing economic benefits, recorded under the Rental 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 1,409 thousand (Euro 4,705 thousand in the first half 2021).
It should also be noted that the Group benefited from a government grant towards the rent costs incurred, for an amount of Euro 228 thousand (Euro 1,100 thousand in first half 2021).
In addition to the benefits explained. the item includes service charges for an amount of Euro 3,420 thousand (Euro 3.628 in first half 2021), variable rents for an amount of Euro 1,532 thousand (Euro 1,592 thousand in first half 2021), short term leases for Euro 1,067 thousand (Euro 2,399 thousand in first half 2021) and lease contracts for which the underlying asset is classed as a "low-value assets" for an amount of Euro 730 thousand (Euro 836 thousand in first half 2021).

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 2022	I half 2021	Change
Industrial depreciation	1,902	2,954	(1,052)
Non-industrial depreciation and amortization	34,572	35,751	(1,179)
Total	**36,474**	**38,705**	**(2,231)**

Amortization and depreciation amount to Euro 36,474 thousand, on which Euro 24,069 thousand following the application of the IFRS 16 accounting standard.

The increase in payroll costs compared to the previous year is mainly due to lesser use of forms of government aids implemented by the governments to address the exceptional circumstances of Pandemic, partially offset by the reduction of employees, following the restructuring of some subsidiaries and the rationalization of the store network managed directly by the Group (23 net closures in the first half of 2022).

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

As explained in the Directors' Report, the results for the first half of 2022, albeit in a still extremely complex context, show a strong improvement over the same period last year, with significant growth in revenues across all distribution channels, confirming the good health of the brand. However, the main financial indicators such as the net financial position and working capital remain under control, even in this context of significant growth in revenues.

The combination of these results, achieved in a scenario characterized by the tragic situation in Ukraine, the difficult pandemic situation in Asia, the continuation of severe criticalities in the entire production chain and strong pressure on costs, while benefiting from the comparison with a first part of 2021 penalised by the restrictions linked to the pandemic, represent the first important evidence of the soundness of the strategic choices made with the new 2022-2024 Strategic Plan and further confirm the path undertaken. In this context, the Directors look with further confidence to the medium-long term prospects aimed at establishing a streamlined, omnichannel business model focused on the centrality of customers and distribution.

In accordance with regulators' guidelines, when drawing up the report as at December 31, 2021, Directors therefore carried out an impairment test in order to analyse the recoverable value of Group's assets. Please note that the impairment test was carried out based on the cash flows deriving from the forecasts contained in the "Business plan 2022-2024", prepared and approved by the Board of Directors on December 1st, 2021 and also used for the purposes of the assessment relating to the 2021 financial statements.

The Group's transformation process consisted of two stages: the first "Focus on the Core" (2020-2021) strongly rationalised and deeply transformed the business model to fully integrate the physical and digital channels and create greater coherence with consumers' purchasing choices; the second "Bigger and Better" (2022-2024) which, by leveraging the initiatives in place, seeks to increase the importance of the brand's values, the consumer audience and the Group's profitability.

The Plan strategy leads to defining the following Group objectives which are considered by the Directors to be still valid at the date of approval of the draft financial statements for 2021:

1. Sales: the Group expects to achieve turnover of over Euro 800 million in 2024, with an annual average growth rate of 11% (CAGR slightly up on 2019). The quality of turnover and digital investments will be the drivers for the evolution of the business.
   Digital revenues represent the Group's main growth driver and will reach around 30% of total turnover (from 17% in 2019) in line with market trends. This growth, which will offset the decrease in turnover as a consequence of the planned rationalisation of physical stores, will be made possible by important IT investments and by the growth in the digital perimeter. More limited growth is forecast for the online channels of multi-brand customers where qualitative and profitability guidelines will prevail;
2. Operating costs: The significant rationalisation undertaken between 2020 and 2021 will enable an important increase in the efficiency of the business model. It is forecast that operating costs (general and administrative expenses and distribution and sale costs) will account for 40.7% of turnover in 2024 with a fall of around 6 percentage points compared to 2019 (46.6% of turnover);
3. Ebit margin: It is expected that EBIT may reach a level of around 5-6% of turnover in 2024 (operational breakeven in 2019). This improvement will essentially derive from the aforementioned cost-efficiency and from an increase in gross margin (+100 basis points compared to 2019). This will make it possible also to finance the higher investment in marketing activities (forecast to increase by around 200 basis points compared to 2019);
4. Investments: The 2022-2024 plan forecasts total investments of around Euro 70/80 million mainly related to IT projects (35% of the total), to improving the network of stores, and to projects for integrated logistics and a shared warehouses for all sales channels;
5. Net financial position (before IFRS 16 and before fair value of hedging derivatives) is expected at the end of the plan, in 2024, to be around Euro -20/-30 million (from around Euro -100 million expected at the end of 2021), with cash flow generated to the tune of Euro 70 million mainly from economics.

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 part of the Business Plan, the shop network is expected to remain substantially stable (2021-2024), but with further optimisation of directly operated shops in Italy and Europe, which will be more than offset by new openings of non-operated franchise shops, especially in Eastern Europe. For the shops existing at the reporting date, a gradual recovery in sales is expected for 2022 compared to 2019, linked to a first half still impacted by a sharp drop in traffic and a recovery expected with the Fall/Winter Season. The growth forecast for the period 2022-2024 foresees an average CAGR of 2% in relation to the 2019 figures.
For each store, the forecast period is in line with the expected duration of the relative lease agreement, making the necessary projections to cover the years following said forecast time frames.
In order to calculate the current value, future cash flows obtained in this way 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 6.23% and 8.77%).
As a result of the analysis performed, the provision set aside at December 31, 2021 was substantially sufficient with respect to the needs emerging from the impairment tests. Basically, the alignment of values carried out at year-end, based on expected business forecasts, was fully confirmed. The reorganisation process described is now nearing completion and, together with the described good performance of the period in terms of revenues

and recovery of profitability, allowed not further impairment risks to be recognised, based on the current trend and basic assumptions.

The total impairment provision allocated to adjusting fixed assets as of June 30, 2022 was Euro 6,848 thousand, while it was Euro 8,415 thousand as of December 31, 2021. The reduction compared to the previous year is mainly attributable to the closure of certain points of sale managed directly by the Group.

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. For the purposes of the impairment test, a five-year time period was taken into consideration, hypothesizing that the trend recorded in 2024 shall continue into 2025 and 2026, and projecting a growth rate ("g" rate) of 1.71%.

The discount rate is calculated using the weighted average cost of capital ("WACC"), i.e. by weighting the expected rate of return on invested capital, net of funding costs, for a sample of companies operating in the same sector. The calculation took into account the changed economic scenario compared with the previous year, as well as the consequent implications in terms of interest rates. The WACC was calculated as being equal to 7.61%.

As a result, the impairment test shows a positive coverage, sufficient to support the Group's net invested capital and goodwill and, therefore, no further write-downs are necessary compared to those already accounted for in previous years with reference to the impairment test on shops.

The Group also completed the usual sensitivity analyses, as required by IAS 36, in order to highlight any effects that a reasonable change in the basic assumptions (WACC and growth rates) would have on the "value in use". The sensitivity analysis carried out on "intermediate" scenario shows that, in order to make the "value in use" equal to the value of net invested capital (break-even hypothesis), the following parameters would need to change, considered individually and if nothing else changes: i) a WACC increase to 12.47%, ii) a "g" growth rate used in the terminal value of less than 0; and iii) a reduction in Gross Operating Profit (EBITDA pre IFRS 16) in the explicit period of approximately 30%.

7. Personnel

The average number of employees is shown below:

	I half 2022	I half 2021	Change
Managers	42	46	(4)
Middle managers and office staff	864	909	(45)
Shop employees	2,051	2,111	(60)
Factory workers	2	1,233	(1,231)
Total	**2,959**	**4,299**	**(1,340)**

The average number of employees for first half 2022 amounted to 2,95, showing a reduction of 1,340 employees compared with first half 2021, mainly due to closure of the production plant in Serbia.

8. Restructuring charges (income)

In the first half of 2022, the item showed a cost of 0.3 million, compared to an income of Euro 0.3 million of the first half of 2021. This item includes, for 2022, the costs incurred for the rationalization of the distribution network, instead, for the first half of 2021, the income related to the closure of the Canadian restructuring procedure (NoI), which more than offset the costs related to organizational restructuring.

9. Net financial expenses

This item is made up as follows:

	I half 2022	I half 2021	Change
Interest income	1,197	1,418	(221)
Interest expense	(6,186)	(5,558)	(628)
Exchange differences	630	59	571
Total	**(4,359)**	**(4,081)**	**(278)**

Interest income is made up as follows:

	I half 2022	I half 2021	Change
Interest from banks	55	18	37
Interest from customers	64	20	44
Other interest income	1,078	1,380	(302)
Total	**1,197**	**1,418**	**(221)**

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 2022	I half 2021	Change
Bank interest and charges	46	23	23
Interest on loans	610	722	(112)
Interest on leases	1,842	1,961	(119)
Other interest expense	2,032	1,529	503
Financial discounts and allowances	1,656	1,323	333
Total	**6,186**	**5,558**	**628**

The decrease in “Interest on loans” is mainly due to the reduction 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 1.71%. 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 2022	I half 2021	Change
Exchange gains	27,181	11,597	15,584
Exchange losses	(26,551)	(11,538)	(15,013)
Total	**630**	**59**	**571**

10. Income taxes

Income taxes for first half 2022 are equal to Euro 4.3 million, compared to Euro 3.6 million of the first half 2021. These costs in both financial periods did not have a corresponding monetary outlay, as these account for changes in deferred tax assets reflected in the financial statements, primarily due to temporary differences in provisions.

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 2022	%	I half 2021	%
PBT	(15,367)	100.0%	(33,322)	100.0%
Theoretical income taxes (*)	(3,688)	24.0%	(7,997)	24.0%
Effective income taxes	4,278	n.a.	3,657	n.a.
Difference due to:	**7,966**	**n.a.**	**11,654**	**n.a.**
1) different tax rates applicable in other countries	98	n.a.	69	n.a.
2) permanent differences:				
i) IRAP and other local taxes	350	n.a.	274	n.a.
ii) writedowns of deferred tax asset	7,407	n.a.	11,474	n.a.
iii) previous years' taxes and other taxes	111	n.a.	(163)	n.a.
Total difference	**7,966**	**n.a.**	**11,654**	**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 non-recognition of deferred tax assets equal to approximately Euro 7.4 million (Euro 11.5 million in the first half of 2021), referring to the tax losses generated during the first half 2022 in relation to which, as at the date of this report, there is no reasonable certainty that taxable income, over the 2022-2024 Business Plan horizon, will allow for their recovery, in addition to the deferred tax assets already recognised in the financial statements.

These considerations are also reinforced by the extreme complexity of the international geo-political situation, the high cost of energy and the resurgence of Covid-19, which lead management to take an extremely cautious stance with reference to the evolution of the business in the second half of the year and the advisability of allocating part of the deferred tax assets on losses already in the half-year.

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 2022	**I half 2021**
Earning/(Loss) per share (Euro)	(0.08)	(0.14)
Diluted earning/(loss) per share (Euro)	(0.08)	(0.14)
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, 2022	**Balance at Dec. 31, 2021**	**Change**
Industrial patents and intellectual property rights	13,975	14,800	(825)
Trademarks, concessions and licenses	269	298	(29)
Key money	13,073	14,050	(977)
Assets in process of formation and payments on account	2,516	1,567	949
Goodwill	1,138	1,138	-
Total	**30,971**	**31,853**	**(882)**

The following table shows the changes in intangible assets during first half of 2022:

	12-31-21	Purchases and capital.	Transl. Dif.	Amort./ write-down	Dispo-sals	Other Chan-ges	06-30-22
Intangible assets with finite useful life:							
Industrial patents and intellectual property rights	14,800	2,602	5	(3,889)	-	457	13,975
Trademarks, concessions and licenses	298	9	-	(38)	-	-	269
Key money	14,050	5	58	(1,055)	15	-	13,073
Other intangible assets	-	-	-	-	-	-	-
Assets in process of formation and payments on account	1,567	1,406	-	-	-	(457)	2,516
Intangible assets with an indefinite useful life:							
Goodwill	1,138	-	-	-	-	-	1,138
Total intangible assets	**31,853**	**4,022**	**63**	**(4,982)**	**15**	**-**	**30,971**

Investments during the period mainly concern:

- personalization of the IT system and software utilization licenses for a total of Euro 2,434 thousand;
- assets in process of formation 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, 2022	Balance at Dec. 31, 2021	Changes
Plant and machinery	3,678	3,191	487
Industrial and commercial equipment	3,358	2,746	612
Other assets	10,172	10,506	(334)
Leasehold improvements	18,540	18,881	(341)
Construction in progress and payments on account	797	549	248
Total	**36,545**	**35,873**	**672**

The following table shows the changes in property, plant and equipment during first half of 2022:

	12-31-21	Purchases and capital.	Transl. Dif.	Amort./ write-down	Disposals	Other Changes	06-30-22
Plant and machinery	3,191	1,057	-	(548)	(22)	-	3,678
Industrial and commercial equipment	2,746	1,928	1	(1,311)	(5)	(1)	3,358
Other assets	10,506	1,674	308	(2,234)	(84)	2	10,172
Leasehold improvements	18,881	2,311	331	(3,123)	(100)	240	18,540
Construction in progress and payments on account	549	481	8	-	-	(241)	797
Total	**35,873**	**7,451**	**648**	**(7,216)**	**(211)**	**-**	**36,545**

Investments during the period mainly concern:

- The purchase of industrial equipment (mainly molds for shoe soles) by the parent company Geox S.p.A.;
- Geox shop, office and head office fittings and hardware;
- leasehold improvements relate to industrial buildings and offices for Euro 114 thousand and to premises fitted out as Geox Shop for Euro 2,197 thousand;
- Construction in progress item mainly includes the sums paid to purchase furnishings for stores that will be converted into Geox Shops and to the amounts paid for work being carried out at the parent company's headquarters.

Other assets are made up as follows:

	Balance at June 30, 2022	Balance at Dec. 31, 2021	Change
Electronic machines	3,117	3,490	(373)
Furniture and fittings	6,695	6,579	116
Motor vehicles and internal transport	360	437	(77)
Total	**10,172**	**10,506**	**(334)**

14. Right-of-use assets

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

	Balance at June 30, 2022	Balance at Dec. 31, 2021	Change
Right-of-use - Apartments	464	491	(27)
Right-of-use - Building	209,721	202,242	7,479
Right-of-use - Cars and Trucks	771	941	(170)
Total Right-of-use	**210,956**	**203,674**	**7,282**

The following table shows the changes in Right-of-use assets during first half of 2022:

	12-31-21	Net increases	Translation differences	Amort./write-down	06-30-22
Right-of-use assets	**203,674**	28,667	2,891	(24,276)	**210,956**

The increases refer to new lease contracts signed over the course of first half 2022, 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, 2022	Balance at Dec. 31, 2021	Change
Carry-forward tax losses	5,140	5,178	(38)
Depreciation and amortization and impairment	5,796	6,189	(393)
Provision for obsolescence and slow-moving inventory and returns	12,107	12,948	(841)
Provision for agents' severance indemnities	498	526	(28)
Other	7,624	9,459	(1,835)
Deferred tax assets	**31,165**	**34,300**	**(3,135)**
Depreciation and amortization	(179)	(179)	-
Evaluation derivates	(8,947)	(3,713)	(5,234)
Other	(102)	(34)	(68)
Deferred tax liabilities	**(9,228)**	**(3,926)**	**(5,302)**
Total deferred taxes	**21,937**	**30,374**	**(8,437)**

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 as described in note 6 and 10.

The deferred tax assets on carry-forward tax losses mainly relate 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.

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 8,947 thousand (Euro 3,713 thousand in December 31, 2021).

Deferred tax assets included in "Other" are mainly related to the provisions for liabilities and charges (note 24 and note 29) and to the bad debt provision (note 18).

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, 2022	Balance at Dec. 31, 2021	Change
Accounts receivable from others in 1 to 5 years	6,956	6,696	260
Accounts receivable from others in more than 5 years	1,029	1,058	(29)
Total	**7,985**	**7,754**	**231**

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, 2022	Balance at Dec. 31, 2021	Change
Raw materials	4,460	6,620	(2,160)
Finished products and goods for resale	257,493	233,482	24,011
Furniture and fittings	250	218	32
Total	**262,203**	**240,320**	**21,883**

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 14,255 thousand (Euro 13,935 thousand as at December 31, 2021).

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	**27,053**
Provisions	22,609
Translation differences	528
Utilizations	(26,346)
Balance at June 30	**23,844**

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

It should be noted that the reduction in gross inventories of finished products, as well as the related write-down provision, is mainly related to the sale of unsold goods from previous seasons.

18. Accounts receivable

Accounts receivable are made up as follows:

	Balance at June 30, 2022	Balance at Dec. 31, 2021	Change
Gross value	107,841	95,771	12,070
Provision for bad and doubtful accounts	(19,684)	(26,844)	7,160
Net value	**88,157**	**68,927**	**19,230**

Accounts receivable amounted to Euro 107,841 thousand at June 30, 2022.

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, 2022	75,118	14,159	3,293	15,271	**107,841**
Gross value of trade receivables at December 31, 2021	59,352	12,579	2,430	21,410	**95,771**

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, 2022 represents a prudent estimate of the current collection risk. Changes in the provision during the year are as follows:

Balance at January 1	**26,844**
Provisions	119
Translation differences	52
Utilizations	(7,331)
Balance at June 30	**19,684**

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. It should be noted that the reduction in gross inventories of finished products, as well as the related write-down provision, is mainly related to the sale of unsold goods from previous seasons.

19. Other non-financial current assets

This item is made up as follows:

	Balance at June 30, 2022	Balance at Dec. 31, 2021	Change
Tax credits	2,955	3,815	(860)
VAT recoverable	8,079	10,922	(2,843)
Advances to vendors	2,872	2,617	255
Other receivables	4,111	9,423	(5,312)
Accrued income and prepaid expenses	4,192	4,248	(56)
Total	**22,209**	**31,025**	**(8,816)**

Other receivables include:

- Euro 557 thousand due from a credit insurance representing the value of claims assigned for which reimbursement has not yet been received;
- Euro 1,364 thousand related to grants received by Austrian administration in order to support the subsidiary during the pandemic situation.

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, 2022	Balance at Dec. 31, 2021	Change
Term bank deposits	26	26	-
Total non current financial assets	**26**	**26**	**-**
Fair value derivative contracts	52,896	19,582	33,314
Other current financial assets	3,225	2,831	394
Total current financial assets	**56,121**	**22,413**	**33,708**
Fair value derivative contracts	(1,256)	(1,045)	(211)
Other current financial liabilities	(121)	(25)	(96)
Total current financial liabilities	**(1,377)**	**(1,070)**	**(307)**

The term bank deposits of Euro 26 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 26,531 thousand, mainly referring to the parent company Geox S.p.A., relates to short term deposits for Euro 2,800 thousand, a current account in Euro for Euro 12,535 thousand, a current account in US Dollars for Euro 2,860 thousand, a current account in Russian Ruble for Euro 1,963, a current account in British Pound for Euro 1,770 thousand, in Chinese Yuan for Euro 1,042 thousand, in Zloty for Euro 702 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, 2022	Balance at Dec. 31, 2021	Change
Legal reserve	5,184	5,184	-
Share premium reserve	37,678	37,678	-
Translation reserve	(357)	(4,418)	4,061
Reserve for cash flow hedges	28,330	11,756	16,574
Reserve for stock options	2,943	1,980	963
Retained earnings	46,814	108,628	(61,814)
Total	**120,592**	**160,808**	**(40,216)**

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, 2022. 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 2021 result.

Amounts are shown net of tax, where applicable.

23. Employee severance indemnities

Employee severance indemnities at June 30, 2022 amount to Euro 1,909 thousand, as shown in the following table:

Balance at December 31, 2021	**2,411**
Reversal of 0.50% withholding	(128)
Reversal of 17% flat-rate tax	(6)
Payments to supplementary pension schemes	(538)
Advances granted to employees	(245)
Provision for the period	1,868
Increase for new hires from other companies	24
Payments to supplementary pension schemes run by INPS net of amounts paid to leavers	(1,095)
Change as a result of actuarial calculations and other IAS 19 implications	(380)
Translation differences	(2)
Balance at June 30, 2022	**1,909**

Changes in the provision for severance indemnities during first half 2022 show a utilization of Euro 538 thousand for payments to supplementary pension funds and one of Euro 1,095 thousand for payments to supplementary pension schemes run by INPS, net of amounts paid to leavers. 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+): 2.63%
- rate of severance indemnities increase: 3.08%
- inflation rate: 2.10%

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, 2022:

Changes in assumptions	
+1% employee turnover rate	-
-1% employee turnover rate	-
+1/4% inflation rate	36
-1/4% inflation rate	(35)
+1/4% discount rate	(53)
-1/4% discount rate	56

24. Provisions for liabilities and charges

This item is made up as follows:

	Balance at Dec. 31, 21	Utiliza-tion	Provisions	Transl. dif.	Actuarial adj.	Balance at June 30, 22
Provision for agents' severance indemnities	4,992	(204)	56	(71)	(236)	4,537
Other	1,505	(107)	294	(1)	-	1,698
Total	**6,497**	**(311)**	**350**	**(72)**	**(236)**	**6,235**

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 354 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, 2022	Balance at Dec. 31, 2021	Change
Bank loans	67,833	-	10.439
Other loans	123	639	(516)
Total long terms loan	**67,978**	**82,389**	**(14,411)**
Cash advances	2,818	857	1,961
Loans	41,201	42,763	(1,562)
Advances against orders	-	5,000	(5,000)
Total bank borrowings short term	**44,019**	**48,620**	**(4,601)**
Other providers of funds	**334**	**334**	**-**
Total bank borrowings and current portion of long term loans	**44,353**	**48,954**	**(4,601)**

Overall the item shows a decrease of Euro 19,012 thousand compared to December 31, 2021.
The Group 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. It should be noted that, to date, the covenants have been met.
With particular focus on the measurement as of June 30, 2022, the covenants are being complied with: the Debt Ratio, as defined in the contract, is equal to euro 0.23 (it should have been less than 1 by contract). On the other hand, the Net Financial Position/EBITDA Ratio as of June 30, 2022, to be considered for information purposes only, turns out to be higher than the value indicated by the contract, as already forecasted when the contract was signed.

Furthermore, with reference to the next measurements, the Debt Ratio shall be less than 1.00 in 2022 and less than 0.75 from 2023. The Net Financial Position to EBITDA Ratio shall be less than 3.00 in December 2022, less than 2.75 in 2023 and less than 2.50 from 2024.
Based on the forecasts contained in Business Plan, it is believed that these financial indicators will also be met in the coming testing periods.

Other outstanding loans are not subject to financial covenants.

It should be noted that the Group did not resort to any suspension of 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, 2022	Balance at Dec. 31, 2021	Change
Long term lease assets – third parties	260	343	(83)
Total long term lease assets	**260**	**343**	**(83)**
Long term lease liabilities - third parties	119,154	111,986	7,168
Long term lease liabilities - related parties	53,127	54,096	(969)
Total long term lease liabilities	**172,281**	**166,082**	**6,199**
Short term lease liabilities - third parties	40,703	41,686	(983)
Short term lease liabilities - related parties	4,947	4,949	(2)
Total short term lease liabilities	**45,650**	**46,635**	**(985)**
Total lease liabilities	**217,671**	**212,374**	**5,297**

The following table shows the changes lease liabilities during first half 2022:

	12-31-21	Net increases	Translation Differences	Payments	06-30-22
Total Lease liabilities	**212,717**	28,265	2,950	(26,001)	**217,931**

It should be noted that the Group has almost completed the renegotiation, due to Covid-19, of rents with real estate properties, and only a few agreements remain to be finalised. The overdue portion of rents suspended or partially paid as at June 30, 2022 fell to Euro 1.9 million (from around Euro 4.1 million at the end of December 2021 and around Euro 14 million as at 31 December 2020).

The weighted average of the interest borrowing rate of the year is 1.71%.

27. Other long-term payables

This item is made up as follows:

	Balance at June 30, 2022	Balance at Dec. 31, 2021	Change
Guarantee deposits	373	392	(19)
Accrued expenses and deferred income	1,413	1,169	244
Total	**1,786**	**1,561**	**225**

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 revenue and grants pertaining to future years.

28. Trade payables

The item is made as follows:

	Balance at June 30, 2022	Balance at Dec. 31, 2021	Change
Accounts payable	220,172	160,666	59,506
Provision for returns	35,885	36,146	(261)
Total	**256,057**	**196,812**	**59,245**

Accounts payable at June 30, 2022 amount to Euro 220,172 thousand, showing an increase of Euro 59,506 thousand if compared with December 31, 2021.

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 30-120 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 2022 are as follows:

Balance at January 1	**36,146**
Provisions	27,559
Translation differences	842
Utilizations	(28,662)
Balance at June 30	**35,885**

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, 2022	Balance at Dec. 31, 2021	Change
Social security institutions	2,715	4,018	(1,303)
Employees	17,623	16,254	1,369
Provisions for liabilities and charges	743	806	(63)
Other payables	8,594	7,971	623
Accrued expenses and deferred income	2,047	2,116	(69)
Total	**31,722**	**31,165**	**557**

The amounts due to social security institutions mainly relate to pension contributions for first half 2022, paid in second half 2022.

The amounts due to employees include payroll, bonuses and accrued vacation not yet taken as of June 30, 2022.

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

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

30. Taxes payable

This item is made up as follows:

	Balance at June 30, 2022	Balance at Dec. 31, 2021	Change
Witholding taxes	2,408	3,232	(824)
VAT payable and other taxes	5,277	6,847	(1,570)
Total	**7,685**	**10,079**	**(2,394)**

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, 2022, the Group's indebtedness to the banking system amounts to Euro 111.9 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 333 thousand.

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 2022 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 the entire sector to face a significant one-off absorption of cash in 2020, in addition to the normal seasonality of the business.
In particular, the temporary closure of stores and the slowdown in receiving payments from wholesale and franchising clients led to a temporary negative cash flow during the second quarter. This was caused by the abnormal increase in working capital as a result of the lack of takings from stores, unsold stock and unpaid receivables. In 2021, on the contrary, part of this abnormal effect on working capital was reabsorbed.
With reference to the situation described above and the direct impacts on the assessment of liquidity risk, the Directors, considering the improved performance in the first half of 2022, do not believe that the effects of the aforementioned events are such as to undermine the Group's ability to fulfil its payment commitments, taking into consideration the lines of credit that are currently available but have not yet been used, as well as the new financing obtained from banks during 2020.
On this basis, the Company's Management has concluded that, despite the difficult economic and financial context, there is no uncertainty regarding the ability to continue operating as a going concern.

Fair value and related hierarchy

As at June 30, 2022 financial instruments are as follows:

	Notional value on 06-30-22	Fair value on 06-30-22 (debit)	Fair value on 06-30-22 (credit)	Notional value on 12-31-21	Fair value on 12-31-21 (debit)	Fair value on 12-31-21 (credit)
FX Forward buy agreements to hedge exch. rate risk	69,926	5,547	(7)	92,916	4,074	(165)
FX Forward sell agreements to hedge exch. rate risk	100,864	268	(1,249)	86,985	44	(816)
FX Currency Option agreem. to hedge exch. rate risk	413,979	45,412	-	295,780	15,464	-
Interest Rate Swap	67,500	1,669	-	67,500	-	(64)
Total financial assets/(liabilities)	**652,269**	**52,896**	**(1,256)**	**543,181**	**19,582**	**(1,045)**

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, 2022 are classified on Level 2. In first half 2022 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, 2022:

- 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 2022, Spring/Summer 2023 and Fall/Winter 2023.
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, 2022:

- 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, 2022, 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 2022 and 2021 are summarized below:

	Total I half 2022	**Parent company**	**Affiliated company**	**Total of which related parties**	**Effect on Total (%)**
Net sales	**340,589**	-	552	**552**	**0.2%**
Cost of sales	**(179,355)**	-	18	**18**	**(0.0%)**
General and administrative expenses	**(138,199)**	16	32	**48**	**(0.0%)**
Advertising and promotion	**(15,232)**	(82)	-	**(82)**	**0.5%**
Net financial expenses	**(4,359)**	(19)	(647)	**(666)**	**15.3%**

	Total I half 2021	**Parent company**	**Affiliated company**	**Total of which related parties**	**Effect on Total (%)**
Net sales	**264,040**	-	480	**480**	**0.2%**
Cost of sales	**(137,534)**	-	951	**951**	**(0.7%)**
General and administrative expenses	**(125,644)**	52	48	**100**	**(0.1%)**
Advertising and promotion	**(12,639)**	(82)	-	**(82)**	**0.6%**
Net financial expenses	**(4,081)**	(22)	(670)	**(692)**	**17.0%**
Income taxes	**(3,657)**	(5)	-	**(5)**	**0.1%**

The main effects on financial statement of the transactions with these parties at June 30, 2022 and at December 31, 2021 are summarized below:

	Balance at June 30, 22	**Parent company**	**Affiliated company**	**Total of which related parties**	**Effect of Total (%)**
Accounts receivable	**88,157**	19	585	**604**	**1.3%**
Other non-financial current assets	**22,209**	1	-	**1**	**0.2%**
Non-current lease liabilities	**172,281**	1,385	51,742	**53,127**	**32.6%**
Trade payables	**256,057**	123	466	**589**	**0.0%**
Current lease liabilities	**45,650**	319	4,628	**4,947**	**10.6%**

	Balance at Dec. 31, 21	Parent company	Affiliated company	Other related parties	Total of which related parties	Effect of Total (%)
Accounts receivable	**68,927**	52	855	-	**907**	**1.32%**
Other non-financial current assets	**31,025**	67	-	-	**67**	**0.22%**
Non-current lease liabilities	**166,082**	1,545	52,551	-	**54,096**	**32.57%**
Trade payables	**196,812**	39	24	1	**64**	**0.03%**
Current lease liabilities	**46,635**	353	4,596	-	**4,949**	**10.61%**

34. Commitments and contingent liabilities

The future rental payments under lease contracts, excluded from the application of IFRS 16, as of June 30, 2022 are as follows:

	06-30-2022
Within 1 year	7,916
Within 1-5 years	13,100
Beyond 5 years	2,681
Total	**23,697**

35. Significant subsequent events after June 30, 2022

The geo-political tensions concerning Russia and Ukraine are creating situations of severe international, humanitarian and social crisis with strong negative impacts first of all on the population, but also on their internal economic activity and trade in the area. These serious and extraordinary events, in terms of their nature and extent, have been added to those of Covid-19, causing repercussions at a global level on: i) supply chains with particular reference to the supply and prices of raw materials and energy; ii) the development of demand in international markets; iii) the trend of inflation rates with consequent restrictive monetary policies on interest rates; iv) the strengthening of the dollar due to risk aversion and the increase in rates.
Geox reported sales of approximately Euro 56 million in this area in 2021 (Euro 51 million in Russia and Euro 5 million in Ukraine). In both countries the business is mainly developed through third parties, wholesale and franchising (100% in Ukraine and 70% in Russia). In light of these serious events, the Group has already suspended in the past few months any new direct investments in Russia, withdrawn its European management, reduced orders from third parties where possible, and is managing the situation in the short term so as to be prepared to mitigate the impact of any future decisions concerning its presence in Russia. At the end of June, revenues in the area were substantially in line with the Plan and it is believed that, at year-end, they will be in line with the previous year and therefore without significant impacts. The situation of customers operating in this area is constantly monitored and has a low residual balance of Euro 3 million. Undepreciated investments, which mainly refer to Geox Group owned shops, amount to only Euro 1.7 million (net of IFRS 16). The value of inventories in the Russian territory amounts to Euro 14.0 million and the recoverability is monitored on the basis of expected flows, which so far have been in line with forecasts.
The Group has no suppliers or production plant in this area.
The company is part of the Golden Links project promoted by Banca Intesa and Caritas Italiana, and actively cooperates with the Civil Defence and the Ukrainian Embassy in Italy to provide basic necessities, such as clothing and footwear, to the local population and refugees in Italy.

In relation to the progress of the Covid-19 pandemic, it should be noted that to date all Group shops are operational despite the still unstable scenario that is still impacting tourist flows. During the second quarter, the increase in the number of infections in the Asian area led to the temporary closure of 19 shops in the Shanghai area for about two months.

The difficult health situation in the Far East actually prolonged the critical situation in the Group's supply chain. Overall, the production system is currently operational, albeit in a context characterised by a certain instability. On the one hand, all economic operators have experienced a lengthening of transport times by ship due to reduced frequency of departures and increased stops in order to optimise space. On the other hand, there are fewer opportunities to catch up on production delays with air transport due to the limited number of cargo and passenger flights. Furthermore, these factors have led and continue to lead to a substantial increase in freight and airfreight costs mainly to the Americas. In this context, the pressure on commodity, transport and energy prices continues to remain high.
In recent weeks, however, we are witnessing a gradual improvement in the Covid-19-related health situation in these areas. Overall, this situation should therefore hopefully allow for a gradual return to better shipping conditions and timing in the coming months.

***

Biadene, Montebelluna, July 28, 2022

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

Attachment 1

Biadene, Montebelluna, July 28, 2022

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 2022.

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, 2022 and for the first half 2022;

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, 2022

Name	Location	Year end	Currency	Share capital	% held Directly	% held Indirectly	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 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	127,400		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	101,577,316		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%
- XBalk D.O.O. Vranje	Vranje, Serbia	Dec. 31	RSD	1,200,000		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

Simone Maggi
ir@geox.com
ph. +39 0423 282476

Documents for shareholders

www.geox.biz
(investor relations section)

KPMG S.p.A.
Revisione e organizzazione contabile
Via Rosa Zalivani, 2
31100 TREVISO TV
Telefono +39 0422 576711
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

(Translation from the Italian original which remains the definitive version)

Report on review of condensed interim consolidated financial statements

To the Shareholders of
Geox S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the Geox Group comprising the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and notes thereto, as at and for the six months ended 30 June 2022. The parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, 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 on the condensed interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Geox Group as at and for the six months ended 30 June 2022 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Other Matter

The consolidated financial statements of the previous year and the condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 have been respectively audited and reviewed by another auditor who expressed an unmodified opinion on the consolidated financial statements and an unmodified conclusion on the condensed interim consolidated financial statements on 22 March 2022 and on 4 August 2021, respectively.

Treviso, 4 August 2022

KPMG S.p.A.

(signed on the original)

Francesco Masetto
Director of Audit