EMARKET SDIR CERTIFIED

GEOX

Annual Report 2022

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

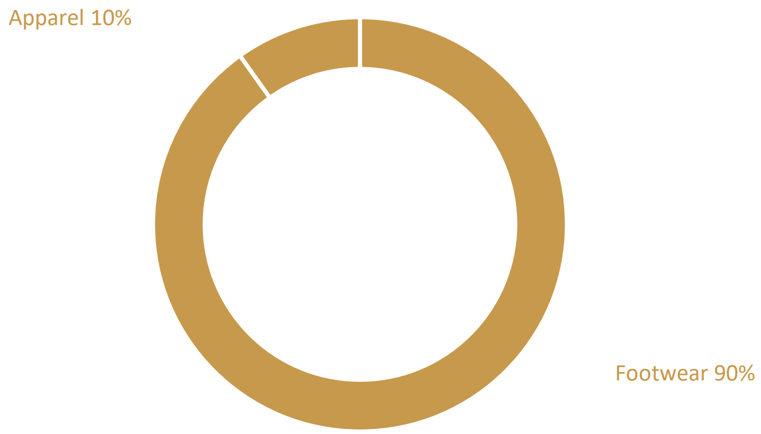
Profile

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 63 different patents and by 3 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, 2022).



Research and development

The applied research carried out by Geox in 2022 was directed to the identification of innovative solutions for improving products and manufacturing processes, through the study of the active breathing element of shoe soles, the development of new products for footwear and apparel and certification of the materials used.

This experimentation has allowed Geox to develop footwear and apparel that combine comfort and well-being with a greater ability to breathe, to be waterproof and to be highly resistant.

The continuous innovation process has also allowed the study and development of new projects, based on the amplification of the concepts of comfort, breathability and well-being.

Specifically, a new shoe with an 'Athletic Leisure' core shoe was developed in 2022 with sole construction technology that increases cushioning for a 'super comfortable' feel and a smooth, elastic walk. The upper has an external rigid element on the heel to increase stability.
The '+ Grip' technology - originally developed for AMPHIBIOX® products and relating to special soles in which the rubber material and tread design provide optimal grip on several surfaces, including wet ones – has been developed for further product categories: sandals, loafers and women's heels.

For Geox technology on outerwear, a new membrane has been developed that is high-performance in terms of breathability and impermeability, but at the same time more sustainable towards the environment.

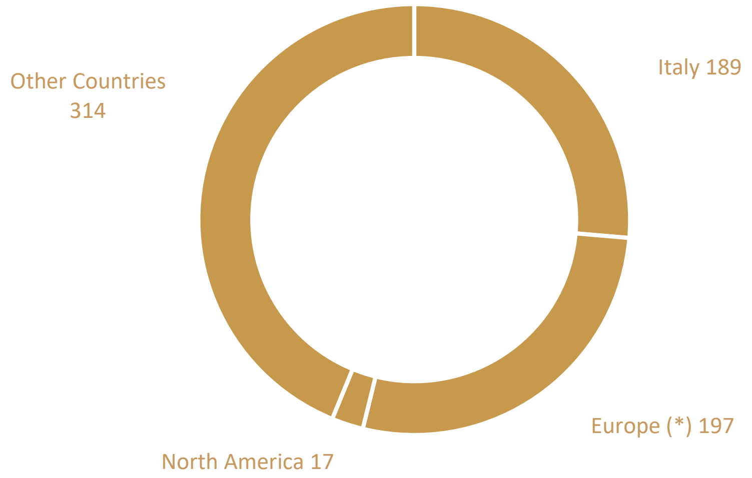
Geox innovation is protected by 63 patents and 3 recent patent applications.

Research and development costs are charged to the profit and loss account for the year and totalled Euro 11,313 thousand (Euro 11,273 thousand in 2021).

The distribution system

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

As of December 31, 2022, the overall number of "Geox Shops" came to 717, of which 315 operated directly, 294 in franchising and 108 under license agreement.



Geox Shops

(*) Europe includes: Austria, Benelux, France, Germany, Great Britain, Iberian Peninsula, 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.

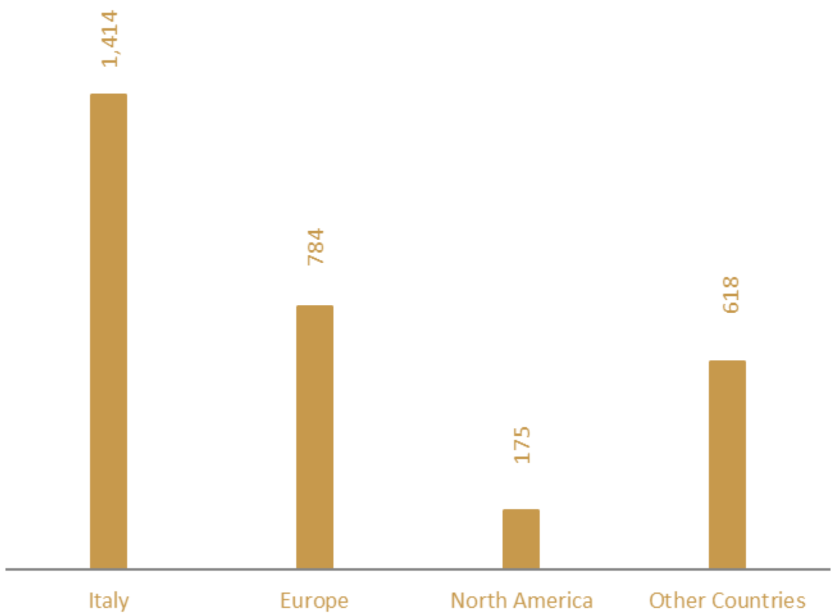
Human Resources

At December 31, 2022 the Group had 2,991 employees, showing a decrease of 27 employees compared with 3,018 employees at 31 December 2021.

As of December 31, 2022 the employees were splitted as follows:

Level	31-12-2022	31-12-2021
Managers	43	42
Middle Managers and office staff	853	869
Shop Employees	2,094	2,104
Factory Workers	1	3
Total	**2,991**	**3,018**

The graph shows the employees of the Group at 31 December 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.

Geox on the Stock Exchange

Geox S.p.A. has been listed on the Italian Stock Exchange since December 1, 2004. The following table summarizes the main share prices and stock market values for the last 3 years:

Share price and stock market information	**2022**	**2021**	**2020**
Earnings per share [Euro]	(0.05)	(0.24)	(0.50)
Equity per share [Euro]	0.42	0.48	0.65
Dividend per share [Euro]	-	-	-
Pay-out ratio [%]	-	-	-
Dividend yield (at 12.31)	-	-	-
Year-end price [Euro]	0.80	1.07	0.79
MTA high [Euro]	1.12	1.34	1.19
MTA low [Euro]	0.69	0.76	0.47
Price per share/EPS	(15.74)	(4.39)	(1.57)
Price per share/Equity per share	1.92	2.23	1.22
Stock market capitalization [thousands of Euro]	208,143	277,352	204,774
Number of shares making up the share capital	259,207,331	259,207,331	259,207,331
Number of treasury shares held by the Group	3,996,250	3,996,250	3,996,250

EMARKET SDIR CERTIFIED

Control of the Compnany

Geox S.p.A. is a joint-stock company incorporated and domiciled in Italy with registered office in Via Feltrina Centro 16, Biadene di Montebelluna (TV), Italy. It is specified that the Company has no secondary offices.

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).

Geox S.p.A. is not subject to management and coordination activities exercised by another person or entity for the reasons illustrated in the Directors' Report to which reference should be made

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 December 31, 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 December 31, 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.

Report on corporate governance and ownership structure

Corporate Governance

The Geox Group has implemented the Code of Conduct for Italian Listed Companies published in its first version in March 2006 and updated in January 2020 (Corporate Governance Code), with suitable amendments and adjustments considering the characteristics of the Group.
In accordance with the regulatory requirements, every year we prepare a "Report on Corporate Governance and Ownership Structure", as per Art. 123-bis of the TUF, which contains a general description of the system of corporate governance adopted by the Group. It also contains information on the ownership structure and implementation of the Corporate Governance Code with an explanation of the main governance practices applied and the characteristics of the risk management and internal control systems involved in the process of financial reporting. Also explained here are the mechanisms that govern the functioning of the Shareholders' Meeting and the composition and functioning of the board of directors and board of statutory auditors and their sub-committees.
The Report on Corporate Governance and the Ownership Structure is available in the Governance section of the Company's website: www.geox.biz.

The following is a summary of the main aspects relating to this directors' report.

Main characteristics of the risk management and internal control systems

The internal control system and the company risk management are processes designed by the Board of Directors, management and others in the corporate structure; they consist of a set of rules, procedures and organizational structures designed to identify, measure, manage and monitor the main risks; they ensure that the management of the business is in line with the corporate objectives, and they help protecting the business wealth, the efficiency and effectiveness of the business processes, the reliability, accuracy and promptness of the financial reporting, the compliance with laws and rules as well as with the article of associations and internal procedures.
In compliance with Law n. 262/2005, the Group has therefore put in place procedures aimed to increase the transparency of the company disclosure and to make more effective the internal control system and in particular the controls related to the financial reporting.

In line with this definition, the system for managing the existing risks in relation to Geox's process of financial reporting forms part of the Group's wider system of internal control and Group Risk management. As part of its supervision and coordination of subsidiaries, Geox S.p.A. establishes the general principles according to which the internal control system is meant to function for the entire Group. Each subsidiary adopts these principles in line with local regulations and applies them to organizational structures and operating procedures that are suitable for their specific context. Geox has introduced tools for supervising and assessing the internal control system, allocating specific responsibilities to certain players who have been clearly identified.

The CEO and the Financial Reporting Manager, in accordance with the principles of operation of the Internal Control System and Risk Management for the financial reporting process, identify the main risks therein levied annually in a prudent and careful way (so-called scoping activities). The identifying risks process passes through the identification of the group companies and operating flows subject to material errors or fraud, with reference to the economic variables included in the financial statements of Geox S.p.A. and/or the consolidated financial statement. Companies and significant processes in relation to the financial reporting process are identified through quantitative and qualitative analysis.
The identification of risks is operated through a classification based on the main sources of risk identified by the CEO and periodically submitted to the Board of Directors. Control activities are policies and procedures that ensure the proper implementation of management responses to risk. The control activities are implemented throughout the organization, at every hierarchical and functional level. The assessment of control procedures is made by parsing the appropriate design of the control activities and their effective and efficient implementation of the course of time. In relation to the financial reporting process, control activities are evaluated in two semi-annual sessions followed, where appropriate, as many phases of follow-up if some critical issues are identified.

In summary, the main players of the Internal Control System and Risk Management as it relates to the process of financial reporting are as follows:

- The CEO (Chief Executive Officer) in charge of setting up and maintaining the Internal Control System and Risk Management;

- The Board of Directors, which guides and evaluates the Internal Control System and Risk Management, at least once a year;

- The Financial Reporting Manager ex Art. 154-bis of the TUF, who has the responsibility for defining and evaluating specific procedures designed to monitor the risks involved in the process of preparing accounting documents;

- The Internal Auditing Department, which remains independent and objective in an advisory role concerning the methods of verifying the adequacy and effective application of the control procedures defined by the Financial Reporting Manager. Moreover, as part of a wider activity that involves evaluating the entire company's Internal Control System and Risk Management, the Internal Auditing Department also has to bring to the attention of the Audit and Risk Committee and of the Financial Reporting Manager any circumstances that might affect the financial reporting process;

- The Audit and Risk Committee, which analyses the results of audits on the Internal Control System and Risk Management and reports periodically to the Board of Directors on any action that needs to be taken, and at least every six months on the adequacy of the Internal Control System and Risk Management;

- The Supervisory Body as per D.Lgs 231/01, which intervenes as part of its duties to look out for the corporate crimes envisaged in D.Lgs 231/01, identifying risk scenarios and personally verifying compliance with the control procedures. The Supervisory Body also monitors compliance with and application of the Group's Code of Ethics.

It's to be noted that on February 25, 2021 Board of Directors approved the guidelines related the Internal Control System and Risk Management contained in Corporate Governance Code. More in detail, the Board approved the Guidelines on the Internal Control and Risk Management System.

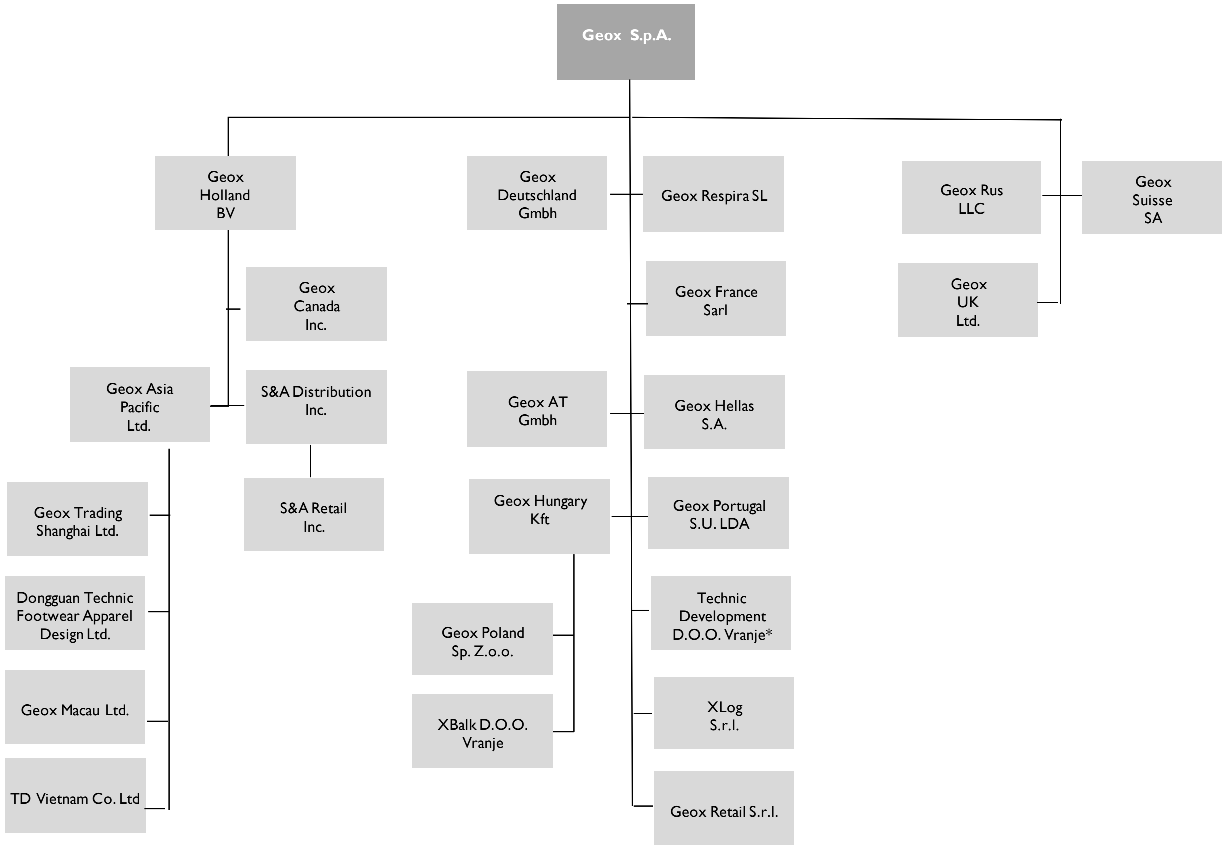
The Group adopted some time ago its own model of organization, management and control as per D.Lgs 231/01, steadily updated to include the new crimes, relevant for the purpose of D.Lgs 231/01, and lastly updated on May 13, 2021. In particular, financial reporting is protected by a series of controls that are carried out during the various corporate processes that lead to the formation of the figures shown in the financial statements. These control activities apply not only to the areas that are closely linked to the business (sales, purchases, inventory, etc.), but also to those areas that provide support in the processing of accounting entries (closing the accounts, IT systems management, etc.). These control procedures are defined by the Financial Reporting Manager. He also checks periodically that they are being applied properly. The outcome of the assessments made by the Financial Reporting Manager is reported in the certification that he provides in accordance with paras. 5 and 5-bis of art. 154-bis of the TUF.

In compliance with (Italian) Legislative Decree no. 254/2016, the Group has prepared a separate report containing non-financial information. This report, published on the Group's website (www.geox.biz), identifies the topics that are considered to be of material importance for reporting purposes. These topics were defined by considering both the point of view of the company's own organisation (through workshops and interviews conducted internally), and the results of benchmarking activities carried out with reference to the Group's main competitors in the fashion industry, as well as studies linked to the world of sustainability. As further confirmation of Geox's focus on sustainability issues, in 2019, the Group decided to join the Fashion Pact. This pact is a global coalition of companies in the fashion and textile industry (ready-to-wear, sport, lifestyle and luxury), including their suppliers and distributors, all committed to a common core of key environmental goals in three areas: stopping global warming, restoring biodiversity and protecting the oceans.

Please refer to the aforementioned report for all aspects regarding the information required by the decree, relating to environmental and social matters, aspects linked to employees, the respect of human rights, anti-corruption, diversity in the Board of Directors and other sustainability issues..

The Board of Directors of Geox S.p.A. also approved the "Global Compliance Program", a document addressed to the Group's foreign companies and lastly updated on November 9 2022. This is a governance tool aimed at strengthening the Company's ethical and professional commitment and preventing offences from being committed abroad (such as offences against the public administration, fraudulent accounting, money laundering, offences committed in violation of workplace health and safety regulations, environmental crimes), which may otherwise lead to criminal liability for the company and subsequent reputation risks.

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.

Principal risks and uncertainties to which Geox S.p.A. and the Group are exposed

Business risks

In terms of business risks, the Group is exposed to:

- the risks, of an exogenous nature, connected to the evolution of geo-political scenarios and, in particular, to the tensions concerning Russia and Ukraine, which continue to fuel pre-existing international, humanitarian and social crisis situations with significant impacts primarily for the living conditions of the populations of these countries, but also for internal economic activities and commercial trade in the area. These extraordinary events in terms of their nature and extent, have had global repercussion in 2022 on: i) supply chains with particular reference to the supply and related timing and modalities of transport as well as to the prices of raw materials and energy; ii) international market demand levels; iii) inflation and the consequent restrictive interest rate policy; iv) the strengthening of the dollar as a haven from risk, the divergent performance of the US economy and rising interest rates; v) evolution of the sanctions scenario and restrictive measures of the European Union.
  The situation is being constantly monitored in order to be able to promptly assess possible reactions to a possible exacerbation of the conflict;
- risks connected to pandemics: the Group is subject to risks connected to the occurrence of possible epidemics or serious health situations (similar to what happened with the Covid-19 pandemic in the past) in the main reference markets that could lead to the interruption or limitation of activities in these markets with reference to production, supply chain and/or product sales as well as all back office activities. The Group, however, defines and implements an important series of actions to ensure the maximum safety and security of its employees, while ensuring business continuity;
- the impact of the macroeconomic, political and social environment, in terms of changes in the purchasing power of consumers, their level of confidence and their propensity to consume. The Group's ability to develop its business also depends to the extent on the economic situation of the various countries in which it operates. Although the group operates in a significant number of countries around the world, the possible deterioration of economic, social and political conditions in one or more markets in which it operates may have a negative impact on sales and financial results of the Group. The introduction by national or supranational bodies of restrictions on the movement of people between different countries, as a consequence, for example, of international crises or pandemics, can have an impact on revenues, especially in relation to certain geographical areas in which Geox operates;
- changes in national and international regulations: the Group operates in a complex international environment and is subject, in the various jurisdictions in which it operates, to rules and regulations which are constantly monitored, especially for all matters relating to the health and safety of workers, environmental protection, rules around manufacturing of products and their composition, consumer protection, the protection of intellectual and industrial property rights, competition rules, fiscal and customs rules, and, in general, all relevant regulatory provisions.
- changes in customers' tastes and preferences as well as different habits in different geographical areas in which the Group operates;
- the image, perception and recognition of the Geox brand by its consumers;
- the uncertainty about management's ability to define and implement successfully its business, marketing and distribution strategy. Covid-19 pandemic and digitalisation process have driven management to review its business model, with a view to making it more streamlined, more efficient and better suited to the current operating conditions.
- risks related to availability of raw materials and finished products: the Group's products are produced in the Far East and in the Mediterranean Basin. Overall, the effects of the Covid-19 pandemic, during 2022, were still present, but the system as a whole is currently operational, albeit in a context that is still characterised by a certain degree of instability, especially in terms of shipping. It cannot be excluded that there could be some tension on the supply side that could have a negative impact on the financial results of the Group. The Group is constantly monitoring this continuously evolving situation, striking a careful balance between the need to reduce purchases, where possible, in order to mitigate risk and the need to take account of the social impact of suddenly pulling out of said production sources;
- uncertainty about the ability to attract, retain and motivate qualified resources;
- policies implemented by competitors and the possible entry of new players into the market.

Cyber risks

The Geox Group carefully monitors the evolution of the external context, including the increase in the number of the cyber attacks and is fully aware of the growing level of danger that such attacks pose to business continuity.
These circumstances led the Group to define an action plan aimed at preventing and defending against potential attacks on the one hand and strengthening the measures to combat this phenomenon and restore normal operations on the other.
The Group therefore defined a governance structure which involves:

- a Security Committee that meets at least once a month with the aim of monitoring emerging cyber risks and checking the progress of the improvement measures defined on a case-by-case basis;
- the introduction of a CISO (Chief Information Security Officer) role;
- a series of monitoring measures being launched regarding infrastructure and networks, such as the SOC (Security Operations Center) and NOC (Network Operations Center), active 24/7;
- the constant monitoring of equipment (servers and personal computers) using End Point Detection and Response (EDR) tools;
- a threat intelligence service being defined for the monitoring of the internet and dark web;
- a specific training plan for staff with reference also to the above-mentioned risks (e.g. simulation of email phishing attacks);
- a framework aimed at assessing and classifying ICT suppliers prioritised by level of criticality of the supply of goods and/or provision of services.

Risks linked to climate

The Geox Group carefully monitors the evolution of the external context - as it is considered a significant aspect also with reference to its own strategic guidelines – in order to identify any potential new risks that are directly and/or indirectly linked to climate change, as well as proactively managing their possible impacts wherever possible; the Group also monitors all legislative, regulatory aspects etc. linked to climate change.

In this context, the Geox Group carefully monitors issues relating to climate change, which are also the subject of current and growing attention by legislators and supervisory authorities in the countries in which the Group operates, also simply with reference to product commercial activities.
The Geox Group is, therefore, aware of the importance that transparency on issues related to climate, climate change, impacts, etc. is assuming and will increasingly assume.
That said, and in the awareness of how important the aforementioned issues are - also for the Group - Geox will work in the years to come to define its own specific plan that will allow, on the one hand, to frame the initiatives carried out and started up to now in a well-defined strategic line and, on the other, to understand any possible need to intervene on its business model. Precisely for this reason, during 2022, a process of identification and assessment of the main strategic risks was started and concluded, including the risks with potential impacts known as esg.
The Group's intention is to identify, in this context, objectives with respect to which: i) it will be possible to give continuity to initiatives, as indicated above, already underway and referring, by way of example, to actions that have contributed to reducing greenhouse gas emissions produced with reference to its own direct organisation; ii) Geox believes it can concretely identify - and in a logic of proportionality - the activities, methods, timing and comparison periods, where possible, through which to achieve them.
In addition, the Group always pays the utmost and increasing attention and devotes specific and reinforced insight:

- its own activities and the activities of third parties collaborating with the Group that could be characterisd by a significant socio-environmental risk profile;
- its stakeholders' behavior (e.g. consumers) and the increasing attention they pay to the issues so far mentioned;
- the increasing awareness and attention of consumers and the impact that the products they choose might have with reference to ethical, environmental, social, etc. aspects;
- the aforementioned evolution trends, adapting and/or implementing mitigation measures on an ongoing and timely basis.

Geox Group has also renewed its strategic commitment and responsibility in terms of handling the developments and challenges of today and tomorrow in the best way possible, by signing up to the Fashion Pact and taking part in the round tables and projects linked to this initiative; by being a Fashion Pact signatory, Geox intends to remain at the forefront of activities to provide protection in important areas, such as climate change, biodiversity and the oceans and further, more specific areas such as the transition to a low-emission model.

Financial risks

The Geox Group constantly monitors the financial risks to which it is exposed in order to evaluate in advance any possible negative impacts and to undertake appropriate corrective actions to mitigate or correct such risks. The Group is exposed to a variety of financial risks: credit risk, interest rate risk, exchange rate risk and liquidity risk.
These risks are managed and coordinated at Parent Company level on the basis of hedging policies that also entail the use of derivatives to minimize the effects of exchange rate fluctuations (especially in the U.S. dollar).

Credit risks

The Geox Group tends to minimize the risk of insolvency on the part of its customers by adopting credit policies designed to concentrate sales on reliable and creditworthy customers. In particular, the credit management procedures implemented by the Group, which involve the use of contracts with major credit insurance companies, the evaluation of available information on customer solvency, the use of credit limits for each customer and strict control over compliance with the terms of payment, make it possible to reduce credit concentration and the related risk.
Credit exposure is also spread over a large number of counterparties and customers.

Risks connected to fluctuations in interest rates

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.
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 59,1 million, also 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.

Risks connected to fluctuations in exchange rates

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 Group initially calculates the amount of exchange risk 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 the sale of the foreign currency. The Group is of the opinion that its policies for handling and limiting this type of risk are adequate. However, it cannot exclude the possibility that sudden fluctuations in exchange rates could have consequences on the results of the Geox Group.

Liquidity risk

This risk can arise when a company is unable to obtain the financial resources it needs to support its operational activities in a timely manner and at reasonable economic conditions. The cash flows, funding requirements and liquidity of the Geox Group are constantly monitored at central level under the control of the Group treasury in order to ensure effective and efficient management of financial resources.
It should be noted that Covid-19 emergency caused in 2020, for the entire sector in which the Company operates, a significant one-off cash absorption, which was added to the normal seasonality of the business. In contrast, during 2021, part of this abnormal effect on working capital was reabsorbed.
The Directors, in consideration of the improved performance in 2022, of the forecasts of the Strategic Plan which at the date of these financial statements are confirmed, of the current available and not yet used lines, as well as of the financing obtained from banks during 2020, do not believe that the effects of the aforementioned events are such as to undermine the Group's ability to fulfil its payment commitments.

Alternative performance measures

In order to better assess its performance, Geox Group makes use of some alternative performance measures which are not identified as accounting measures under IFRS. Management believes that these measures are useful in assessing the Group's operating performance and comparing it to that of companies operating in the same sector, and are intended to provide a supplementary view of results. These alternative performance measures are derived exclusively from historical financial data of the Group and are not to be considered as substitutes for IFRS measures.
The definitions of the alternative performance measures adopted in this document are provided below:

- **Revenues at constant exchange rates**: they are represented by the translation of revenues in foreign currencies other than the euro at the same exchange rate as the current year, also for previous year's values.
- **Like for like (LFL)**: it represents the revenue trend for the current year at a constant perimeter compared to the previous year.
- **EBITDA**: it is Operating profit before Amortization and Depreciation and write-downs of tangible/intangible assets and Right-of-use assets.
- **Net working capital:** it is Inventories, plus Accounts Receivables net of Trade Payables.
- **Invested Capital**: it is the total amount of Non current assets, Current assets excluding financial assets (Other current financial assets and Cash and cash equivalents), net of Non current liabilities, Current liabilities, excluding financial liabilities (Current and non current interest-bearing loans & borrowings, Other current and non current financial liabilities, and Current and non current lease liabilities).
- **IFRS 16 Impact**: it identifies the accounting effects of the application of IFRS 16 on the Group's financial statements by extrapolating the impact of the various items related to Lease Assets and Lease Financial Liabilities.

Economic results

Economic results summary

Below the summary results of Geox Group, compared to 2021, when they were still impacted by the spread of the Covid-19 pandemic:

- Sales at Euro 735.5 million, with an increase of 20.8% compared to Euro 608.9 million in 2021;
- EBIT at Euro 4.3 million compared to Euro -44.9 million in 2021;
- Net result at Euro -13.0 million compared to Euro -62.1 million in 2021.

The consolidated income statement is shown below:

(Thousands of Euro)	2022	%	2021	%
Sales	**735,517**	**100.0%**	**608,915**	**100.0%**
Cost of sales	(386,287)	(52.5%)	(324,653)	(53.3%)
Gross profit	**349,230**	**47.5%**	**284,262**	**46.7%**
Selling and distribution costs	(38,998)	(5.3%)	(37,659)	(6.2%)
General and administrative expenses	(275,610)	(37.5%)	(262,691)	(43.1%)
Advertising and promotion costs	(30,358)	(4.1%)	(29,195)	(4.8%)
Restructuring charges	-	0.0%	351	0.1%
EBIT	**4,264**	**0.6%**	**(44,932)**	**(7.4%)**
Net financial expenses	(12,660)	(1.7%)	(8,336)	(1.4%)
PBT	**(8,396)**	**(1.1%)**	**(53,268)**	**(8.7%)**
Income tax	(4,625)	(0.6%)	(6,419)	(1.1%)
Net result from continuing operations	**(13,021)**	**(1.8%)**	**(59,687)**	**(9.8%)**
Net result from discontinued operations	-	0.0%	(2,460)	(0.4%)
Net result	**(13,021)**	**(1.8%)**	**(62,147)**	**(10.2%)**
EBITDA	**79,428**	**10.8%**	**30,803**	**5.1%**
EBITDA excl. IFRS 16	**26,550**	**3.6%**	**(22,909)**	**(3.8%)**

The shutting down of the production facility in Serbia in mid-2021 qualifies as "Discontinued Operations" under IFRS 5. As a result, revenues and income and costs and expenses were reclassified under "Net result from discontinued operations" in the 2021 income statements.

Sales

2022 consolidated sales totalled Euro 735.5 million, up 20.8% on the previous year (+17.8% at constant forex), thanks to the strong performance across all the main distribution channels. Q4 also reported a strong performance, with sales of Euro 166 million (growth of 14% on Q4 2021), thanks to the full return of supply chain reliability, allowing us to fully satisfy customer product delivery demand.

Sales by Distribution channel

(Thousands of Euro)	2022	%	2021	%	Var. %
Wholesale	**369,507**	**50.2%**	**306,256**	**50.3%**	**20.7%**
Franchising	63,583	8.7%	43,137	7.1%	47.4%
DOS*	302,427	41.1%	259,522	42.6%	16.5%
Geox Shops	**366,010**	**49.8%**	**302,659**	**49.7%**	**20.9%**
Net sales	**735,517**	**100.0%**	**608,915**	**100.0%**	**20.8%**

*Directly operated Stores

Multibrand store sales, accounting for 50.2% of Group sales (50.3% in 2021), amounted to Euro 369.5 million (+20.7% at current forex, +17.5% at constant forex), compared to Euro 306.3 million in 2021. Sales benefited from the increased initial order intake for the SS22 and FW22 collections and good levels of in-season re-stocking. In addition, in December, a number of counterparties requested the early shipment of SS23, which was possible thanks to the significant improvement in transport and supply chain conditions in the final part of the year.

Franchising channel sales (9% of Group sales) amounted to Euro 63.6 million (+47.4% on 2021). The performance benefited from the gradual reopening of stores, together with the favourable timing of shipments. Total franchising sales points decreased from 304 stores in December 2021 to 294 stores in December 2022.

Directly-operated store (DOS) sales accounted for 41% of the Group total, amounting to Euro 302.4 million, compared to Euro 259.5 million in 2021 (+16.5% at current forex and +13.8% at constant forex). Comparable sales (LFL) were up 18%, thanks both to the re-opening of all stores in the second half of 2021 (in 2021 approx. 14% of direct stores were temporarily closed due to pandemic restrictions) and the gradual roll-out of the Strategic Plan initiatives. Physical stores in particular reported an increase in comparable sales of approx. 27% on 2021, while the online channel saw a decline of approx. 13% (as a result of the stabilisation of performances following the lockdowns). Direct online channel growth was however particularly strong (approx. +63%) over 2019. The uptick in COVID-19 infections in April in Asia resulted in a temporary closure for approx. two months of 19 directly-operated stores in Shanghai.

Finally, in terms of the distribution scope, the number of DOS decreased from 350 stores in December 2021 to 315 in December 2022. This reduction was the main cause of the overall change in channel sales, which despite an increase in comparable sales (LFL) of 18%, increased in the period by 16.5%.

Sales by region

(Thousands of Euro)	2022	%	2021	%	Var. %
Italy	194,754	26.5%	153,801	25.3%	26.6%
Europe (*)	327,901	44.6%	278,283	45.7%	17.8%
North America	30,271	4.1%	26,827	4.4%	12.8%
Other countries	182,591	24.8%	150,004	24.6%	21.7%
Net sales	**735,517**	**100.0%**	**608,915**	**100.0%**	**20.8%**

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

Sales generated in Italy, representing 26.5% of the Group total (25.3% in 2021), amounted to Euro 194.8 million (+26.6%), compared to Euro 153.8 million in 2021. Sales were driven by the directly-operated stores (+23%) and the franchising channel (+79%) and were supported also by the gradual reopening of the distribution network. The wholesale channel also returned an excellent performance (+21%).

Sales generated in Europe, accounting for 44.6% of the Group total (45.7% in 2021), totalled Euro 327.9 million, compared to Euro 278.3 million in 2021, up 17.8% and mainly due to (as in Italy) the strong retail channel performance. Stores in Europe reported comparable sales growth of 19%. The franchising performance (+50.7%) was also strong.

North America returned sales of Euro 30.3 million, +12.8% (+3.0% at constant forex) on 2021. The direct stores performed well (+20%), while the wholesale channel (+2%) was impacted by the cancellation of a number of orders due to the supply chain difficulties (production and/or shipment delays).

The Other Countries reported sales growth of 21.7% on 2021 (+12.6% at constant forex). Specifically, Asia Pacific sales were up 6%, thanks to the strong Q4 performance (+23%) which largely offset the impacts from the reorganisation in Japan, resulting in the branch's closure and the transfer of the business to a distributor.
Eastern European sales however were up 25.8%. Direct stores for the entire area reported an increase in comparable sales of +15%. The wholesale and franchising channels also delivered growth.

Sales by Product Category

(Thousands of Euro)	2022	%	2021	%	Var. %
Footwear	663,066	90.1%	546,917	89.8%	21.2%
Apparel	72,451	9.9%	61,998	10.2%	16.9%
Net sales	**735,517**	**100.0%**	**608,915**	**100.0%**	**20.8%**

Footwear accounted for 90% of consolidated sales, amounting to Euro 663.1 million, up 21.2% (+18.4% at constant forex) on 2021. Apparel accounted for 10% of consolidated sales, totalling Euro 72.5 million, compared to Euro 62.0 million in 2021 (+16.9% at current forex, +12.4% at constant forex).

Mono-brand store network – Geox shops

At December 31, 2022, the total number of "Geox Shops" was 717 (of which 315 DOS). 38 new Geox Shops were opened in 2022, with the closure of 89, as per the planned optimisation of stores on the more mature markets and an expansion in those countries where the Group's presence is still limited although developing strongly.

	12-31-2022		12-31-2021		2022		
	Geox Shops	**of which DOS**	**Geox Shops**	**of which DOS**	**Net Openings**	**Openings**	**Closings**
Italy	189	116	200	128	(11)	5	(16)
Europe (*)	197	110	210	117	(13)	8	(21)
North America	17	17	20	20	(3)	-	(3)
Other countries (**)	314	72	338	85	(24)	25	(49)
Total	**717**	**315**	**768**	**350**	**(51)**	**38**	**(89)**

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

(**) Includes Under License Agreement Shops (108 as of December 31 2022, 114 as of December 31 2021). Sales from these shops are not included in the franchising channel.

GROUP PERFORMANCE: OTHER INCOME STATEMENT ITEMS

The results for the year significantly improved on 2021 and outperformed expectations. In particular, the increase in sales (up nearly Euro 130 million), together with the higher gross margin (+80 bps vs 2021) and the major streamlining of the business model in the 2020-2022 period (costs dropping 14% on 2019) permitted the achievement of a positive operating profit (EBIT) of Euro 4.3 million (approx. Euro -45 million in 2021).

The main movements are presented below:

Cost of sales and gross margin

The cost of sales was 52.5% of sales, compared to 53.3% in 2021, resulting in a gross margin of 47.5% (46.7% in 2021).

The improved margin stems particularly from increased sales, reasoned price increases and the reduction in average markdowns at the direct stores (on average approx. 2 percentage points on 2021). These positive movements more than offset the impacts from the difficulties throughout the supply chain, the congestion at ports and the consequent increased use of air transport (air transport costs of approx. Euro 17 million in FY 2022), which particularly impacted the first half of the year. These criticalities, as previously reported, fortunately abated in the final part of the year and service levels of the entire supply chain remain good and in line with pre-pandemic levels.

Operating costs

Total operating expenses (general and administrative expenses, the cost of sales and distribution and advertising and promotion expenses) in the year totalled Euro 345.0 million, compared to Euro 329.5 million in 2021. The decrease (approx. 14%) on the 2019 figures was particularly significant (operating expenses of approx. Euro 402 million). This was supported by the major streamlining actions introduced over the last three years.

In particular:

- Sales and distribution expenses were Euro 39.0 million (Euro 37.7 million in 2021), equal to 5.3% of sales (6.2% in 2021).
- General and administrative expenses (net of other revenues) totalled Euro 275.6 million, compared to Euro 262.7 million in 2021 (approx. Euro 332 million in 2019). This account includes a number of non-recurring positive items, such as the insurance payout from the fire at the third-party warehouse for approx. Euro 6 million and supports (government grants, renegotiation of lease payments) related to the pandemic for approx. Euro 3 million. In 2021 extraordinary pandemic-related grants totalled approx. Euro 26 million. Considering these extraordinary items, general and administrative expenses in 2022 would therefore decrease (approx. -1%) on 2021.
- Advertising and promotion expenses totalled Euro 30.4 million, increasing on Euro 29.2 million in the previous year. The increase is substantially due to the increased marketing initiatives undertaken in the period, in line with the strategic plan.

Operating income (EBIT)

The operating result returned to a profit at Euro 4.3 million (loss of Euro 44.9 million in 2021).

Income taxes

Income taxes in 2022 totalled Euro 4.6 million, compared to Euro 6.4 million in 2021. It should be noted that the total amount of the deferred tax assets does not include the tax benefits associated with the tax losses of fiscal years 2021 and 2022, which amounted to respectively Euro 19.5 million and Euro 5.5 million. For such amounts, as at the date of this report, there is no reasonable certainty that taxable income, over the period of the Strategic Plan, will allow their recovery, in addition to the deferred tax assets already recorded in the financial statement. This valuation approach is due to the significant complexity and volatility related to the international geo-political situation which has required management to take a prudent approach and to await therefore the return also to a pre-tax profit, before recognizing additional deferred tax assets.

Net result from discontinued operations

The shutting down of the production facility in Serbia in mid-2021 qualifies as "Discontinued Operations" under IFRS 5. As a result, revenues and income and costs and expenses were all reclassified under this specific item, totaling Euro 2,460 thousand in 2021.

IFRS 16 effects on 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 year and those that exclude the accounting effects deriving from the application of IFRS 16 is presented below:

(Thousands of Euro)	2022	IFRS 16 impact	2022 excl. IFRS 16	%	2021 excl. IFRS 16	%
Sales	**735,517**	**-**	**735,517**	**100.0%**	**608,915**	**100.0%**
Cost of sales	(386,287)	-	(386,287)	(52.5%)	(324,653)	(53.3%)
Gross profit	**349,230**	**-**	**349,230**	**47.5%**	**284,262**	**46.7%**
Selling and distribution costs	(38,998)	(1,148)	(40,146)	(5.5%)	(38,904)	(6.4%)
General and administrative expenses	(275,610)	(240)	(275,850)	(37.5%)	(267,072)	(43.9%)
Advertising and promotion costs	(30,358)	(264)	(30,622)	(4.2%)	(29,542)	(4.9%)
Restructuring charges	-	-	-	0.0%	(5,910)	(1.0%)
EBIT	**4,264**	**(1,652)**	**2,612**	**0.4%**	**(57,166)**	**(9.4%)**
Net interest	(12,660)	3,782	(8,878)	(1.2%)	(4,775)	(0.8%)
PBT	**(8,396)**	**2,130**	**(6,266)**	**(0.9%)**	**(61,941)**	**(10.2%)**
Income tax	(4,625)	-	(4,625)	(0.6%)	(6,419)	(1.1%)
Net result from continuing operations	**(13,021)**	**2,130**	**(10,891)**	**(1.5%)**	**(68,360)**	**(11.2%)**
Net result from discontinued operations	**-**	**-**	**-**	**0.0%**	**(2,460)**	**(0.4%)**
Net result	**(13,021)**	**2,130**	**(10,891)**	**(1.5%)**	**(70,820)**	**(11.6%)**
EBITDA adjusted	**79,428**	**(52,878)**	**26,550**	**3.6%**	**(22,909)**	**(3.8%)**

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

- elimination of depreciation and write-downs for Euro 51,226 thousand, relating to Right-of-use assets;
- higher rent and lease costs for Euro 52,878 thousand;
- lower financial charges relating to financial lease liabilities for Euro 3,782 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

The Group's financial performance

The following table summarizes the reclassified consolidated balance sheet:

(Thousands of Euro)	**Dec. 31, 2022**	**Dec. 31, 2021**
Intangible assets	34,190	31,853
Property, plant and equipment	34,477	35,873
Right-of-use assets	224,273	203,674
Other non-current assets - net	34,631	36,567
Total non-current assets	**327,571**	**307,967**
Net operating working capital	**77,102**	**112,435**
Other current assets (liabilities), net	**(6,601)**	**(10,219)**
Net invested capital	**398,072**	**410,183**
Equity	108,210	124,582
Provisions for severance indemnities, liabilities and charges	7,701	8,908
Net financial position	282,161	276,693
Net invested capital	**398,072**	**410,183**

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

(Thousands of Euro)	**Dec. 31, 2022**	**Dec. 31, 2021**
Inventories	290,165	240,320
Accounts receivable	83,998	68,927
Trade payables	(297,061)	(196,812)
Net operating working capital	**77,102**	**112,435**
% of sales for the last 12 months	***10.5%***	***18.5%***
Taxes payable	(9,732)	(10,079)
Other non-financial current assets	32,021	31,025
Other non-financial current liabilities	(28,890)	(31,165)
Other current assets (liabilities), net	**(6,601)**	**(10,219)**

Net working capital stood at approximately Euro 77 million, down from Euro 112 million in December 2021. The reduction in working capital is mainly due to the sale of inventories from previous seasons. Current inventories refer mainly to the current and future seasons and thus with a higher incidence of accounts payable (about Euro 100 million more). The receivables portfolio is healthy and increasing in line with sales. The ratio of the net working capital to revenues stood at 10.5% compared to 18.5% in 2021.

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

(Thousands of Euro)	Dec. 31, 2022	Dec. 31, 2021
Cash and cash equivalents	24,303	45,655
Current financial assets - excluding derivatives	4,043	2,831
Current financial liabilities - excluding derivatives	(47,465)	(48,979)
Net financial position - current portion	**(19,119)**	**(493)**
Non-current financial assets	27	26
Long-term loans	(56,622)	(82,389)
Net financial position - non-current portion	**(56,595)**	**(82,363)**
Net financial position - prior to fair value adjustment of derivatives and IFRS 16 impact	**(75,714)**	**(82,856)**
Lease liabilities	(232,324)	(212,374)
Net financial position - prior to fair value adjustment of derivatives	**(308,038)**	**(295,230)**
Fair value adjustment of derivatives	25,877	18,537
Net financial position	**(282,161)**	**(276,693)**

The combination of streamlining measures, the strong sales performance, working capital control and the hedges on forex and interest rate risk have kept the net financial position under control, which (pre-IFRS 16 and applying the fair value of derivative contracts) was Euro -49.8 million (Euro -64.3 million in December 2021). The net bank debt was at Euro -75.7 million (Euro -82.9 million in December 2021). The fair value of hedges in place at December 31 was positive for Euro 25.9 million.

The following is a reconciliation between the Parent Company's equity and net income for the period and the Group's equity and net income for the period:

Description	Net income for the period 2022	Equity 12-31-2022	Net income for the period 2021	Equity 12-31-2021
Parent company's equity and net income	**(12,233)**	**104,910**	**(64,824)**	**119,623**
Differences between the carrying value of the investments in subsidiaries and the Group share of their equity	168,314	163,718	11,575	15,371
Group share of affiliates' results	(122,770)	(122,770)	(11,662)	(11,662)
Elimination of intragroup transactions on inventories	(3,142)	(8,504)	5,690	(5,673)
Elimination of intragroup dividends and investments write-off	(2,026)	-	(2,855)	-
Other adjustments	(41,164)	(29,144)	(71)	6,923
Group equity and net income	**(13,021)**	**108,210**	**(62,147)**	**124,582**

**

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 December 31, 2022 and those excluding accounting effects deriving from the application of IFRS 16 is presented below:

(Thousands of Euro)	**Dec. 31, 2022**	**IFRS 16 impact**	**Dec. 31, 2022 excl. IFRS 16**	**Dec. 31, 2021 excl. IFRS 16**
Intangible assets	34,190	356	34,546	32,314
Property, plant and equipment	34,477	953	35,430	36,672
Right-of-use assets	224,273	(224,273)	-	-
Other non-current assets - net	34,631	-	34,631	36,567
Total non-current assets	**327,571**	**(222,964)**	**104,607**	**105,553**
Net operating working capital	**77,102**	**(728)**	**76,374**	**108,325**
Other current assets (liabilities), net	**(6,601)**	**-**	**(6,601)**	**(10,219)**
Net invested capital	**398,072**	**(223,692)**	**174,380**	**203,659**
Equity	108,210	8,632	116,842	130,432
Provisions for severance indemnities, liabilities and charges	7,701	-	7,701	8,908
Net financial position	282,161	(232,324)	49,837	64,319
Net invested capital	**398,072**	**(223,692)**	**174,380**	**203,659**

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

- elimination of Non-current assets for Euro 222,964 thousand, mainly related to Right-of-use;
- reverse of the reclassification related the overdue lease payables to Financial lease liabilities for an amount of Euro 728 thousand;
- elimination of Financial lease liabilities for an amount of Euro 232.324 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)	**2022**	**2021**
Net result	**(13,021)**	**(62,147)**
Depreciation, amortization and impairment	75,164	77,677
Other non-cash items	(14,744)	(19,449)
Cash flow from economics	**47,399**	**(3,919)**
Change in net working capital	41,381	81,087
Change in other assets/liabilities	(4,837)	2,635
Cash flow from operations	**83,943**	**79,803**
Capital expenditure	(25,237)	(18,989)
Disposals	45	6,505
Net capital expenditure	**(25,192)**	**(12,484)**
Free cash flow	**58,751**	**67,319**
Increase in right-of-use assets	(72,087)	(4,015)
Change in net financial position	**(13,336)**	**63,304**
Initial net financial position - prior to fair value adjustment of derivatives	**(295,230)**	**(357,699)**
Change in net financial position	(13,336)	63,304
Translation differences	528	(835)
Final net financial position - prior to fair value adjustment of derivatives	**(308,038)**	**(295,230)**
Fair value adjustment of derivatives	25,877	18,537
Final net financial position	**(282,161)**	**(276,693)**

Consolidated capital expenditure is analyzed in the following table:

(Thousands of Euro)	**2022**	**2021**
Trademarks and patents	382	396
Opening and restructuring of Geox Shop	8,539	4,494
Industrial plant and equipment	3,510	2,631
Logistic	2,729	1,347
Information technology	9,151	8,713
Offices furniture, warehouse and fittings	926	1,408
Total cash capex	**25,237**	**18,989**
Right-of-Use	72,616	4,015
Total capex	**97,853**	**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 and to improve the level of transparency for the financial community, the reconciliation table between the values of the consolidated cash flow statement for 2022 and those that exclude the accounting effects deriving from the application of IFRS 16 is presented below::

(Thousands of Euro)	2022	IFRS 16 impact	2022 excluding IFRS 16	2021 excluding IFRS 16
Net result	**(13,021)**	**2,130**	**(10,891)**	**(70,820)**
Depreciation, amortization and impairment	75,164	(51,226)	23,938	36,199
Other non-cash items	(14,744)	-	(14,744)	(19,449)
Cash flow from economics	**47,399**	**(49,096)**	**(1,697)**	**(54,070)**
Change in net working capital	41,381	(3,382)	37,999	71,479
Change in other current assets/liabilities	(4,837)	-	(4,837)	2,635
Cash flow from operations	**83,943**	**(52,478)**	**31,465**	**20,044**
Capital expenditure	(25,237)	-	(25,237)	(18,989)
Disposals	45	-	45	6,505
Net capital expenditure	**(25,192)**	**-**	**(25,192)**	**(12,484)**
Free cash flow	**58,751**	**(52,478)**	**6,273**	**7,560**
Increase in right-of-use assets	(72,087)	72,087	-	-
Change in net financial position	**(13,336)**	**19,609**	**6,273**	**7,560**
Initial net financial position - prior to fair value adjustment of derivatives	**(295,230)**	**212,374**	**(82,856)**	**(89,792)**
Change in net financial position	(13,336)	19,609	6,273	7,560
Translation differences	528	341	869	(624)
Final net financial position - prior to fair value adjustment of derivatives	**(308,038)**	**232,324**	**(75,714)**	**(82,856)**
Fair value adjustment of derivatives	25,877	-	25,877	18,537
Final net financial position	**(282,161)**	**232,324**	**(49,837)**	**(64,319)**

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

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

Treasury shares and equity interests in parent companies

As at December 31, 2021, the treasury shares held by the Company amount to 3,996,250 corresponding to 1.54% of the total number of ordinary shares, according to the resolution passed by the Shareholders' Meeting on April 16, 2019, which launched a buy-back program of Geox shares to be used for the Stock Grant Plan.
The buy-back program started on June 5, 2019 and ended on November 20, 2019.

Stock Plan

The extraordinary Shareholders' Meeting, on April 22, 2021, approved a new medium-long term incentive plan, Stock Grant & Cash-Based 2021-2023, involving the free issue of up to a maximum of 7,696,626 ordinary Company shares, as well as a monetary component for a maximum amount of Euro 1,320,000 gross, in the event of overachievement of some targets, to the benefit of the Chief Executive Officer, Executives with strategic responsibilities and other senior managers and employees who are considered key resources for Geox or other Group Companies. The Plan has a three-year vesting period and, as a result, the shares may be assigned from the date the Shareholders' Meeting approves the financial statements for the year ending December 31, 2023. The assignment of Equity Shares component is subject to the compliance with permanence condition (permanence at the date of approval by the Board of Directors of the Company of the draft consolidated financial statements closed on December 31, 2023), to the achievement of some profitability targets linked to EBIT in 2022, to the EBITDA target in 2023 and to some financial targets of the Group in 2023. The disbursement of the Cash Quota is also subject to the achievement of the overachievement target.
Through the adoption of the Plan, the Company intends to promote and pursue the following objectives: to involve and incentivize the beneficiaries whose activities are considered of fundamental importance for the achievement of the Group's objectives; promote the loyalty of beneficiaries, encouraging their stay within the Group; sharing and aligning the interests of the beneficiaries with those of the Company and of the shareholders in the medium to long term, acknowledging the management's contribution to the increase in 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 assignment cycle of no. 7,671,892 rights in favor of 99 beneficiaries. As of December 31, 2022, a number of 6,722,087 rights are in circulation.

Transaction 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 38 of the Consolidated Financial Statements.

Outlook for operation

The Geox Board of Directors' meeting of February 2, 2023 reviewed and approved the 2023 budget, which confirms the Strategic Plan objectives in terms of both sales and key earnings indicator growth.

These forecasts are based on the following results and assumptions:

1) The DOS channel currently (week 9) indicates higher comparable sales (LFL) (approx. +4% on 2022 and +3% on 2019), with a continuing decrease in discounts (approx. 4 percentage points on 2022);
2) The multibrand channel, following the strong orders received for SS23 (double-digit growth), also reports robust FW23 orders, (order intake not yet concluded);
3) The transport situation, after a highly challenging 2022, saw significant improvements from year-end both in terms of costs and delivery times (now close to pre-pandemic levels). In particular, the better sea freight 8 situation should significantly cut the use of air transport. The Group in 2022 - in order to overcome supply chain difficulties and port congestion - relied on air transport to a significant and extraordinary extent, with a negative impact of approx. Euro 17 million on the cost of sales.
4) Group management continues to closely control costs in view of the difficulties arising from the geo-political situation and inflation.

On the basis of that outlined above, management confirms the guidelines of the Strategic Plan to 2024. In greater detail, the 2023 forecasts are for:

1) Sales growth of approx. 6/8% on 2022.
2) Gross margin improvement of approx. +100/+130 bps on 2022

The above annual forecasts are also based on the following future performance assumptions:

1) consumers' behaviour allows the continuation of the careful discount management implemented so far in monobrand stores;
2) no relevant change in consumer spending as a result of the softening of inflation and an impact of the recession limited to the first half of the year;
3) continuation of the trend of improving supply chain reliability and reduced transportation costs compared to the past fiscal year;
4) the difficult geopolitical situation in some markets relevant to the Group does not lead to significant deterioration from what was recorded in 2022 in those areas and/or significant impacts of devaluation of their currencies against the Euro.

These performance forecasts are however, due to their nature, subject to significant uncertainties in terms of the geopolitical and cost inflation environment.

Biadene di Montebelluna, 9 March 2023

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

CONSOLIDATED FINANCIAL STATEMENTS AND EXPLANATORY NOTES

Consolidated income statement

(Thousands of Euro)	Notes	2022	of which related party (note 38)	2021	of which related party (note 38)
Sales	4	**735,517**	1,000	**608,915**	898
Cost of sales	5	(386,287)	28	(324,653)	529
Gross profit	5	**349,230**		**284,262**	
Selling and distribution costs	6	(38,998)		(37,659)	
General and administrative expenses	7	(288,974)	(64)	(274,393)	7
Other revenues	8	13,364	93	**11,702**	90
Advertising and promotion costs	6	(30,358)	(159)	(29,195)	(149)
Restructuring charges		-		351	
EBIT		**4,264**		**(44,932)**	
Financial income	12	2,709		2,112	
Financial expenses	12	(15,369)	(1,307)	(10,448)	(1,364)
PBT		**(8,396)**		**(53,268)**	
Income tax	13	(4,625)		(6,419)	(5)
Net result from continuing operations		**(13,021)**		**(59,687)**	
Net result from discontinued operations	14	-		(2,460)	1,155
Net result		**(13,021)**		**(62,147)**	
Earnings per share [Euro]	15	(0.05)		(0.24)	
Diluted earnings per share [Euro]	15	(0.05)		(0.24)	

Consolidated statement of comprehensive income

(Thousands of Euro)	Notes	2022	of which related party	2021	of which related party
Net income	26	**(13,021)**		**(62,147)**	
Other comprehensive income that will not be reclassified subsequently to profit or loss:					
Net gain (loss) on actuarial defined-benefit plans		373	-	25	-
Other comprehensive income that may be reclassified subsequently to profit or loss:					
Net gain (loss) on Cash Flow Hedge		(6,072)	-	24,205	-
Tax effects on items that may be later reclassified to profit or loss		1,457		(5,809)	
Currency translation		(1,033)	-	(880)	-
Net comprehensive income		**(18,296)**		**(44,606)**	

Please note that the comparative information is restated to reflect the new classifications of financial statements items.

Consolidated statement of financial position

(Thousands of Euro)	Notes	Dec. 31, 2022	of which related party (note 38)	Dec. 31, 2021	of which related party (note 38)
ASSETS:					
Intangible assets	16	34,190		31,853	
Property, plant and equipment	17	34,477		35,873	
Right-of-use assets	18	224,273		203,674	
Deferred tax assets	19	29,222		30,374	
Non-current financial assets	24	27		26	
Non-current lease assets	30	176		343	
Other non-current assets	20	6,588		7,754	
Total non-current assets		**328,953**		**309,897**	
Inventories	21	290,165		240,320	
Accounts receivable	22	83,998	573	68,927	907
Other non-financial current assets	23	32,021	2	31,025	67
Current financial assets	24-37	30,945		22,413	
Cash and cash equivalents	25	24,303		45,655	
Current assets		**461,432**		**408,340**	
Total assets		**790,385**		**718,237**	
LIABILITIES AND EQUITY:					
Share capital	26	25,921		25,921	
Reserves	26	95,310		160,808	
Net income	26	(13,021)		(62,147)	
Equity		**108,210**		**124,582**	
Employee severance indemnities	27	1,875		2,411	
Provisions for liabilities and charges long-term	28	5,826		6,497	
Long-term loans	29	56,622		82,389	
Non-current lease liabilities	30	189,549	50,770	166,082	54,096
Other long-term payables	31	1,179		1,561	
Total non-current liabilities		**255,051**		**258,940**	
Trade payables	32	297,061	101	196,812	64
Other non-financial current liabilities	33	26,535		30,359	
Provisions for liabilities and charges short-term	34	2,355		806	
Taxes payable	35	9,732		10,079	
Current financial liabilities	29-37	48,490		50,024	
Current lease liabilities	30	42,951	5,000	46,635	4,949
Current liabilities		**427,124**		**334,715**	
Total liabilities and equity		**790,385**		**718,237**	

Please note that the comparative information is restated to reflect the new classifications of financial statements items.

Consolidated statement of cash flow

(Thousands of Euro)	Notes	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES:			
Net result	26	**(13,021)**	**(62,147)**
Adjustments to reconcile net income to net cash generate (absorbed) by operating activities:			
Depreciation and amortization and impairment	9-10	75,164	77,677
Income tax	13	4,625	6,419
Net financial expenses	12	12,660	8,336
Share-based payment transactions settled with equity instruments	26	1,924	1,980
Other non-cash items		(33,794)	(35,791)
Employee benefits	27	(159)	(393)
		60,420	**58,228**
Change in assets/liabilities:			
Accounts receivable	22	(10,700)	14,096
Other assets	20-23	(2,533)	865
Inventories	21	(56,742)	42,374
Accounts payable	32	108,823	24,617
Other liabilities	31-33	4,905	10,501
Taxes paid		(672)	(3,352)
Interests paid		(8,251)	(6,736)
Interests received		1,714	1,357
		36,544	**83,722**
Net cash flow generated (absorbed) by operating activities		**83,943**	**79,803**
CASH FLOW USED IN INVESTING ACTIVITIES:			
Capital expenditure on intangible assets	16	(9,987)	(7,467)
Capital expenditure on property, plant and equipment	17	(15,250)	(11,372)
Capital expenditure on right-of-use assets	18	-	(150)
		(25,237)	**(18,989)**
Disposals	16-17	45	6,505
(Increase) decrease in financial assets	24	(1,062)	382
Net cash flow generated (absorbed) by investing activities		**(26,254)**	**(12,102)**
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES:			
Increase (decrease) in short-term bank borrowings, net	29	3,901	(1,861)
Lease liabilities repayment	30	(52,020)	(61,292)
Loans:			
- Proceeds	29	17,000	16,669
- Repayments	29	(48,180)	(59,549)
Treasury shares buy back		-	-
Dividends		-	-
Net cash flow generated (absorbed) by financing activities		**(79,299)**	**(106,033)**
Increase (decrease) in cash and cash equivalents		**(21,610)**	**(38,332)**
Cash and cash equivalents, beginning of the period	25	**45,655**	**83,130**
Effect of translation differences on cash and cash equivalents		258	857
Cash and cash equivalents, end of the period	25	**24,303**	**45,655**

Please note that the comparative information is restated to reflect the new classifications of financial statements items.

Consolidated statement of changes in equity

(Thousands of Euro)	Notes	Share capital	Legal reserve	Share premium reserve	Translation reserve	Cash flow hedge reserve	Stock Option reserve	Treasury shares reserve	Retained earnings	Net income	Group equity
Balance at December 31, 2020		**25,921**	**5,184**	**37,678**	**(3,538)**	**(6,640)**	**-**	**(5,051)**	**241,859**	**(128,205)**	**167,208**
Allocation of result		-	-	-	-	-	-	-	(128,205)	128,205	-
Share-based payment transactions settled with equity instruments		-	-	-	-	-	1,980	-	-	-	1,980
Other Items of the Comprehensive Income Statement		-	-	-	(880)	18,396	-	-	25	-	17,541
Net result		-	-	-	-	-	-	-	-	(62,147)	(62,147)
Balance at December 31, 2021	**26**	**25,921**	**5,184**	**37,678**	**(4,418)**	**11,756**	**1,980**	**(5,051)**	**113,679**	**(62,147)**	**124,582**
Allocation of result		-	-	-	-	-	-	-	(62,147)	62,147	-
Share-based payment transactions settled with equity instruments		-	-	-	-	-	1,924	-	-	-	1,924
Other Items of the Comprehensive Income Statement		-	-	-	(1,033)	(4,615)	-	-	373	-	(5,275)
Net result		-	-	-	-	-	-	-	-	(13,021)	(13,021)
Balance at December 31, 2022	**26**	**25,921**	**5,184**	**37,678**	**(5,451)**	**7,141**	**3,904**	**(5,051)**	**51,905**	**(13,021)**	**108,210**

Please note that the comparative information is restated to reflect the new classifications of financial statements items.

Explanatory notes

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

The Geox Group develops, schedules and coordinates production and sells Geox-brand footwear and apparel to retailers and end-consumers sales to retailers and end-conusmers. 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., the parent company, is a joint-stock company incorporated and domiciled in Italy and is controlled by LIR S.r.l. Geox S.p.A. is a joint-stock company incorporated and domiciled in Italy with registered office at Via Feltrina Centro 16, Biadene di Montebelluna (TV), Italy.

Geox S.p.A. is controlled, with a share of 71.10%, by Lir S.r.l., which has its registered office in Treviso, Italy, and 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).

Geox S.p.A. is not subject to management and coordination activities exercised by another person or entity for the reasons illustrated in the Directors' Report to which reference should be made

2. Accounting policies

Form and contents of the consolidated financial statements

The consolidated financial statements have been prepared by the Board of Directors on the basis of the accounting records updated to December 31, 2022. The consolidated financial statements have been drawn up in compliance with the International Financial Reporting Standards adopted by the European Union (IFRS) in force at the date of preparation, as well as on the basis of the measures issued in compliance with article 9 of Legislative Decree 38/2005 (Consob Resolutions No. 15519 and 15520 of 27 July 2006). Unless otherwise indicated, the accounting standards described below have been applied consistently for all periods included in these consolidated financial statements.

To facilitate comparison with the previous year, the accounting schedules provide comparative figures with December 31, 2021 for balance sheet accounts and for the year 2021 in the case of the income statement. It should be noted that the comparative information is restated to reflect the new classifications of balance sheet items.

The financial statements are presented in Euro and all values are rounded to the nearest thousand.

International tensions and update on covid-19 impact on store operations and the supply of raw material and finished products.

Russia’s invasion of Ukraine continues to create a major international humanitarian and social crisis, with significant impacts primarily for the living conditions of the populations of these countries, but also for internal economic activities and commercial trade in the area. These extraordinary events in terms of their nature and extent, added to those stemming from COVID-19 and have had global repercussions in 2022 on: i) supply chains, particularly with regard to raw material and energy supply and prices; ii) international market demand levels; iii) inflation and the consequent restrictive interest rate policies; iv) the strengthening of the dollar as a haven from risk, the divergent performance of the US economy and rising interest rates.
Geox mainly operates through third parties in both countries, wholesale and franchising (100% in Ukraine and 70% in Russia). In view of these events, the Group suspended fresh direct investment in Russia shortly after the outbreak of the conflict, withdrawing European management and is managing the short-term situation so as to be prepared to mitigate the impacts from any future decisions regarding its presence in Russia.
Sales in the area in 2022 (Russia and Ukraine) were substantially in line with the Plan at approx. Euro 74 million (approx. 10% of consolidated sales). The invested capital of the Russian subsidiary comprises mainly fast-moving net working capital and accounted for in December 2022 approximately 6% of the Group total. These figures include the incremental effects of the significant revaluation of the Rouble against the Euro, which at December reported an average annual exchange rate of 73 against 87 in 2021.

Likewise, the situation of receivables from customers operating in the region is constantly monitored and has a low residual balance of Euro 5.6 million. Non-current assets in Russia, which mainly refer to directly operated stores, amount to Euro 6.5 million (of which Euro 4.2 million in Right-of-use). The value of inventories in Russia amounted to € 15.8 million. Overall, net invested capital in Russia amounts to Euro 25.7 million, equivalent to approximately 6% of the Group total, at 31 December 2022 exchange rates

The Group does not have suppliers or production plant in the area. The company is involved in Banca Intesa's and Caritas Italiana's Golden Links project and supports Civil Protection, a number of humanitarian associations, the Ukrainian Ambassador in Italy and the Ukrainian consulate in Venice for the supply of basic necessities such as clothing and footwear to people on the ground and refugees in Italy.

In terms of the COVID-19 pandemic, all Group stores are currently operational despite the still unstable situation and especially in the Far East. The difficult public health situation in the Far East in the first half of 2022 was in fact the cause of the major criticalities affecting the Group's supply chain for most of the year. On the one hand, all economic operators have experienced a lengthening of sea freight transportation times due to the reduced frequency in departures and increased stops in order to optimise space. On the other hand, there have been less opportunities to recover production delays through air shipments due to the limited number of cargo and passenger flights. Conditions in the final part of the year improved significantly and across the board. In particular, sea freight costs and delivery times decreased. This improvement has continued into 2023, with significant development in terms of full supply chain reliability.

Scope of consolidation

The consolidated financial statements at December 31, 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 December 31, 2022".

Format of financial statements

The Group presents its income statement by classifying costs by function, a reclassification deemed most representative of the business sector in which the Group. The format chosen 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 (Nota 38).

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 local 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. There is no direct or indirect investment that is less than 100%, therefore minority interests are not shown.
- if the amount transferred 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 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 applicable since January 1, 2022

The following is a list of IFRS accounting standards, amendments and interpretations that became effective on January 1, 2022, the adoption of which had no impact on the Group's financial statements.

Title	Issue Date	Effective date	EU Endorsment date	EU regulation and date of publication
Annual Improvements to IFRS Standards (2018 – 2020 Cycle) – Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	May 2020	1 January 2022	28 June 2021	(UE) 2021/1080 2 July 2021
Property, plant and equipment – proceeds before intended use (Amendment to IAS 16)	May 2020	1 January 2022	28 June 2021	(UE) 2021/1080 2 July 2021
Onerous contracts – Cost of fulfilling a contract (Amendments to IAS 37)	May 2020	1 January 2022	28 June 2021	(UE) 2021/1080 2 July 2021
Reference to the Conceptual Framework (Amendments to IFRS 3)	May 2020	1 January 2022	28 June 2021	(UE) 2021/1080 2 July 2021

Accounting standards, amendments and interpretations not yet mandatorily applicable and not early adopted by the Group:

Title	Issue Date	Effective date	Endorsment date	EU regulation and date of publication
IFRS 17 – Insurance contracts (including amendments published on 25 June 2020)	May 2017 June 2020	1 January 2023	19 November 2021	(UE) 2021/2036 23 November 2021
Definition of accounting estimates (Amendments to IAS 8)	February 2021	1 January 2023	2 March 2022	(UE) 2022/357 3 March 2022
Disclosure of Accounting policies (Amendments to IAS 1)	February 2021	1 January 2023	2 March 2022	(UE) 2022/357 3 March 2022
Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)	May 2021	1 January 2023	11 August 2022	(UE) 2022/1392 12 August 2022
Initial Application of IFRS 17 and IFRS 9— Comparative Information (Amendment to IFRS 17)	December 2021	1 January 2023	8 September 2022	(UE) 2022/1491 9 September 2022

The directors are not expecting the adoption of these amendments to have a significant impact on the Group's financial statements.

Accounting standards, amendments and interpretations not yet endorsed by the European Union

As of the date of this document, the competent authorities of the European Union have not yet concluded the endorsement process necessary for the adoption of the amendments and principles described:

Title	Issue Date	Effective date of IASB document	Approval date by EU
Standards			
IFRS 14 Regulatory deferral accounts	January 2014	1 January 2016	Postponed pending the conclusion of the IASB project on "rate-regulated activities"
Amendments			
Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)	September 2014	Deferred until the completion of the IASB project on the equity method	Postponed pending the conclusion of the IASB project on the equity method
Classification of liabilities as current or non-current (Amendments to IAS 1) and Non current liabilities with covenants (Amendments to IAS 1)	January 2020 July 2020 October 2022	1 January 2024	TBD
Lease liability in a sale and leaseback (Amendments to IFRS 16)	September 2022	1 January 2024	TBD

Conversione in euro dei bilanci redatti in valuta estera

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 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.

Currency	Average for 12-31-2022	As at 12-31-2022	Average for 12-31-2021	As at 12-31-2021
US Dollar	1.0539	1.0666	1.1835	1.1326
Swiss Franc	1.0052	0.9847	1.0814	1.0331
British Pound	0.8526	0.8869	0.8600	0.8403
Canadian Dollar	1.3703	1.4440	1.4835	1.4393
Japanese Yen	138.0051	140.6600	129.8575	130.3800
Chinese Yuan	7.0801	7.3582	7.6340	7.1947
Czech Koruna	24.5603	24.1160	25.6468	24.8580
Russian Ruble	73.3537	77.9094	87.2321	85.3004
Polish Zloty	4.6845	4.6808	4.5640	4.5969
Hungarian Forint	390.9439	400.8700	358.4635	369.1900
Macau Pataca	8.4990	8.5658	9.4748	9.0983
Serbian Dinar	117.4202	117.3246	117.5512	117.6165
Vietnam Dong	24,642.1667	25,183.0000	27,149.9167	25,819.0000
Indonesian Rupiah	15,633.5917	16,519.8200	16,928.5075	16,100.4200
Turkish Lira	17.3849	19.9649	10.4670	15.2335
Indian Rupia	82.7145	88.1710	87.4861	84.2292

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 characterised by geo-political tensions concerning Russia and Ukraine, which added to the Covid-19 pandemic. So it cannot be excluded 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, impairment tests were updated, based on the financial projections for the period 2023-2027, approved on 2 February 2023 by the Board of Directors, which confirm the main objectives and strategies defined in the 2022-2024 Strategic Plan, as better described in Note 10.

The items in the financial statements that are principally affected by these situations of uncertainty are: intangible assets, property, plant and equipment, right-of-use assets, deferred tax assets, the refund liabilities, the provision for obsolete and slow-moving inventory, the provision for bad and doubtful accounts and lease liabilities. 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.

Impairment of intangible assets, property, plant and equipment and right-of-use assets (Impairment Test)

The Group has recognized impairment losses against the possibility that the carrying amounts of intangible assets, property, plant and equipment and right-of-use assets may not be recoverable from them by use. The Directors are required to make a significant 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 10.

Deferred tax assets

Deferred tax assets are recognised for temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts recognised for tax purposes, as well as for tax loss carry-forwards considered recoverable.
The Directors are required to make a significant assessment to determine the amount of recoverable deferred tax assets to the extent that it is probable that there will be 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 19.

Refund liabilities

The Group has valued the possibility that products already sold can 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 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 32.

Inventories - provision for obsolete and slow-moving inventory

The Group has recognised write-downs 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, lower than the recorded cost.
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 and the surplus estimation relating to the current season collections, considering the current scenario of uncertainty.
Further details are provided in note 21.

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 22.

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, discounting them using the incremental borrowing rate defined taking into account the term of the leases, the currency in which they are denominated, the characteristics of the economic environment in which the lease was entered into and the credit adjustment. 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 18 with regard to Right-of-use assets and note 30 with regard to lease assets/liabilities.

Accounting policies

The financial statements are prepared on a historical cost basis, with the exception of derivative instruments measured at fair value, and on the going concern assumption.

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.

The residual value and useful life of intangible assets are reviewed at least at the end of each reporting period and if, regardless of the amortisation already recorded, an impairment loss occurs, the intangible asset is written down accordingly. If the reason for the impairment loss ceases to apply in subsequent years, its value is reinstated.

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.

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.

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.

The item key money, which arose before IFRS16 came into force, include:

- 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 represents 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, and anyway, whenever there is evidence of a loss in value, in order to identify any loss in value of the asset.

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, 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	2-5 years

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

Right-of-use assets

Upon signing a contract, the Group assesses 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 relating 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 effective date of the lease. 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 marginal financing 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 has decided not to recognise right-of-use assets and lease liabilities related to low-value assets and short-term leases. The Group recognises the related lease payments as an expense over the lease term.

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 has 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 through use.
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 included in the following financial statements items:

- non-current financial assets comprise non-current loans and receivables;
- current financial assets include trade receivables, financial receivables and current securities and derivative financial instruments with a positive fair value;
- 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, financial instruments with a negative fair value, trade payables and other payables.

Financial assets are measured at amortised cost or fair value, based on the Company's business model under which they are managed and on the characteristics of the contractual flows of these 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 by selling them and which have cash flows represented solely by 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).

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 treatments apply:

- Fair value hedge – Where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognized asset or liability that is attributable to a particular risk and could affect the income statement, the gain or loss from remeasuring the hedging instrument at fair value is recognized in the income statement. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognized in the income statement;
- Cash flow hedge – Where a derivative financial instrument is designated as a hedge of the exposure to variability in future cash flows of a recognized asset or liability or a highly probable forecasted transaction and could affect income statement, the effective portion of any gain or loss on the derivative financial instrument is recognized directly in equity. The cumulative gain or loss is removed from equity and recognized in the income statement at the same time as the economic effect arising from the hedged item affects income. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognized in the income statement immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in equity and is recognized in the income statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in equity is recognized in the income statement immediately.

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

Inventories

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

Employee benefits

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

benefit plans, net of any assets servicing the plan, is determined using actuarial assumptions and recorded on an accrual 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 are recognized on an accrual basis; at the same time, they also give rise to the recognition of a liability at face value.

Share-based payments

The fair value at grant date of the incentives granted to employees in the form of share-based payments, that are equity settled, is usually included in expenses with a corresponding increase in equity over the period during which the employees earn the incentives rights. The amount recognised as an expense is adjusted to reflect the actual number of incentives for which the conditions of continued employment and non-market performance are met, so that the final amount recognised as an expense, is based on the number of incentives that fulfil these conditions at the vesting date. In case the incentives granted as share-based payments whose conditions are not to be considered to maturity, the fair value at the grant date of the share-based payment is measured to reflect such conditions. With reference to the non-vesting conditions, any difference between amounts at the grant date and the actual amounts will have no impact on the Consolidated Financial Statements.
The fair value of the amount payable to employees related to share appreciation rights, settled in cash, is recognised as an expense with a corresponding increase in liabilities over the period during which the employees unconditionally become entitled to receive the payment. The liability is measured at year-end and the settlement date based on the fair value of the share appreciation rights.
Any changes in the fair value of the liability are recognised in profit or loss for the year.

Provision 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 is significant.

Revenues 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 related 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 ecommerce 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 post-delivery 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.

Royalties

The Group licenses the rights to use trademarks and/or patents to third parties and recognizes royalty revenues based on the characteristics of the contracts entered into with customers.

Rental income

Rental income relates to the Geox Shops owned by the Group and leased to third parties under franchising agreements; rental income is recognized 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.
Geox S.p.A. joined, as parent company, a new domestic tax consolidation for three years (2014-2016), then renewed twice for other three years, with the two Italian subsidiaries Geox Retail S.r.l. and XLOG S.r.l..

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.
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 the purposes of IFRS 8 "Operating segment," the activity carried out by the Group can be identified in a single operating segment referring to the Geox business.

4. Sales

2022 consolidated sales stood at Euro 735,517 thousand (Euro 608,915 thousand in 2021), up +20.8% compared to the previous year (+17.8% at constant forex). Sales are growing at double-digit rates in all distribution channels and in all major geographical areas).

Sales by product category are shown in the following table:

	2022	2021	Change
Footwear	663,066	546,917	116,149
Apparel	72,451	61,998	10,453
Total sales	**735,517**	**608,915**	**126,602**

Sales by region are shown in the following table:

	2022	2021	Change
Italy	194,754	153,801	40,953
Europe	327,901	278,283	49,618
North America	30,271	26,827	3,444
Other Countries	182,591	150,004	32,587
Total sales	**735,517**	**608,915**	**126,602**

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.

Revenues from royalties amounted Euro 1,366 thousand, compared to Euro 1,147 thousand in 2021.

5. Cost of sales and gross margin

The cost of sales, amounting to Euro 386,287 thousand (Euro 324,653 thousand in 2021) was 52.5% of sales compared to 53.3% in 2021, resulting in a gross margin of 47.5% (46.7% in 2021).

The improved margin stems particularly from increased sales, reasoned price increases and the reduction in average markdowns at the direct stores (on average approx. 2 percentage points on 2021). These positive movements more than offset the impacts from the difficulties throughout the supply chain, the congestion at ports and the consequent increased use of air transport (air transport costs of approx. Euro 17 million in FY 2022), which particularly impacted the first half of the year. These criticalities, as previously reported, fortunately abated in the final part of the year and service levels of the entire supply chain remain good and in line with pre-pandemic levels.
The item includes an amount of Euro 9,925 thousand, as insurance indemnity, to compensate for the value of the impaired, and therefore written down, value of the goods as a result of the fire mentioned in Note 8.

6. Selling and distribution costs and advertising and promotion costs

Selling and distribution costs, were Euro 38,998 thousand (Euro 37,659 thousand in 2021) equal to 5.3% on sales (6.2% in 2021).
These costs include, mainly, the costs of the sales force, credit management costs, such as the cost of credit insurance, and transportation costs on sales.
Advertising and promotions costs, amounting to Euro 30,358 thousand (Euro 29,195 thousand in 2021) show an increase which is substantially due to the increased marketing initiatives undertaken in the period, in line with the Strategic Plan.

7. General and administrave expenses

General and administrative expenses are analyzed in the following table:

	2022	2021	Change
Wages and salaries	103,102	92,705	10,397
Rental and service charges	11,120	6,233	4,887
Services and consulting	35,567	38,093	(2,526)
Non industrial depreciation	71,077	72,015	(938)
Other costs	68,108	65,347	2,761
Total	**288,974**	**274,393**	**14,581**

Wages and salaries grew from Euro 92,705 thousand to Euro 103,102 thousand, an increase of euro 10,397 thousand. The change from the previous year is mainly attributable to lesser use of forms of government aids implemented by the governments to address the exceptional circumstances of Pandemic.

Rental and service charges include costs related to short term contracts, variable rent on turnover contracts and those related to lease contracts for which the underlying asset is a low-value asset.
Rental and service charges relate to shops, offices and industrial property leased by the Group, and they show in 2022 an increase of Euro 4,887 thousand.
The increase was mainly due to the lower rent concession in 2022 as results of the negotiation with the landlords of the properties following the pandemic restrictions. Such concessions impacted the months between the end of 2020 and the first part of 2021 for lock-down periods that occurred in 2020, and the second part of 2021 for restrictions that occurred in the first part of 2021.
The economic benefits, which arose from negotiations with the landlords, were recognized as negative adjustments of rents, in line with the provision of the amendment of the IFRS16 accounting standard "Covid-19-Related Rent Concessions (Amendment to IFRS 16)", and amounted to Euro 1,737 thousand (Euro 7,034 thousand in 2021).
In addition to the benefits explained. the item includes service charges for an amount of Euro 6,680 thousand, variable rents for an amount of Euro 3,580 thousand, short term leases for Euro 2,314 thousand and lease contracts for which the underlying asset is classed as a "low-value assets" for an amount of Euro 1,334 thousand.

The item services and consulting, amounting to Euro 35,567 thousand, includes mainly logistics and warehousing services, outsourcing services, and information systems.

Non industrial depreciation, amounting to Euro 71,077 thousand and substantially in line with previous year, includes mainly the depreciation of Right-of-use assets, shops furniture, and software and hardware related to information systems.

Other costs, amounting to Euro 68,108 thousand, include mainly: other miscellaneous costs, sample development costs, maintenance, company officers' compensation, utilities, insurance, and bank fees.

It should be noted that General and administrative expenses include an amount of Euro 1,742 thousand as insurance compensation for the costs incurred in restoring goods exposed to smoke, as a consequence of the fire mentioned in Note 8.

The item includes research and development costs. Research and the ongoing conception and implementation of innovative solutions is a significant factor in the Group's strategies because, as already explained in the directors' report on operations, product innovation is fundamental to maintain and strengthen the Group's competitive advantage. Research and development is a complex corporate process, which ranges from the study of technical solutions involving materials that are able to breathe while remaining waterproof, to the concession of new patents and the development of new product lines.

This process can be broken down into the following stages:

- pure research, which consists of verifying the performance of the materials used in Geox footwear and apparel. This activity's vocation is to create new patents and to implement solutions that use particular materials to make products that can breathe and at the same time remain waterproof;
- applied research, which consists of creating the collections, passing through the various phases of design, prototyping and modeling.

Research and development makes use of dedicated personnel, who transmit the results of their work to all those (designers, product managers, production technicians, etc.) who take part in the definition, industrialization and production of the Group's products.
R&D costs are all charged to the profit and loss account for the year, as general and administrative expenses and amount to Euro 11,313 thousand (Euro 11,273 thousand in 2021).

The fees due to the Directors for 2022 amount to Euro 2,805 thousand (Euro 2,838 thousand in 2021) and those to executives with strategic responsibilities amount to Euro 2,592 thousand (Euro 2,694 thousand in 2021). These amounts include the fees due for performing the same functions in Geox S.p.A. and in other companies included in the scope of consolidation.

The fees due to statutory auditors for 2022 amount to Euro 177 thousand (Euro 175 thousand in 2021).

8. Other revenues

The following table details other revenues:

	2022	2021	Change
Rental income	1,318	1,236	82
Insurance compensation	5,961	106	5,855
Government grants	942	7,604	(6,662)
Other	5,143	2,756	2,387
Total	**13,364**	**11,702**	**1,662**

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

Insurance compensation, amounting to Euro 5,961 thousand, increased compared to previous year for an amount of Euro 5,855 thousand.
In late September, a fire broke out at a third-party warehouse located in Levada (TV). This logistics operator handled a substantial portion of Geox brand apparel, except for e-commerce. No personal injuries were reported and the fire was confined to a small part of the building. The smoke however affected about half of the warehouse. Items destroyed or contaminated by the fumes could not be recovered or put back into production.

These mainly concerned the final part of the Fall/Winter 2022 collection that had not yet been shipped to customers and directly owned stores, and to a lesser extent prior season items.
The Company is insured with adequate coverage against such events and by December 2022 had signed an agreement with the Insurance Company to quantify the compensation at sales value (including orders from its own retail companies) for the amount of destroyed products subject to unfulfilled orders and at cost value for those not subject to orders, relating mainly to prior seasons. All direct costs related to the handling of the claim or related claims were also included, as well as indirect costs on a lump-sum basis.
As a result, there was no impact on the operating result for the year, while there were effects on certain income statement items. The impacts in terms of reduced sales to third parties and the resulting reduced industrial margin were offset by a single net positive amount of Euro 5,833 thousand.
The total amount recognized by insurance is Euro 17,500 thousand. The remaining amounts, with respect to what has already been highlighted, are Euro 9,925 thousand, included in the cost of sales to compensate for the value of the impairment of the damaged stored goods, and Euro 1,742 thousand, included in general and administrative expenses to compensate for the costs incurred for the restoration of the goods exposed to smoke.
From a financial point of view, it should also be noted the collection by December 2022, of an advance payment of Euro 5,000 thousand, while the collection of the balance of Euro 12,500 thousand took place in February 2023.

Government grants, amounting to Euro 942 thousand, mainly refer to a grant of Euro 461 thousand, for investments in research, development and technological innovation, in relation to the 2021 projects pursuant to Article 1, paragraphs 198-209, of Law No. 160/2019 and to a grant of Euro 84 thousand, for investments in the specialized press and radio and television pursuant to Article 57 bis, paragraph 1, Decree Law No. 50 of April 24, 2017, and subsequent amendments.

The item Other includes mainly sales of miscellaneous goods.

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

The following table includes the total value of depreciation and amortization for the year, shown in the movements in fixed assets shown in Notes 16, 17 and 18, net of provisions and releases of impairment funds:

	2022	2021	Change
Industrial depreciation	4,087	3,720	367
Non-industrial depreciation and amortization	71,077	72,015	(938)
Total	**75,164**	**75,735**	**(571)**

Industrial depreciation increased from Euro 3,720 thousand to Euro 4,087 thousand and refers mainly to molds for shoes soles.

Non-industrial depreciation and amortization went from Euro 72,015 thousand to Euro 71,077 thousand and refer mainly to Right-of-use assets, shops furniture, and software and hardware related to information systems.

Payroll costs from continuing operations amounted to Euro 123,422 thousand (Euro 113,974 thousand in 2021). 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. The item also includes the notional cost related to the accounting treatment of stock grant plans in accordance with IFRS 2. In 2022, the amount of rights granted entitling to the free assignment of 1 share of the Company, for each Right granted, to members of the Board of Directors and Executives with Strategic Responsibilities is 3,052,327 in the amount of Euro 874 thousand, included in personnel costs.

10. Impairment test

The following describes the approach followed and the assumptions adopted in carrying out the impairment test designed to verify the recoverability of the Group's assets. Recoverable value is based on value in use determined on the basis of projections of estimated future cash flows.
On Feb. 2, 2023, the Board of Directors approved the financial projections for the period 2023-2027, which confirm the main objectives and strategies defined in the Strategic Plan 2022-2024 prepared and approved by the Board of Directors on Dec. 1, 2021, and also used for the purposes of the valuations related to the 2021 financial statements.
These financial projections were prepared from the approved Group budget for 2023 and considering for the period 2024-2027 the ongoing implementation of the Group's Strategic Plan confirming its long-term objectives in terms of volumes and margins.
In estimating growth over the Plan period, the Group took into account both its own internal expectations and indications obtained from independent external sources.
This Business Plan marks an important moment of discontinuity for the Group and represents the second stage in a five-year strategic pathway started at the beginning of 2020. It aims at establishing a new, more digital and more efficient Geox more focused on customer and distribution centricity in the most relevant countries for the Group.
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.
Between 2020 and 2021 the Group undertook significant rationalisation of unprofitable activities (including the closure of 20% of the stores and the shutting down of the production facility in Serbia), established a more streamlined organisational structure, included new managerial figures in the most important areas of the business and accelerated the most important investments for future growth (digital infrastructure, staff training and sustainability). In parallel to these actions, the Group started a program to relaunch the brand relevance supported by an increase in investment in advertising and in all the activities needed to establish a product portfolio and a distribution structure which are more targeted and focused on Geox' core customers.

The Strategic Plan envisaged the following assumption which are considered by the Directors to be still valid at the date of approval of the draft financial statements for 2022:

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.
2. EBIT margin: it is expected that EBIT may reach a level of around 5-6% of turnover in 2024. This improvement will come mainly from the significant rationalisation actions carried out between 2020 and 2021 and from an increase in gross margins (+100 basis points compared to 2019), which will make it possible also to finance the higher investment in marketing activities.
3. Investments: the Plan forecasts annual investments for around Euro 25/30 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.

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.
Regarding the assets of the stores analysed, total assets of Euro 194 million (of which Right-of-use assets for Euro 160 million) were tested, as of December 31, 2022. This methodology is consistent with what was done last year in which total assets for Euro 174 million (of which Right-of-use assets for Euro 137 million) were tested.
As part of the Strategic Plan, the shop network is expected to remain substantially stable, 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 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 a 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 7.6% and 24.0% (24% refers to the Russian market, while the highest value excluding Russia is 9.6% for Italy).

The Directors therefore proceeded to write down, in whole or in part, assets relating to 70 shops (CGUs), compared to the 63 shops written down as at December 31, 2021. It is important to highlight that as of December 31, 2022, the impaired stores include 24 stores in the China area (compared to 4 in the previous period). In China, the Group operates in the retail channel mainly through shop-in-shops within shopping malls; therefore, these are small stores, which are not comparable with the sales and investment volumes of stores on the streets.

The total impairment provision allocated as an adjustment to fixed assets as of December 31, 2022, amounted to Euro 5,927 thousand, while it was Euro 8,446 thousand as of December 31, 2021. The reduction from the previous year is mainly attributable to the closure of 26 stores operated directly by the Group that had been written down at the end of 2021 for which the allocated provision was used in 2022. With reference to the outcomes of the impairment test, it should be noted that the amount of impairments made at the end 2022 compared to is also significantly affected by the gradual process of depreciation of the tested assets (notes 16,17 and 18). In fact, it should be recalled how the Group continues to depreciate the assets subject to impairment and at the same time proceeds to release the impairment fund, thus not adjusting, as a result of the impairment, the value on which to calculate depreciation.

Changes in the impairment fund for the different categories of fixed assets is shown below:

	Intangible assets	**Property, plant and equipment**	**Right-of-use assets**	**Total**
Impairment fund as at 31-12-2021	**(5,339)**	**(1,827)**	**(1,280)**	**(8,446)**
Provisions	(320)	(1,687)	(2,437)	(4,444)
Releases	4,071	1,096	925	6,092
Utilization for stores closed	483	342	-	825
Translation differences and other movements	2	21	23	46
Change in impairment fund	**4,236**	**(228)**	**(1,489)**	**2,519**
Impairment fund as at 31-12-2022	**(1,103)**	**(2,055)**	**(2,769)**	**(5,927)**

Next phase of the impairment test was carried out by the Directors at a 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 2025-2027, and projecting a growth rate ("g" rate) of 2.2%.
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 10.7%. This is a weighted WACC based on the different countries in which the Group operates.

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 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 18.7%, 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 32%.

11. Personnel

The average number of employees is shown below:

	2022	2021	Change
Managers	43	44	(1)
Middle managers and office staff	858	893	(35)
Shop employees	2,065	2,105	(40)
Factory workers	1	718	(717)
Total	**2,967**	**3,760**	**(793)**

The average number of employees for 2022 amounted to 2,967, showing a reduction of 793 compared to 2021 mainly due mainly due to closure of the production plant in Serbia.

12. Financial income and Financial expenses

This item is made up as follows::

	2022	2021	Change
Financial income	2,709	2,112	597
Financial expenses	(15,369)	(10,448)	(4,921)
Total	**(12,660)**	**(8,336)**	**(4,324)**

Financial income is made up as follows:

	2022	2021	Change
Interest from banks	351	37	314
Interest from customers	67	27	40
Other interest income	2,291	1,789	502
Gains on exchange rate differences	-	259	(259)
Total	**2,709**	**2,112**	**597**

Other interest income mainly includes the time value effect referring to derivative financial instruments mentioned in note 37.

Financial expenses are made up as follows:

	2022	2021	Change
Bank interest and charges	206	43	163
Interest on loans	1,810	1,485	325
Interest on leases	3,785	3,611	174
Other interest expense	5,433	2,548	2,885
Financial discounts and allowances	3,168	2,761	407
Losses on exchange rate differences	967	-	967
Total	**15,369**	**10,448**	**4,921**

Interest on loans increases by Euro 325 thousand compared to previous year, as a result of the increase in the average borrowing rate in 2022 compared to 2021.
Other interest expense mainly includes the time value effect referring to derivative financial instruments mentioned in Note 37.
Interest on leases relate to the application of the accounting standard IFRS 16. The weighted average of the interest borrowing rate (IBR) of the year is 1.7%.

13. Income tax

Income taxes in 2022 amount to Euro 4,625 thousand, compared to Euro 6,419 thousand in 2021.

	2022	2021	Change
Current taxes	(1,846)	(743)	(1,103)
Deferred taxes	(2,779)	(5,676)	2,897
Total	**(4,625)**	**(6,419)**	**1,794**

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):

	2022	%	2021	%
PBT	(8,396)	100.0%	(53,268)	100.0%
Theoretical income taxes (*)	(2,015)	24.0%	(12,784)	24.0%
Effective income taxes	4,625	n.a.	6,419	n.a.
Difference due to:	**6,640**	**n.a.**	**19,203**	**n.a.**
1) different tax rates applicable in other countries	136	n.a.	293	n.a.
2) permanent differences:				
i) IRAP and other local taxes	740	n.a.	329	n.a.
ii) writedowns of deferred tax asset	5,455	n.a.	19,504	n.a.
iii) previous years' taxes and other taxes	309	n.a.	(923)	n.a.
Total difference	**6,640**	**n.a.**	**19,203**	**n.a.**

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

It should be noted that the total amount of the deferred tax assets does not include the tax benefits associated with the tax losses of fiscal years 2021and 2022, which amounted to respectively Euro 19,504 thousand and Euro 5,455 thousand. For such amounts, as at the date of this report, there is no reasonable certainty that taxable income, over the period of the Strategic Plan, will allow their recovery, in addition to the deferred tax assets already recorded in the financial statement. This valuation approach is due to the significant complexity and volatility related to the international geo-political situation which has required management to take a prudent approach and to await therefore the return also to a pre-tax profit, before recognizing additional deferred tax assets.

14. Net result from discontinued operations

The shutting down of the production facility in Serbia in mid-2021 qualifies as "Discontinued Operations" under IFRS 5. As a result, revenues and income and costs and expenses were all reclassified under this specific item in the 2021, totalling Euro 2,460 thousand.

The following table shows the breakdown of this item to the net result 2022, compared with 2021:

	2022	of which related parties	2021	of which related parties
Sales from discontinued operations	-		-	
Cost of sales	-	-	(198)	1,155
Gross profit from discontinued operations	**-**		**(198)**	
General and administrative expenses	-		(173)	
EBIT from discontinued operations	**-**		**(371)**	
Net financial expenses	-		(90)	
PBT from discontinued operations	**-**		**(461)**	
Income tax	-		(1.999)	
Net result from discontinued operations	**-**		**(2,460)**	

It should be noted that the State Aid Control Commission of the Republic of Serbia, with a resolution dated August 5, 2021, and pursuant to the Law on State Aid Control, initiated an ex-post control procedure in relation to the disbursement of state aid by the Ministry of Economy and the City of Vranje in favour of the Geox Group, for the implementation of the investment project of the production site located in the city of Vranje. The state aid was disbursed on the basis of the Funds Disbursement Resolution of October 1st,2012, formalised with a Funds Disbursement Agreement for Direct Investments of October 8, 2012 signed between the Serbian Ministry of Finance and Economy and Geox.
On November 1st, 2021, the State Aid Control Commission issued a resolution stating that the state aid, which the Ministry of Economy and the City of Vranje disbursed to the Group, for the implementation of the investment project, was disbursed in contravention of the Law on State Aid Control. For this reason, at the beginning of 2022, the Ministry of Economy of the Republic of Serbia initiated legal proceedings against the Serbian subsidiary TDV d.o.o. in liquidation aimed at ascertaining this violation and the consequent repayment of part of the funds granted at the time. The amount of the claim amounts to a countervalue of approximately Euro 3.5 million.
The Group, with the support of its legal advisors appointed to follow the litigation, believes, although aware of the existence of elements of uncertainty and chance inherent in any litigation, that its position is supported by valid legal reasons, having fully complied with the Agreement for the disbursement of funds for direct investments signed between the parties, and that therefore the Commission's allegations are unfounded and consequently what is claimed and requested in court by the Serbian Ministry of the Economy.
For this reason, no provisions are included in the 2022 budget on the basis of any negative effects arising from the above litigation.

15. 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:

	2022	2021
Earning/(Loss) per share (Euro)	(0.05)	(0.24)
Diluted earning/(loss) per share (Euro)	(0.05)	(0.24)
Weighted average number of shares outstanding:		
- basic	255,211,081	255,211,081
- diluted	261,933,168	262,022,690

16. Intangible assets

Intangible assets are made up as follows:

	Balance at Dec. 31, 2022	Balance at Dec. 31, 2021	Change
Industrial patents and intellectual property rights	15,068	14,800	268
Trademarks, concessions and licenses	251	298	(47)
Key money	14,575	14,050	525
Assets in progress and payments on account	3,158	1,567	1,591
Goodwill	1,138	1,138	-
Total	**34,190**	**31,853**	**2,337**

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

	Industrial patents and intellectual property rights	Trademarks, concessions and licenses	Key money	Assets in progress and payments on account	Goodwill	Total
Historical value at 31-12-2021	105,422	115,706	73,174	1,567	1,789	297,658
Accumulated depreciation at 31-12-2021	(90,622)	(115,408)	(53,785)	-	(651)	(260,466)
Impairment fund at 31-12-2021	-	-	(5,339)	-	-	(5,339)
Net book value at 31-12-2021	**14,800**	**298**	**14,050**	**1,567**	**1,138**	**31,853**
Additions	7,770	25	-	2,192	-	9,987
Disposals	(1,117)	(3)	(6,424)	-	-	(7,544)
Translation differences and other movements	611	-	(12)	(601)	-	(2)
Change in historical value	**7,264**	**22**	**(6,436)**	**1,591**	**-**	**2,441**
Amortization	(8,107)	(72)	(2,782)	-	-	(10,961)
Decreases	1,117	3	5,480	-	-	6,600
Translation differences and other movements	(6)	-	27	-	-	21
Change in amortization fund	**(6,996)**	**(69)**	**2,725**	**-**	**-**	**(4,340)**
Provisions	-	-	(320)	-	-	(320)
Releases	-	-	4,071	-	-	4,071
Utilization for stores closed	-	-	483	-	-	483
Translation differences and other movements	-	-	2	-	-	2
Change in impairment fund	**-**	**-**	**4,236**	**-**	**-**	**4,236**
Total change in the period	**268**	**(47)**	**525**	**1,591**	**-**	**2,337**
	-	-	-	-	-	-
Historical value at 31-12-2022	112,686	115,728	66,738	3,158	1,789	300,099
Accumulated depreciation at 31-12-2022	(97,618)	(115,477)	(51,060)	-	(651)	(264,806)
Impairment fund at 31-12-2022	-	-	(1,103)	-	-	(1,103)
Net book value at 31-12-2022	**15,068**	**251**	**14,575**	**3,158**	**1,138**	**34,190**

Investments during the period mainly concern:

- personalization of the IT system and software utilization licenses for a total of Euro 6,678 thousand, costs incurred for registration, extension and protection of patents in various parts of the world for Euro 357 thousand;
- assets in progress relating to further implementations and customizing of the new IT system.

Movements in the impairment fund are the result of the impairment test on non current assets relating to the stores, as further described in Note 10.

17. Property, plant and equipment

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

	Balance at Dec. 31, 2022	Balance at Dec. 31, 2021	Changes
Plant and machinery	3,312	3,191	121
Industrial and commercial equipment	3,439	2,746	693
Other assets	9,008	10,506	(1,498)
Leasehold improvements	17,606	18,881	(1,275)
Assets in progress and payments on account	1,112	549	563
Total	**34,477**	**35,873**	**(1,396)**

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

	Plant and machinery	Industrial and commercial equipment	Other assets	Leasehold improvements	Assets in progress and payments on account	Total
Historical value at 31-12-2021	24,233	32,294	59,766	82,082	549	198,924
Accumulated depreciation at 31-12-2021	(21,011)	(29,543)	(48,781)	(61,889)	-	(161,224)
Impairment fund at 31-12-2021	(31)	(5)	(479)	(1,312)	-	(1,827)
Net book value at 31-12-2021	**3,191**	**2,746**	**10,506**	**18,881**	**549**	**35,873**
Additions	1,278	3,591	3,546	6,019	816	15,250
Disposals	(127)	(1,385)	(6,052)	(7,715)	(1)	(15,280)
Translation differences and other movements	1	(12)	125	237	(252)	99
Change in historical value	**1,152**	**2,194**	**(2,381)**	**(1,459)**	**563**	**69**
Amortization	(1,166)	(2,871)	(4,751)	(6,832)	-	(15,620)
Decreases	105	1,379	5,861	7,018	-	14,363
Translation differences and other movements	(1)	11	(61)	71	-	20
Change in amortization fund	**(1,062)**	**(1,481)**	**1,049**	**257**	**-**	**(1,237)**
Provisions	-	(26)	(531)	(1,130)	-	(1,687)
Releases	31	5	331	729	-	1,096
Utilization for stores closed	-	1	28	313	-	342
Translation differences and other movements	-	-	6	15	-	21
Change in impairment fund	**31**	**(20)**	**(166)**	**(73)**	**-**	**(228)**
Total change in the period	**121**	**693**	**(1,498)**	**(1,275)**	**563**	**(1,396)**
Historical value at 31-12-2022	25,385	34,488	57,385	80,623	1,112	198,993
Accumulated depreciation at 31-12-2022	(22,073)	(31,024)	(47,732)	(61,632)	-	(162,461)
Impairment fund at 31-12-2022	-	(25)	(645)	(1,385)	-	(2,055)
Net book value at 31-12-2022	**3,312**	**3,439**	**9,008**	**17,606**	**1,112**	**34,477**

Investments mainly concern:

- implementation of a new packaging line for the e-commerce warehouse at the logistics center in Signoressa and other machineries, for Euro 1,278 thousand;
- 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 relating to industrial buildings and offices and to premises fitted out as Geox Shop;
- Asset 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 various commercial offices.

Movements in the impairment fund are the result of the impairment test on non current assets relating to the stores, as further described in Note 10.

The item "Other assets" is made up as follows:

	Balance at Dec. 31, 2022	**Balance at Dec. 31, 2021**	**Change**
Electronic machines	2,812	3,490	(678)
Furniture and fittings	5,810	6,579	(769)
Motor vehicles and internal transport	386	437	(51)
Total	**9,008**	**10,506**	**(1,498)**

18. Right-of-use assets

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

	Balance at 31-12-2022	**Balance at 31-12-2021**	**Change**
Right-of-use - Apartments	395	491	(96)
Right-of-use - Building	223,187	202,242	20,945
Right-of-use - Cars and Trucks	691	941	(250)
Total	**224,273**	**203,674**	**20,599**

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

	Right-of-use - Apartments	Right-of-use - Building	Right-of-use - Cars and Trucks	Total
Historical value at 31-12-2021	1,205	346,098	2,115	349,418
Accumulated depreciation at 31-12-2021	(714)	(142,576)	(1,174)	(144,464)
Impairment fund at 31-12-2021	-	(1,280)	-	(1,280)
Net book value at 31-12-2021	**491**	**202,242**	**941**	**203,674**
Additions	178	72,111	328	72,617
Disposals	(196)	(20,479)	(284)	(20,959)
Translation differences and other movements	-	47	-	47
Change in historical value	**(18)**	**51,679**	**44**	**51,705**
Amortization	(272)	(49,384)	(575)	(50,231)
Decreases	196	20,479	284	20,959
Translation differences and other movements	(2)	(340)	(3)	(345)
Change in amortization fund	**(78)**	**(29,245)**	**(294)**	**(29,617)**
Provisions	-	(2,437)	-	(2,437)
Releases	-	925	-	925
Utilization for stores closed	-	-	-	-
Translation differences and other movements	-	23	-	23
Change in impairment fund	**-**	**(1,489)**	**-**	**(1,489)**
Total change in the period	**(96)**	**20,945**	**(250)**	**20,599**
Historical value at 31-12-2022	1,187	397,777	2,159	401,123
Accumulated depreciation at 31-12-2022	(792)	(171,821)	(1,468)	(174,081)
Impairment fund at 31-12-2022	-	(2,769)	-	(2,769)
Net book value at 31-12-2022	**395**	**223,187**	**691**	**224,273**

The increases refer to new lease contracts signed over the course of the year, mainly for Geox Shops, or renegotiations of existing contracts.

Movements in the impairment fund are the result of the impairment test on non current assets relating to the stores, as further described in Note 10.

19. Deferred tax

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 Dec. 31, 2022	Balance at Dec. 31, 2021	Change
Carry-forward tax losses	5,348	5,178	170
Depreciation and amortization and impairment	5,244	6,189	(945)
Provision for obsolescence and slow-moving inventory and returns	13,611	12,948	663
Provision for agents' severance indemnities	470	526	(56)
Other	7,172	9,459	(2,287)
Deferred tax assets	**31,845**	**34,300**	**(2,455)**
Evaluation derivates	(2,256)	(3,713)	1,457
Other	(367)	(213)	(154)
Deferred tax liabilities	**(2,623)**	**(3,926)**	**1,303**
Total deferred taxes	**29,222**	**30,374**	**(1,152)**

Deferred tax assets, net of deferred tax liabilities, were 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, considered for the purposes of recovering the prepaid tax assets of Group companies, reference was made to the aforementioned Strategic Plan as described in note 10 and 13.
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. which is considered recoverable in the time frame covered by the aforementioned Strategic Plan.

It should be noted that no deferred tax assets have been recognized in respect of the tax losses of the parent company and of the other Italian subsidiaries, for the years 2020-2022, for a total amount of 36,040 thousand, as well as those of the foreign subsidiaries in markets such as USA, Canada and China, for which, at the date of this report, there is no reasonable certainty that taxable income, over the period of the Strategic Plan, will allow their recovery.

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 2,256 thousand (tax assets amounting to Euro 3,713 thousand in 2021).

Deferred tax assets included in "Other" are mainly related to the provision for bad and doubtful accounts and provisions for liabilities and charges.
Deferred tax assets have been calculated at the tax rates applied in the various countries concerned.

20. Other non-current assets

Other non-current assets are made up as follows:

	Balance at Dec. 31, 2022	Balance at Dec. 31, 2021	Change
Accounts receivable from others in 1 to 5 years	4,418	6,696	(2,278)
Accounts receivable from others in more than 5 years	2,170	1,058	1,112
Total	**6,588**	**7,754**	**(1,166)**

Non-current assets mainly relate to guarantee deposits for utilities and shop leases.

21. Inventories

The following table shows the breakdown of inventories:

	Balance at Dec. 31, 2022	Balance at Dec. 31, 2021	Change
Raw materials	4,926	6,620	(1,694)
Finished products and goods for resale	284,902	233,482	51,420
Furniture and fittings	337	218	119
Total	**290,165**	**240,320**	**49,845**

Inventories of finished products also include goods in transit acquired from countries in the Far East and the costs related to the expected returns on sales.
The value of finished product inventories increases by Euro 51,420 thousand compared to 2021. This increase mainly relates to the purchase of finished goods from the current and future seasons, and this also explains the increase in accounts payable.

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, deemed appropriate for the measurement at estimated realizable value of finished products from previous collections and raw materials no longer used.

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

Balance at January 1	**27,053**
Provisions	18,550
Translation differences	67
Utilizations	(13,329)
Balance at December 31	**32,341**

The write-down mainly reflects the adjustment to the market value of inventories based on the sales forecasts illustrated above.

22. Accounts receivable

Accounts receivable are made up as follows:

	Balance at Dec. 31, 2022	Balance at Dec. 31, 2021	Change
Gross value	103,070	95,771	7,299
Provision for bad and doubtful accounts	(19,072)	(26,844)	7,772
Net value	**83,998**	**68,927**	**15,071**

Accounts receivable amounted to Euro 103,070 thousand at December 31, 2022, showing an increase of Euro 7,299 thousand compared to December 31, 2021. The receivables portfolio is healthy and increasing in line with sales.

It has to be noted that this item was influenced by non-recourse factoring transactions, amounting to Euro 21,056 thousand (Euro 12,120 thousand in 2021).

The following is an ageing analysis of accounts receivable:

	Not yet due	Past due 0 - 90 days	Past due 91 - 180 days	Past due over 180 days	Total
Gross value of trade receivables at December 31, 2022	71,714	11,893	4,016	15,447	**103,070**
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 December 31, 2021 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	164
Translation differences	1
Utilizations	(7,937)
Balance at December 31	**19,072**

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 within the stipulated time. The decrease in the provision reflects the trend in past due over 180 days shown in the table. This is explained by the cancellation in 2022 of some past due receivables as a result of bankruptcies.

23. Other non-financial current assets

This item is made up as follows:

	Balance at Dec. 31, 2022	Balance at Dec. 31, 2021	Change
Tax credits	2,333	3,815	(1,482)
VAT recoverable	5,930	10,922	(4,992)
Advances to vendors	3,690	2,617	1,073
Other receivables	16,524	9,423	7,101
Accrued income and prepaid expenses	3,544	4,248	(704)
Total	**32,021**	**31,025**	**996**

Other receivables include:

- Euro 12,500 thousand for insurance compensation relating to the fire (Nota 8), collected in February 2023;
- Euro 519 thousand due from a credit insurance representing the value of claims assigned for which reimbursement has not yet been received;
- Euro 269 thousand due from factoring companies (arising from non-recourse factoring transactions).

Prepaid expenses mainly include prepayments for rentals and maintenances.

24. Financial assets

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

The following table shows the breakdown of this item:

	Balance at Dec. 31, 2022	Balance at Dec. 31, 2021	Change
Term bank deposits	27	26	1
Total non current financial assets	**27**	**26**	**1**
Fair value derivative contracts	26,902	19,582	7,320
Other current financial assets	4,043	2,831	1,212
Total current financial assets	**30,945**	**22,413**	**8,532**

The term bank deposits of Euro 27 thousand include amounts lodged to guarantee rent contracts on foreign shops.

As regards the mark-to-market derivative contracts, see the comments in note 37.

The item "Other current financial assets" amounting to Euro 4,043 thousand includes mainly, sums deposited as guarantee for the purpose of the e-commerce business.

25. Cash and cash equivalents

The amount of Euro 24,303 thousand relates to short term deposits for Euro 2,788 thousand, to current account in Euro for Euro 10,264 thousand, in British Pound for Euro 1,203 thousand, in US Dollar for Euro 3,006 thousand, in Rouble for Euro 1,468 thousand, in Swiss Franc for Euro 1,254 thousand, in Chinese Yuan for Euro 1,003 thousand, 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.

26. 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. As at December 31, 2022, the treasury shares held by the Company amount to 3,996,250 corresponding to 1,54% of the share capital.

Other reserves

This item is made up as follows:

	Balance at Dec. 31, 2022	**Balance at Dec. 31, 2021**	**Change**
Legal reserve	5,184	5,184	-
Share premium reserve	37,678	37,678	-
Translation reserve	(5,451)	(4,418)	(1,033)
Reserve for cash flow hedges	7,141	11,756	(4,615)
Reserve for stock options	3,904	1,980	1,924
Reserve for treasury shares	(5,051)	(5,051)	-
Retained earnings	51,905	113,679	(61,774)
Total	**95,310**	**160,808**	**(65,498)**

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, for Euro 7,141 thousand, originated as a result of valuing the financial instruments defined as cash flow hedges at 31 December 2022. Fair value valuation of cash flow hedges is stated net of the tax effect as explained in greater detail in note 37. This reserve is not distributable.

Reserve for treasury shares, for Euro 5,051 thousand, originated during 2019 in execution of a program to purchase treasury shares to service the Stock Grant Plans.

The reduction in item Retained earnings refers to the 2021 loss carried forward.

Amounts are shown net of tax, where applicable.

27. Employee benefits

Employee benefits at 31 December 2022 amount to Euro 1,875 thousand as shown below:

Balance at December 31, 2021	**2,411**
Increase for acquisition	30
Reversal of 0.50% withholding	(251)
Reversal of 17% flat-rate tax	(12)
Payments to supplementary pension schemes	(1,175)
Advances granted to employees	(354)
Provision for the period	3,902
Payments to supplementary pension schemes run by INPS net of amounts paid to leavers	(2,200)
Change as a result of actuarial calculations	(472)
Translation differences	(4)
Balance at December 31, 2022	**1,875**

Changes in the item, during 2022, show a utilization of Euro 1,175 thousand for payments to supplementary pension funds and one of Euro 2,200 thousand for net payments to supplementary pension schemes run by INPS. This is because, based on the legislative changes introduced by Law 296/06, with effect from June 30, 2007, severance indemnities accruing after January 1, 2007 have to be paid by companies (with more than 50 employees) to a special treasury fund set up by INPS or, if the employee prefers, to a supplementary pension fund that complies with D.Lgs 252/05.

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

The actuarial valuation 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 expected future payments of severance indemnity by the Company when the employee leaves due to dismissal, resignation, disability, death and retirement, as well as if an advance is requested;
- discounting, to the valuation date, of each expected future payment.

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: 2.0%
- discount rate (index Iboxx Corporate AA con duration 10+): 3,16%
- rate of severance indemnities increase: 3,225%
- inflation rate: 2,30%

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 year-end:

Changes in assumptions	
+1% employee turnover rate	7
-1% employee turnover rate	(8)
+1/4% inflation rate	33
-1/4% inflation rate	(33)
+1/4% discount rate	(49)
-1/4% discount rate	51

28. Provisions for liabilities and charges long term

This item is made up as follows:

	Balance at Dec. 31, 21	Utilization	Provisions	Transl. diff.	Reclass.	Actuarial adj.	Balance at Dec. 31, 22
Provision for agents' severance indemnities	4,992	(332)	92	(76)	-	(466)	4,210
Other	1,505	(311)	443	(4)	(17)	-	1,616
Total	**6,497**	**(643)**	**535**	**(80)**	**(17)**	**(466)**	**5,826**

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 585 thousand.

“Other” reflects mainly an estimate of the risks involved in outstanding disputes, as well as the estimated restoration costs.

29. Current and non current financial liabilities

This item is made up as follows:

	Balance at Dec. 31, 2022	Balance at Dec. 31, 2021	Change
Bank loans	56,561	82,076	(25,515)
Other loans	61	313	(252)
Total	**56,622**	**82,389**	**(25,767)**

Non current financial liabilities amount to Euro 56,622 thousand compared to Euro 82,389 thousand at December 31, 2021 and are all due within 5 years.

Current financial liabilities is made up as follows:

	Balance at Dec. 31, 2022	Balance at Dec. 31, 2021	Change
Cash advances	4,389	857	3,532
Loans	25,520	42,763	(17,243)
Advances against orders	17,000	5,000	12,000
Other current loans	251	334	(83)
Fair value derivative contracts	1,025	1,045	(20)
Other current financial liabilities	305	25	280
Total	**48,490**	**50,024**	**(1,534)**

Current financial liabilities amount to Euro 48,490 thousand compared to Euro 50,024 thousand at December 31, 2021.

The item Loans includes the portion due within 12 months of medium-to long-term loans.

Other current loans, for Euro 251 thousand, include the portion due within 12 months of a loan stipulated with the company IBM Italia Servizi Finanziari S.r.l. for the purchase of hardware and software systems.

Regarding the item "Fair value derivative contracts," refer Note 37.

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. It should be noted that during 2022 the reimbursement of this loan began, with the repayment of the first two installments in the total amount of Euro11,250 thousand.

That loan is subject to financial covenants (to be calculate before IFRS 16 effects), to be tested on a semiannual 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 values 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 December 31, 2022, the covenants are being complied with: the Debt Ratio, as defined in the contract, is equal to Euro 0.43 (it should have been less than 1 by contract). On the other hand, Net Financial Position/EBITDA Ratio as of December 31, 2022 is equal to 1.88 (it should have been less than 3).

Furthermore, with reference to the next measurements, the Debt Ratio shall be less than 0.75 from 2023, and Net Financial Position to EBITDA Ratio shall be less than 2.75 in 2023 and less than 2.50 from 2024. Based on the forecasts contained in Strategic 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 or suspension of payments to suppliers.

The net financial position as defined by the new ESMA Guidelines of 4 March 2021 (Consob Warning notice no. 5/21 to the Consob Communication DEM/6064293 of 28 July 2006) is detailed below:

(Thousands of Euro)	**Dec. 31, 2022**	**Dec. 31, 2021**
A. Cash	24,303	45,655
B. Cash equivalents	-	-
C. Other current financial assets	30,945	22,413
D. Liquidity (A + B + C)	**55,248**	**68,068**
E. Current financial debt	(65,921)	(53,896)
F. Current portion of non-current financial debt	(25,520)	(42,763)
G. Current financial indebtedness (E + F)	**(91,441)**	**(96,659)**
H. Net current financial indebtedness (G + D)	**(36,193)**	**(28,591)**
I. Non current financial debt	(245,907)	(247,789)
J. Debt instruments	-	-
K. Non-current trade and other payables	(61)	(313)
L. Non-current financial indebtedness (I + J + K)	**(245,968)**	**(248,102)**
M. Total financial indebtedness (H + L)	**(282,161)**	**(276,693)**

It should be noted that the non current financial debt is shown net of non-current financial assets.

30. Lease assets and 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 Dec. 31, 2022	Balance at Dec. 31, 2021	Change
Non-current lease assets – third parties	176	343	(167)
Total lease assets	**176**	**343**	**(167)**
Non-current lease liabilities - third parties	138,779	111,986	26,793
Non-current lease liabilities - related parties	50,770	54,096	(3,326)
Total non-current lease liabilities	**189,549**	**166,082**	**23,467**
Current lease liabilities - third parties	37,951	41,686	(3,735)
Current lease liabilities - related parties	5,000	4,949	51
Total current lease liabilities	**42,951**	**46,635**	**(3,684)**
Total lease liabilities	**232,500**	**212,717**	**19,783**
Total net lease liabilities	**232,324**	**212,374**	**19,950**

Non-current lease liabilities amount to Euro 189,549 thousand, of which Euro 111,910 thousand are due within 5 years, and Euro 77,639 thousand beyond 5 years.

The following table shows the changes lease liabilities during 2022:

	31/12/21	Net increases	Transl. Diff.	Payments	31/12/22
Total Lease liabilities	**212,717**	72,087	(284)	(52,020)	**232,500**

The weighted average of the interest borrowing rate (IBR) of the year is 1.70%.

EMARKET SDIR CERTIFIED

31. Other long-term payables

This item is made up as follows:

	Balance at Dec. 31, 2022	Balance at Dec. 31, 2021	Change
Guarantee deposits	308	392	(84)
Accrued expenses and deferred income	871	1,169	(298)
Total	**1,179**	**1,561**	**(382)**

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

32. Trade payables

The item is made as follows:

	Balance at Dec. 31, 2022	Balance at Dec. 31, 2021	Change
Accounts payable	269,454	160,666	108,788
Refund liabilities	27,607	36,146	(8,539)
Total	**297,061**	**196,812**	**100,249**

Accounts payable at December 31, 2022 amount to Euro 269,454 thousand, showing an increase of Euro 108,788 thousand if compared with December 31, 2021. This increase is mainly due to the higher purchases of finished products for the Spring/Summer 23 season, compared to the purchases for the corresponding season of the previous year.

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

- trade payables are normally settled within 30-150 days and do not generate interests;
- 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 2022 are as follows:

Balance at January 1	**36,146**
Provisions	25,698
Translation differences	369
Utilizations	(34,606)
Balance at December 31	**27,607**

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.

The decrease in the provision for returns and credit notes compared to December 31, 2021 is mainly due to the forecast of fewer returns from the franchised shops network as a result of better sales figures for the 2022 seasons compared with the previous year.

33. Other non-financial current liabilities

This item is made up as follows:

	Balance at Dec. 31, 2022	Balance at Dec. 31, 2021	Change
Social security institutions	3,940	4,018	(78)
Employees	16,111	16,254	(143)
Other payables	5,088	7,971	(2,883)
Accrued expenses and deferred income	1,396	2,116	(720)
Total	**26,535**	**30,359**	**(3,824)**

The amounts due to social security institutions mainly relate to pension contributions for 2022, paid in 2023.

The amounts due to employees include payroll, bonuses and accrued vacation not yet taken as of December 31, 2022.

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

34. Provision for liabilities and charges short

Provision for liabilities and charges short term, amounting to Euro 2,355 thousand (Euro 806 thousand in 2021) include, mainly, an estimate of the risks involved in outstanding disputes, as well as the estimated restoration costs.

35. Taxes payable

This item is made up as follows:

	Balance at Dec. 31, 2022	Balance at Dec. 31, 2021	Change
Withholding taxes	3,154	3,232	(78)
VAT payable and other taxes	6,578	6,847	(269)
Total	**9,732**	**10,079**	**(347)**

36. 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 a medium-long term incentive plans is in place, which has been approved by the extraordinary Shareholders' Meeting, on April 22, 2021 involving the free issue of up to a maximum of 7,696,626 ordinary Company shares, as well as a monetary component for a maximum amount of Euro 1,320,000 gross, in the event of overachievement of some targets, to the benefit of the Chief Executive Officer, Executives with strategic responsibilities and other senior managers and employees who are considered key resources for Geox or other Group Companies.
The Plan has a three-year vesting period and, as a result, the shares may be assigned from the date the Shareholders' Meeting approves the financial statements for the year ending December 31, 2023. The assignment of Equity Shares component is subject to the compliance with permanence condition (permanence at the date of approval by the Board of Directors of the Company of the draft consolidated financial statements closed on December 31, 2023), to the achievement of some profitability targets linked to EBIT in 2022, to the EBITDA target in 2023 and to some financial targets of the Group in 2023. The disbursement of the Cash Quota is also subject to the achievement of the overachievement target.
Geox S.p.A. resolved to implement the Plan, with a first assignment cycle of no. 7,671,892 rights in favor of 99 beneficiaries. As of December 31, 2022, a number of 6,722,087 rights are in circulation, for an amount included in personnel costs of Euro 1,924 thousand.

37. 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 December 31, 2022, the Group's indebtedness to the banking system amounts to Euro 103.5 million and is mainly floating rate.
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 59.1 million, 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 420 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 in relation to sales in the British and Swiss 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.

With regard to the Russian market, where transactions between the parent Geox S.p.A. and the Russian subsidiary are exposed, it should be noted that, during 2022, particularly starting from the Fall/Winter 22 sales season, commercial transactions for the sale of finished products were settled in the Euro currency due to the impossibility of hedging the RUB currency. Therefore, to date, the transactional exchange rate risk between the Euro and the Rouble for the Group is mainly present in the financial statements of the Russian company that purchases finished products in the EUR currency.

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 currencies other than the functional currency of the entity holding them.
In addition, it may be convenient from an economic point of view, for companies to obtain finance or use funds in a currency different than the functional currency. 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 than the functional currency.

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 in Euro.

The assets and liabilities of consolidated companies whose functional currency 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 2022 in the nature or structure of exposure to currency risk or in the Group's hedging policies.

The Group's financial statements could be materially affected by fluctuations in the exchange rates, mainly referred to the US dollar and Rouble. The impact on the Group's result at December 31, 2022 resulting from a hypothetical, unfavorable and instantaneous change of 10% in the exchange rates of the leading foreign currencies with the Euro would have been approximately Euro 5 million, while in case of a favorable change of 10% in exchange rates the impact would have been approximately Euro 4 million, almost all of which relating to RUB because, as previously mentioned, it is not possible to hedge exchange rate risk. Receivables, payables and future trade flows whose hedging transactions have been analyzed were not considered in this analysis. It is reasonable to assume that changes in exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

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 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 of 2020. 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 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 improving trend of 2022, the forecasts of the Strategic Plan, 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 December 31, 2022 financial instruments are as follows:

	Notional value on 12-31-22	Fair value on 12-31-22 (debit)	Fair value on 12-31-22 (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	37,305	2,588	(673)	92,916	4,074	(165)
FX Forward sell agreements to hedge exch. rate risk	69,231	1,849	(352)	86,985	44	(816)
FX Currency Option agreem. to hedge exch. rate risk	285,955	19,711	-	295,780	15,464	-
Target Forward FX Trans. to hedge exch.rate risk	59,063	2,754	-	67,500	-	(64)
Total Cash flow hedge	**451,554**	**26,902**	**(1,025)**	**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 December 31, 2022 are classified on Level 2. In 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 December 31, 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 upcoming seasons.

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 December 31, 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 December 31, 2022, the Group held two Interest Rate Swap (IRS), used to alter the profile of original interest rate risk exposure from variable rate to fixed rate. On set dates, such IRS exchange interest flows with the counterparties, calculated on the basis of a reference notional value, at the agreed fixed and variable rates.

Potential risks related to climate change

The Geox Group is aware of the relevance of climate-related issues and their relative impacts and, in this perspective, monitors them in relation to the type of its business (e.g. transition risks) and the sector in which it operates, which includes among its main risks, as well as emerging ones, those relating to so-called 'climate change' and, in particular:

- physical risks that could cause extreme natural events with potential impacts related to supply chains, production facilities and stores with possible business interruptions and financial losses;
- risks related to supply chain vulnerability caused by the above-mentioned physical risks and which could lead to possible disruptions in supply chains, affecting the availability and cost of raw materials, transport and distribution.

The Geox Group has carried out analyses of the risk profiles considered relevant - including risks with potential ESG impacts - aware of the evolution and recommendations (e.g. Task Force on Climate-related Financial Disclosures, TCFD) to which the aforesaid analyses must tend.
As set out in the Consolidated Non-Financial Statement, the product initiatives (e.g. linked to ongoing research and development activities), process initiatives (e.g. linked to the evolution of packaging, energy consumption, the supply chain, etc.) and the awards obtained by the Group, in addition to the initiatives towards personnel and other stakeholders, demonstrate the Group's attention and positioning - in a context of extreme sensitivity - with respect to emerging needs and the consequent risks, including regulatory risks, of a climatic-environmental nature.

38. Related-party transactions

Pursuant to IAS 24, the Group's related parties are companies and people who are able 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 Regulation governing related party transactions is available on the website www.geox.biz Governance section.

The Group has dealings with the ultimate parent company (LIR S.r.l.),with affiliated companies (mainly Diadora S.p.A. for the portion related to revenues on royalties and Domicapital S.r.l. for the portion related to leases on capital properties) and other related parties. Commercial relations with these parties are based on the utmost transparency and on market terms and conditions. The economic transactions held with related parties in 2022 and 2021 are summarised in the following tables:

	Total 2022	Parent company	Affiliated company	Other related parties	Total of which related parties	Effect on Total (%)
Sales	**735,517**	-	1,000	-	**1,000**	**0.1%**
Cost of sales	**(386,287)**	-	28	-	**28**	**(0.0%)**
General and administrative expenses	**(288,974)**	12	(69)	(7)	**(64)**	**0.0%**
Other revenues	**13,364**	48	45	-	**93**	**0.7%**
Advertising and promotion costs	**(30,358)**	(159)	-	-	**(159)**	**0.5%**
Financial expenses	**(15,369)**	(37)	(1,270)	-	**(1,307)**	**8.5%**

	Total 2021	Parent company	Affiliated company	Other related parties	Total of which related parties	Effect on Total (%)
Sales	**608,915**	-	898	-	**898**	**0.1%**
Cost of sales	**(324,653)**	-	529	-	**529**	**(0.2%)**
General and administrative expenses	**(274,393)**	31	(23)	(1)	**7**	**(0.0%)**
Other revenues	**11,702**	45	45	-	**90**	**0.8%**
Advertising and promotion costs	**(29,195)**	(149)	-	-	**(149)**	**0.5%**
Financial expenses	**(10,448)**	(42)	(1,322)	-	**(1,364)**	**13.1%**
Taxes	**(6,419)**	(5)	-	-	**(5)**	**0.1%**
Net result from discontinued operations	**(2,460)**	**-**	**1,155**	**-**	**1,155**	**(47.0%)**

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

	Balance at Dec. 31, 2022	Parent company	Affiliated company	Other related parties	Total of which related parties	Effect on Total (%)
Accounts receivable	**83,998**	57	516	-	**573**	**0.68%**
Other non-financial current assets	**32,021**	2	-	-	**2**	**0.01%**
Non-current lease liabilities	**189,549**	1,244	49,526	-	**50,770**	**26.78%**
Accounts payable	**297,061**	39	61	1	**101**	**0.03%**
Current lease liabilities	**42,951**	336	4,664	-	**5,000**	**11.64%**

	Balance at Dec. 31, 202	Parent company	Affiliated company	Other related parties	Total of which related parties	Effect on 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%**
Accounts payable	**196,812**	**39**	**24**	**1**	**64**	**0.03%**
Current lease liabilities	**46,635**	**353**	**4,596**	**-**	**4,949**	**10.61%**

EMARKET SDIR CERTIFIED

39. Commitments and contingent liabilities

The future rental payments under lease contracts, excluded from the application of IFRS 16, as of December 31, 2022 are as follows:

	12-31-2022
Within 1 year	7,142
Within 1-5 years	10,646
Beyond 5 years	2,687
Total	**20,475**

The Group has decided not to recognise right-of-use assets and lease liabilities related to low-value assets and short-term leases. The Group recognises the related lease payments as an expense over the lease term.

40. Information provided pursuant to Italian Law no. 124/2017

In relation to the requirements imposed by Italian Law no. 124/2017, it should be noted that, during 2022 and with reference to its Italian companies, the Group received Euro 904 thousand, broken down as follows:

- Euro 243 thousand relating to the tax credit for investments in research, development and technological innovation referred to in Article 1, paragraphs 198-209, of Law no. 160/2019;
- Euro 84 thousand relating to the tax credit for investments in the specialised press and radio and television as per Article 57 bis, paragraph 1, Decree Law No. 50 of 24 April 2017, as amended;
- Euro 11 thousand relating to the tax credit for investments in new capital goods pursuant to Article 1, paragraph 188 of Law no.160/2019;
- Euro 109 thousand from Fondimpresa relating to the Formative Plan GIDA - Geox Innovation Digital Academy;
- Euro 43 thousand from Fondimpresa relating to the Formative Plan Training Plan;
- Euro 319 thousand relating to the tax credit for investments in new capital goods pursuant to Article 1, paragraphs 1056-1057, of Law no.178/2020;
- Euro 49 thousand from the electricity services provider (GSE S.p.A.) relating to tariff incentives for photovoltaic systems;
- Euro 20 thousand related to the tax credit in favour of non-energy consuming companies pursuant to Article 3 of Decree-Law No. 21 of 21 March 2022, updated as published in GU Serie Generale No. 117 of 20 May 2022 and GU Serie Generale No. 164 of 15 July;
- Euro 26 thousand relating to the tax credit for non-energy consuming companies pursuant to Article 6, Paragraph 3 of Decree-Law No. 115 of 9 August 2022, coordinated with Conversion Law No. 142 of 21 September 2022.

It is hereby specified that these benefits have been recorded based on the cash accounting principle, meaning that the aforementioned amounts include subsidies, grants, paid positions and any other kind of economic benefits that where cashed in during 2022, without considering the period to which they refer.

With regard to compliance with the aforementioned requirements, in relation to any other grants received that may fall within the defined categories, please also refer to the dedicated national Register, which is available to the public.

41. Significant subsequent events after December 31, 2022

On 14 February 2023, the Ecofin Council updated the List of Non-Cooperative Jurisdictions for Tax Purposes (so-called Black List countries) by adding certain countries, including Russia. The Group operates in that country with its own wholly-owned subsidiary, but with actual economic activity through the use of personnel, equipment, assets and premises. The management, therefore, believes that, based on the information available at the date of this report, this inclusion has no impact on the Group's operations, both from an economic and financial point of view, nor on the recoverability of its assets in Russia.

No other significant events occurred after 31 December 2022.

***

Biadene di Montebelluna, 9 March 2023

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

Attachment I

Biadene di Montebelluna, 9 March 2023

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 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 December 31, 2022 and for the year 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

Pursuant to Art. 149-duodecies of the Issuers' Regulations:

Type of services	**Entity that provided the services**	**Beneficiary**	**Fees 2022 (Euro/1000)**
Auditing	Auditors of the Parent Company	Parent Company	181
Attestation services	Auditors of the Parent Company	Parent Company	
Tax advisory services	Same network as the Parent Company's auditor	Parent Company	
Other services	Auditors of the Parent Company	Parent Company	8
Total			**189**
Auditing	i) Auditors of the Parent Company	Subsidiaries	21
	ii) Same network as the Parent Company's auditors	Subsidiaries	82
Attestation services	i) Auditors of the Parent Company	Subsidiaries	
	ii) Same network as the Parent Company's auditors	Subsidiaries	
Tax advisory services	i) Auditors of the Parent Company	Subsidiaries	
	ii) Same network as the Parent Company's auditors	Subsidiaries	
Other services	i) Auditors of the Parent Company	Subsidiaries	
	ii) Same network as the Parent Company's auditors	Subsidiaries	
			103
Total			**293**

Attachment 3

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2022

Name	Location	Year	Currency	Share	% held		
- 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%		100.00%
- Geox Respira SL	Barcelona, Spain	Dec. 31	EUR	1,500,000	100%		100.00%
- Geox Suisse SA	Lugano, Switzerland	Dec. 31	CHF	200,000	100%		100.00%
- Geox UK Ltd	London, U.K.	Dec. 31	GBP	1,050,000	100%		100.00%
- Geox Canada Inc.	Mississauga, Canada	Dec. 31	CAD	23,500,100		100%	100.00%
- S&A Distribution Inc.	New York, Usa	Dec. 31	USD	1		100%	100.00%
- Geox Holland B.V.	Breda, Netherlands	Dec. 31	EUR	20,100	100%		100.00%
- Geox Retail S.r.l.	Biadene di Montebelluna (TV), Italy	Dec. 31	EUR	100,000	100%		100.00%
- Geox Hungary Kft	Budapest, Hungary	Dec. 31	HUF	10,000,000	99%	1%	100.00%
- Geox Hellas S.A.	Athens, Greece	Dec. 31	EUR	220,000	100%		100.00%
- Geox France Sarl	Sallanches, France	Dec. 31	EUR	15,000,000	100%		100.00%
- S&A Retail Inc.	New York, Usa	Dec. 31	USD	200		100%	100.00%
- Geox Asia Pacific Ltd	Hong Kong, China	Dec. 31	USD	127,400		100%	100.00%
- XLog S.r.l.	Signoressa di Trevignano (TV), Italy	Dec. 31	EUR	110,000	100%		100.00%
- Geox Rus LLC	Moscow, Russia	Dec. 31	RUB	60,000,000	100%		100.00%
- Geox AT Gmbh	Wien, Austria	Dec. 31	EUR	35,000	100%		100.00%
- Geox Poland Sp. Z.o.o.	Warszawa, Poland	Dec. 31	PLN	5,000		100%	100.00%
- Geox Portugal S.U. LDA	Lisbon, Portugal	Dec. 31	EUR	300,000	100%		100.00%
- Technic Development D.O.O. Vranje	Vranje, Serbia	Dec. 31	RSD	802,468,425	100%		100.00%
- Geox Macau Ltd	Macau, China	Dec. 31	MOP	5,000,000		100%	100.00%
- Geox Trading Shangai Ltd	Shanghai, China	Dec. 31	CNY	101,577,316		100%	100.00%
- Dongguan Technic Footwear Apparel Design Ltd	Dongguan, China	Dec. 31	CNY	3,795,840		100%	100.00%
- Technic Development Vietnam Company Ltd	Ho Chi Minh City, Vietnam	Dec. 31	VND	3,403,499,500		100%	100.00%
- XBalk D.O.O. Vranje	Vranje, Serbia	Dec. 31	RSD	1,200,000		100%	100.00%

Company's data and information for Shareholders

Registered office

Geox S.p.A. – Joint Stock Company
Via Feltrina Centro, 16
31044 Biadene di Montebelluna (TV) - Italy

Legal data

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

ir@geox.com
tel. +39 0423 282476

Documents for shareholders

www.geox.biz
(Sezione Investor Relations)

Disclaimer

This English version of the consolidated financial statements of Geox Group constitutes a non-official version which has not been prepared in accordance with the provisions of the Commission Delegated Regulation (EU) 2019/815. The official version of the financial statements, which was prepared in accordance with the aforementioned Regulation, has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.