

GEOX

ANNUAL REPORT
2023

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Chairman's message to Shareholders

Dear Shareholders,

The past year was marked by significant challenges, fostered by the persistent uncertainty in the macroeconomic environment that affected our reference market. However, despite these challenges, we are pleased to share with you our achievements and outlook for the future.

2023 represented a period of stabilization for the Group, with a slight decrease in sales of 2.2% in respect to the previous year. However, despite this slowdown, our operating margin improved significantly. This result was achieved through specific actions aimed at rationalizing and streamlining the cost base, which resulted in operating income reaching Euro 15.6 million, showing a significant increase compared to the previous year.

The results reflect the effectiveness of the initiatives outlined in our Strategic Plan. These strategies have made our business model more efficient, flexible and in line with market dynamics. Throughout the year, we allocated significant resources to the enhancement of our brand. The investments in product development, those supporting multi-brand distribution channels and digital platforms, along with the increased productivity of our mono-brand stores, have been crucial to this process. Furthermore, we have intensified efforts to make our operations increasingly sustainable, aligning with the rising expectations of our consumers and key stakeholders.

The launch of the collaboration with Penélope Cruz, who was named Global Brand Ambassador of Geox last September, was extremely relevant in our marketing strategy. This project underlines the shared values between the Oscar-winning actress and our brand, by placing even bigger emphasis on style, comfort and quality, fundamental pillars of our corporate identity.

In recent years, we have carefully redesigned our direct sales distribution structure, focusing on high value-added investments and terminating unprofitable businesses. This process, now almost complete, has led to a rationalization of our direct sales channel, enabling us to make it more efficient and high-performing.

Despite persistent macroeconomic and market challenges, we are confident in our commitment and values that define our brand. We are convinced that we will continue to be relevant in international markets and further improve the Group's efficiency and overall profitability. Supported by this ambition, in 2024 we will define and present the new Strategic Plan that will shape Geox's path in the years to come.

We thank you for your constant support and confidence in our path. We are determined to continue to create value for all stakeholders, keeping operational excellence and innovation at the core of our business strategy.

Mario Moretti Polegato



History

It was more than 30 years ago when Mario Moretti Polegato, founder and chairman of Geox, came up with the revolutionary idea of piercing the rubber soles of his shoes, allowing his feet to breathe during a trip under the hot sun of Reno, in Nevada. So, why not create a product that's as flexible and strong as a normal rubber sole, at the same time as guaranteeing extraordinary performance in terms of breathability and water resistance?

When he got back to Italy, Moretti Polegato decided to develop his idea in a small footwear company belonging to his family, creating a new technology for rubber soles: that's how the first "shoe that breathes" was born, which he immediately patented.

After pitching his invention to well-established footwear companies without success, and, having passed a market test with a range of kids' shoes, Moretti Polegato began manufacturing his Geox shoes independently. He improved and perfected the initial patent and went on to extend the range of products to include not only children's shoes, but men's and women's too.

That's how everyday design encountered avant-garde technology, a project whose very name symbolises its close link with nature and real life. In fact, the word Geox is made up of Geo - the Greek for "earth" - and X, the symbol for the most advanced technology, developed in Italian laboratories and covered by numerous patents at international level. This name conveys all the commitment and energy of our drive and know-how, our care and attention, using research to support quality and everyday elegance.

"BREATHES" stands for innovation, research and continuous experimentation: a philosophy that unites creativity and performance, style and technology, respect for the environment and for people.



Strategic vision

Geox is an Everyday Premium Lifestyle Brand with Italian DNA, in the footwear and apparel sector

Geox is a Brand that conveys quality, certainly attentive to fashion trends, yet detached from its rules and codes

Geox is a strongly contemporary Brand that appeals to people of all genders, ages, styles and cultures

Geox is a brand with a strongly recognizable Family Feeling in its products and its communication

Geox is a brand that spreads its purpose in the world, staying true to its values in daily choices

Geox is a brand that has the earth (Geo) and technology (X) in its name, and is therefore driven by a mindset based on respect and attention for environment, society and people

Geox's purpose

To improve people's well-being on the move in their daily lives



“Geox was born in Italy, inspired by an idea that has led the company to become one of the world’s leading shoe manufacturers, developing technology and modern products aimed at improving people’s well-being.

Following this inspiration, Geox has embarked on a path towards sustainable innovation, which today represents one of the fundamental values of the company’s philosophy”

*Mario Moretti Polegato
Chairman Geox S.p.A.*

Geox strategic positioning



WHY OUR ROLE IN THE WORLD

We improve people's well-being on the move.

We believe that in comfort and in style you go one step further.



HOW THE GEOX MODE

We design beautiful innovations to wear.

We are Italian in our DNA: inventors with a sense of style.



WHAT OUR RESULT

Well-being that everyone can enjoy.

For millions of people, for every family in the world.

Geox's distinctive features

Geox is a contemporary footwear and outerwear company with a competitive positioning based on solid assets.

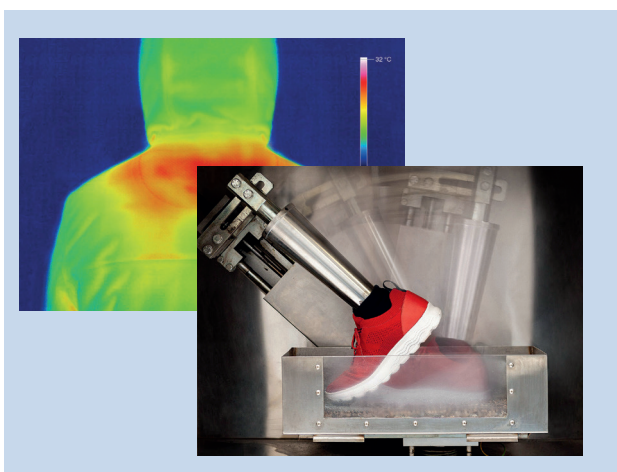
STRONG BRAND AWARENESS

High brand awareness premiumness.



UNIQUE TECHNOLOGY

61 patents and 5 most recent patent applications.



ITALIAN DNA

Product development in Italy, high quality.





WIDE AND ESTABLISHED DISTRIBUTIVE PRESENCE

Around 9,000 point of sales with 655 "Geox Shop".



PEOPLE

Dedicated and experienced teams.



SUSTAINABLE MINDSET

Family brand with responsible approach in all product's categories.



PENÉLOPE CRUZ
FOR
GEOX

Respira™

A high-visibility brand

Geox is a brand with a very high level of recognition, the result of effective marketing campaigns on all channels, traditional and digital, with increasing investments aimed at well-profiled customer personas and planned on the most relevant media for each target.

Geox's visibility has further increased since the Autumn-Winter 2023 season with the new advertising campaign featuring the Oscar-winning actress Penélope Cruz as Geox's testimonial.

Versatile actress whose talent is admired both by critics and audiences, beloved muse to the greatest film directors, Penélope Cruz will be representing the Italian brand in a worldwide advertising campaign split into two phases. After the launch of the women's 23-24 Autumn-Winter collection, the actress will be back for a second Geox campaign dedicated to the Spring-Summer 24 season.

The investment is an integral part of the acceleration strategy for marketing activities implemented over the past few years which will be particularly focusing on the women's collection for 2023/2024.



TV commercials



Out of Home



Print



Digital



In Store



Innovation first. Developing technology that breathes is the mission of Geox

Geox was born from an innovative idea that aims to guarantee quality and wellbeing. The “shoe that breathes” is a perception, an idea, a promise that since its first intuition has become the cardinal principle of Geox’s mission, aimed at well-being and absolute comfort

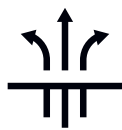
The extraordinary success of Geox footwear and clothing is due to a technology protected by no less than 61 patents and 5 more recent patent applications

The company constantly invests in research in order to continually improve existing products and launch new solutions that combine breathability and water resistance

The Shoe that Breathes™

The original Geox-designed system that promotes breathability, thanks to the special breathable and waterproof membrane inside the perforated sole.

The micropores of the membrane prevent water from entering the sole and allow excess heat to escape, keeping the foot comfortable and dry all day long.



Breathability



Comfort



Naturally breathable leather becomes waterproof

The perfect combination of comfort and formal style: a technological line that makes leather soles waterproof without compromising their natural transpiration properties, thanks to a breathable and waterproof membrane preventing water from entering the shoe.



Breathability



Waterproof sole



Comfort

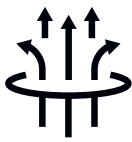


Nebula™: revolutionary breathability

A technological line that revolutionizes the traditional concept of breathability, thanks to the perforated sole with a breathable and waterproof membrane and the special inner lining with cavities that create a free space between the foot and the upper, facilitating the escape of heat upwards and favoring the natural process of thermoregulation. A system which, with its ergonomic design, ensures comfort and lightness even in the most dynamic situations: ideal for long walks in the city or when traveling.



Ergonomic design



Super
breathability



Comfort



Aerantis™: Dynamic Breathing System

Super breathability and optimal comfort thanks to the perforated sole with breathable and waterproof membrane and the dynamic ventilation system, activated by movement, which maximizes air circulation around the foot and facilitates the thermoregulation process, ensuring high performance in terms of breathability.



Super Breathability



Dynamic
ventilation



Comfort



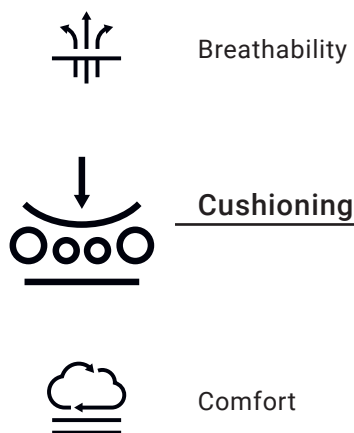
Amphibiox™: waterproofing and breathability

A technological line that combines comfort and optimal protection even in case of pouring rain. Its special waterproof and breathable membrane in the sole and upper ensures superior and long-lasting performance in terms of waterproofing and breathability, and creates an ideal microclimate to keep feet dry in all weather conditions.



Spherica™: all-round comfort

Excellent cushioning, optimal breathability: the innovative sole with Zero Shock System, made up of two interlocking layers of different densities, is made with materials that guarantee maximum flexibility. In the original version, the ultra-soft spheres act as shock-absorbing pads and allow the pressure of the foot to be released on the ground, ensuring a light and comfortable walk, while the holes in the sole with a breathable and waterproof membrane favor thermoregulation.



The jacket that Breathes™

The original Geox system that offers optimal comfort and promotes breathability: the ventilation band with three-dimensional spacer placed on the top of the garments, combined with the special breathable and waterproof membrane, lets air through and prevents water from entering.



Breathability



Comfort



Amphibiox™: waterproofing and breathability

Maximum waterproofing, breathability and windproof are the exceptional performance of Amphibiox™ outerwear: a line of jackets designed to guarantee optimal protection even in heavy rain. The special ventilation band on the shoulders, together with the one placed inside the neck, guarantees effective breathability, while the waterproof and windproof internal fabrics allow you to stay dry.



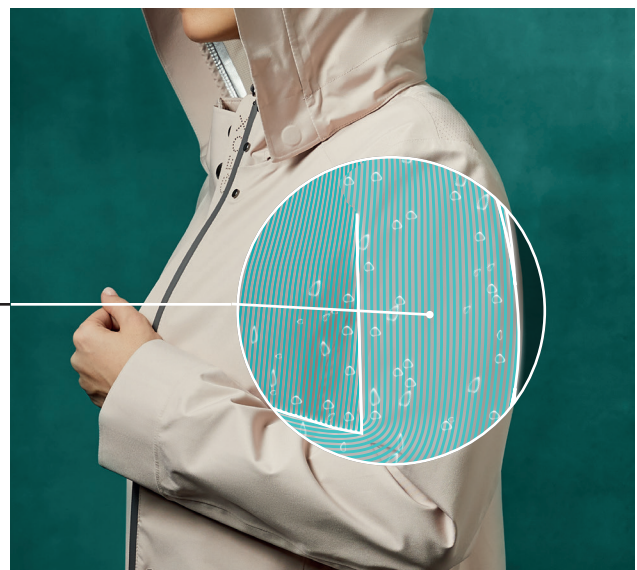
Breathability



Maximum waterproofing






Windproof



Any Weather Condition




The innovative eco-friendly system designed by Geox that guarantees high levels of comfort and protection at any time of the day. The waterproof and windproof lining is designed to keep you dry in all weather conditions while the special ventilation band on the shoulders is equipped with a membrane that allows excess hot air to escape, thus promoting effective transpiration.

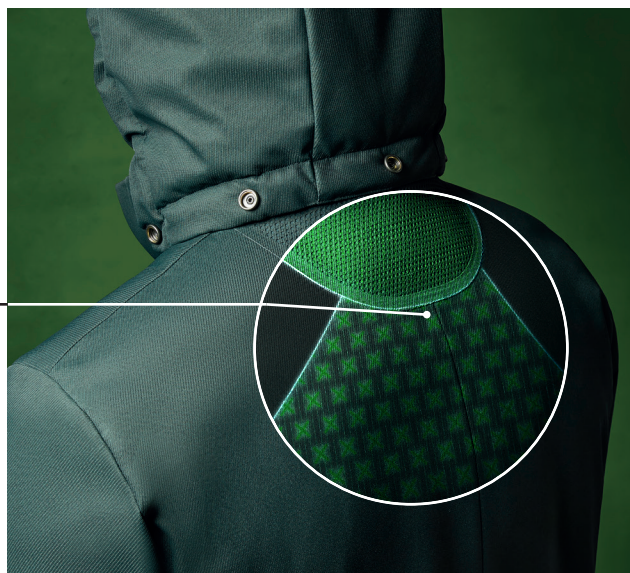
-  Breathability
-  Waterproof lining
-  Comfort



Aerantis™: Dynamic Breathing System

Maximum breathability, high levels of comfort: Aerantis outerwear dynamically counteracts overheating of the body thanks to a special dynamic ventilation system. Two ventilation bands allow effective transpiration, a 3D fabric with gaps favors the dissipation of hot and humid air and the revolutionary thermo-adaptive wadding maintains the ideal body temperature at all times of the day.

-  Breathability
-  Dynamic Ventilation
-  Comfort



Geox worldwide

The Group implements a diversified distribution strategy across its individual markets, in order to ensure brand promotion is coherent for end consumers; Geox distributes its products in more than 9,000 multi-brand stores and through a network of single-brand directly operated stores (DOS) or affiliated with franchise agreements. As of December 31, 2023, the total number of "Geox Shops" was 655 of which 255 were DOS, 280 were franchised and 120 were under license agreements.

655 Geox Shop

174 Italy

173 Europe*

11 North America

297 Other Countries

*Europe includes: Austria, Benelux, France, Germany, Great Britain, the Iberian Peninsula, Scandinavia and Switzerland.





Group profile



2023
Sales
€ **720** Mio

SALES BY REGION

Italy **28%**
Europe **42%**
North America **4%**
Rest of the world **26%**

SALES BY DISTRIBUTION CHANNEL

Multi-brand **52%**
Dos **40%**
Franchising **8%**



Some significant awards

Le stelle dell'e-commerce 2024

Geox has been included in the "Le stelle dell'e-commerce 2024" ranking among the top 500 Italian e-commerce excellences, recognized for its outstanding reputation among consumers, ranking within the top 15 in the footwear sector. This analysis was conducted by Corriere della Sera/Statista.

Leader della sostenibilità 2023

Geox has been included in the list of "Leader della sostenibilità" created by Sole 24 Ore and Statista to recognize the efforts of companies most committed to ecological, ethical, social, and governance transition. (Sole 24 Ore and Statista).

LabXNoi Move y-our future

The project "LabXNoi Move y-our future," Geox's experiential workshops aimed at capturing the needs of Geox individuals across the three dimensions - ME, WE, SUPERWE - has been awarded 2nd place. The goal is to implement initiatives and projects to shape the future Employee Experience at Geox.

AIDP Awards

Awarded 3rd place at the AIDP Awards by the Italian Association of Human Resources Directors, the GIDA Season 2 program - Learn, Make, Together has been recognized nationally as one of the best projects in the field of Human Resources.

Italy's Best Employers 2023

Geox has been included in the list of "Sustainability Leaders" created by Sole 24 Ore and Statista to recognize the efforts of companies most committed to ecological, ethical, social, and governance transition. (Sole 24 Ore and Statista).





DIRECTORS' REPORT

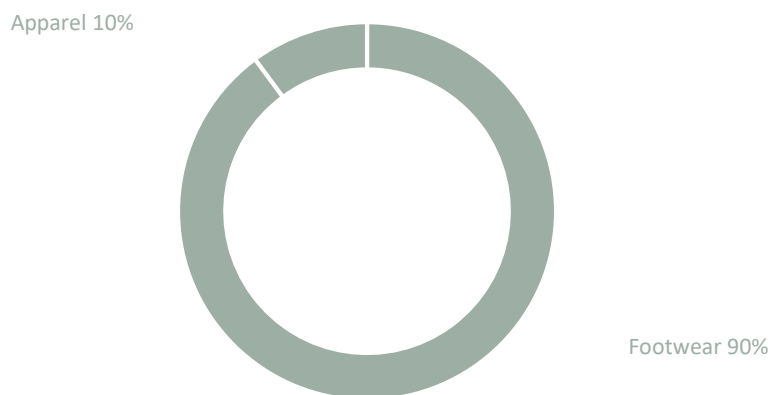
Profile

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

The extraordinary success that Geox has achieved is due to the technological characteristics of its shoes and apparel. Thanks to a technology that has been protected by 61 different patents and by 5 more recent patent applications, "Geox" products ensure technical characteristics that improve foot and body comfort in a way that consumers are able to appreciate immediately.

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

Geox is market leader in Italy in its own segment and is one of the leading brands world-wide in the "International Branded Casual Footwear Market" (source: Shoe Intelligence, 2023).



Research and development

The applied research carried out by Geox in 2023 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 "super comfort" footwear sole was developed in 2023, comprising a material obtained by innovative molding technology that is extremely light, soft and flexible, with high cushioning capacity.

In apparel, a new offering of outerwear has been designed, with technology without the usual perforations on the shoulders and/or back, inserted inside the jacket and more sustainable as it allows a reduction of components and a simplification of the construction process. Its additional properties are breathability and ventilation.

New waterproof and breathable membranes that are more sustainable for the environment have been tested for Geox's perforated sole technologies for footwear and aeration band for outerwear.

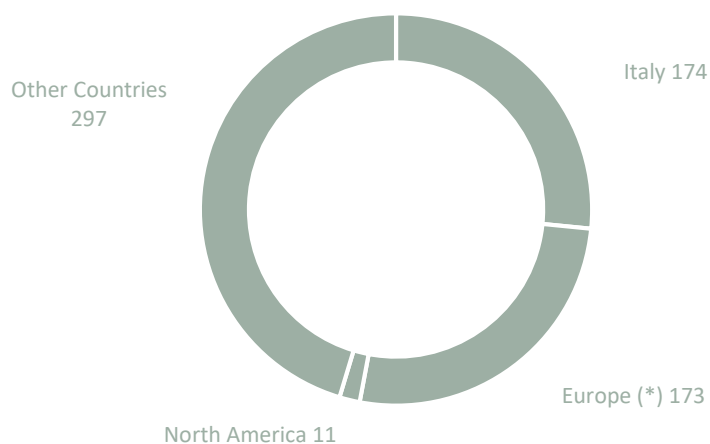
Geox innovation is protected by 61 patents and 5 recent patent applications.

Research and development costs are charged to the profit and loss account for the year and totalled Euro 10,058 thousand (Euro 11,313 thousand in 2022).

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, 2023, the overall number of "Geox Shops" came to 655, of which 255 operated directly, 280 in franchising and 120 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 organization.

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.

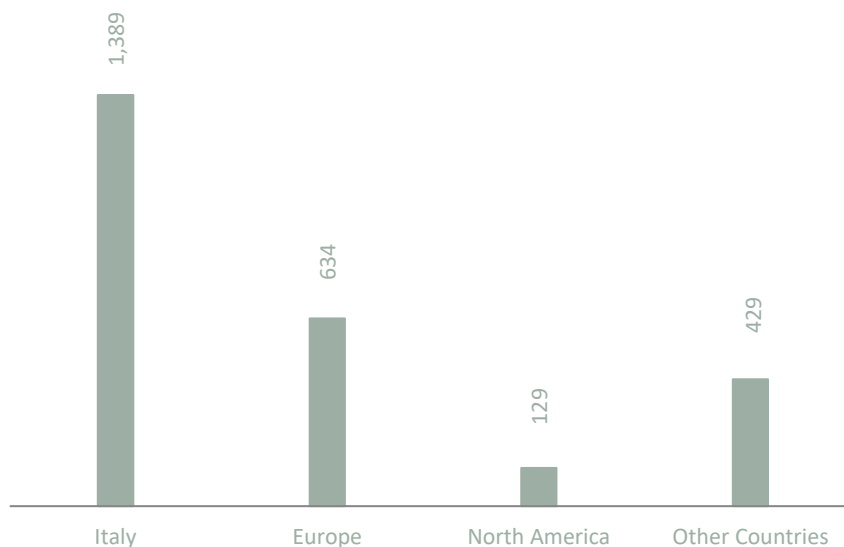
Human Resources

At December 31, 2023 the Group had 2,581 employees, showing a decrease of 410 employees compared with 2,991 employees at 31 December 2022.

As of December 31, 2023, the employees were split as follows:

Level	31-12-2023	31-12-2022
Managers	45	43
Middle Managers and office staff	874	853
Shop Employees	1,661	2,094
Factory Workers	1	1
Total	2,581	2,991

The graph shows the employees of the Group at 31 December 2023, 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	2023	2022	2021
Earnings per share [Euro]	(0.02)	(0.05)	(0.24)
Equity per share [Euro]	0.35	0.42	0.48
Dividend per share [Euro]	-	-	-
Pay-out ratio [%]	-	-	-
Dividend yield (at 12.31)	-	-	-
Year-end price [Euro]	0.71	0.80	1.07
MTA high [Euro]	0.83	1.12	1.34
MTA low [Euro]	0.69	0.69	0.76
Price per share/EPS	(28.69)	(15.74)	(4.39)
Price per share/Equity per share	2.04	1.92	2.23
Stock market capitalization [thousands of Euro]	185,074	208,143	277,352
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

Control of the Company

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	11,294	14,894,659
from 5,001 to 10,000 shares	928	7,117,161
10,001 shares and over	854	246,536,079
Lack of information on disposal of individual positions previously reported		(9,340,568)
Total	13,076	259,207,331

(*) As reported by Computershare S.p.A. on December 29, 2023

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, 2023. These shares are held exclusively by key management executives.

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

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.

^(*) On the date of approval of the financial statements, 1 March 2024.

Report on corporate governance and ownership structure

Corporate Governance

The corporate governance system plays a fundamental role in the conduct of the Group's operations, aiming to ensure compliance with the criteria of transparency and accountability, contributing significantly to the creation of medium- and long-term value, in accordance with the principles of the Code of Conduct for Listed Companies issued by the Corporate Governance Committee.

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.

Within the aforementioned Report on Corporate Governance and Ownership Structures, the mechanisms for the functioning of the Shareholders' Meeting and the composition and functioning of the of the board of directors and board of statutory auditors and their sub-committees are also reported.

The Report on Corporate Governance and the Ownership Structure is available in the Governance section of the Company's website: www.geox.biz, to which it is to refer for further information regarding, among other things, adherence to the principles and recommendations of the Corporate Governance Code and the Corporate Governance system adopted by Geox.

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 analyzing the appropriate design of the control activities themselves and their effective and efficient implementation over time. In relation to the financial reporting process, control activities are evaluated in two semi-annual sessions followed, where appropriate, by as many follow-up phases if some critical issues are identified.

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

- The Board of Directors, which guides and evaluates the Internal Control System and Risk Management, at least once a year; it's to be noted that on 25 February 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 Audit Risks and Sustainability 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 CEO (Chief Executive Officer) in charge of setting up and maintaining the Internal Control System and Risk Management.
- 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 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 should be noted that the Group has long adopted its own organizational, management and control model pursuant to D.Lgs 231/01, which has been constantly supplemented with the new cases of crimes relevant for the purposes of D.Lgs. 231/01, and most recently updated on November 9, 2023.

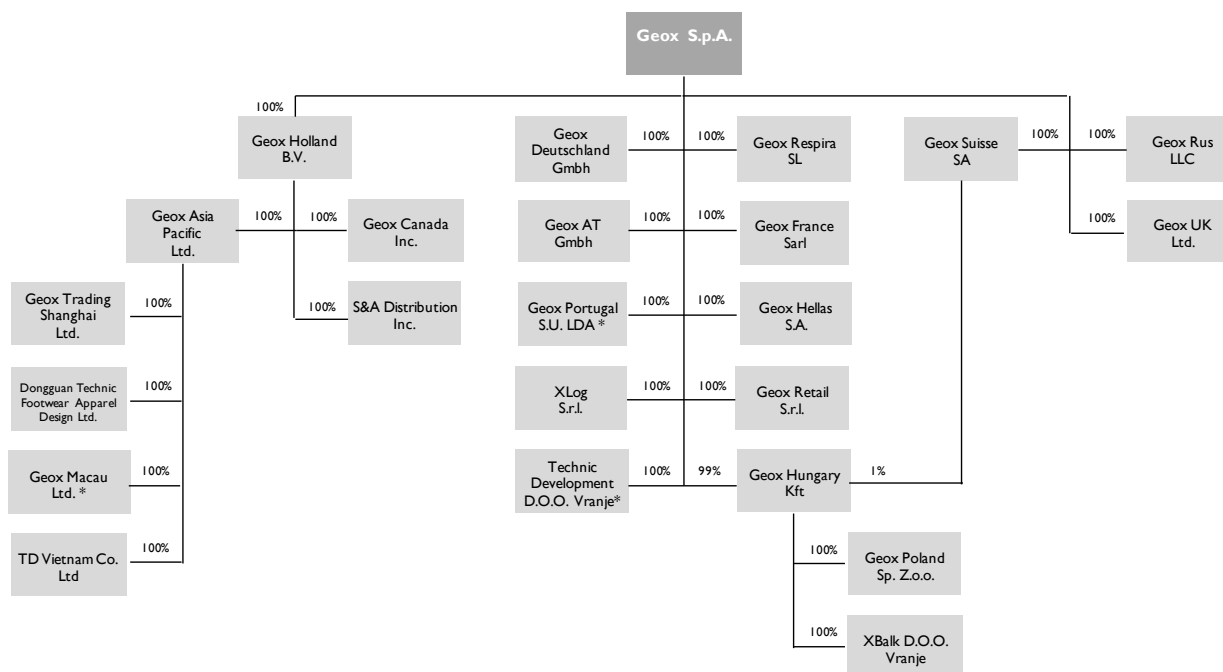
The financial reporting is protected by a series of controls that are carried out during the various corporate processes that lead to the formation of the figures shown in the financial statements.

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 Legislative Decree no. 254/2016, the Group has prepared a separate report containing non-financial information. Please refer to the aforementioned document - deposited on the Company's website in the Investor Relations section - for all aspects relating to the reporting of information on issues deemed material, in compliance with the provisions of the aforementioned decree.

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 9 November 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

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

The Geox Group, with reference to the conduct of its business model and related strategy, is exposed to various types of risk that could affect the achievement of the Group's economic, capital and financial objectives.

The aforesaid risks are identified and assessed in the Company's Enterprise Risk Management (ERM) process in order to ensure the identification of appropriate controls for the organization's main risks, which are also monitored by the Audit Risks and Sustainability Committee and periodically (at least once a year) submitted to the Board of Directors, which takes them into account when developing the strategy.

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 and the new outbreak of the Israeli-Palestinian conflict, which continue to fuel pre-existing situations of international, humanitarian and social crisis with significant impacts first of all on the living conditions of the population of these countries, but also on their internal economic activity and trade in the area.
This escalation and the further widening of the Middle East front, with the involvement of new players, are causing specific repercussions on the security and costs of goods transfers along traditional international trade routes, mainly in the Red Sea area.
The Group believes that the scenario described above may continue to have negative effects on: i) the development of demand in international markets; ii) trends in inflation rates with subsequent restrictive monetary policies on interest rates; iii) volatility of reference currencies (dollar and ruble); iv) increased uncertainty, which has an impact on consumption; v) increased transportation costs; vi) increased energy costs (gas and oil).
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;
- 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. Political and social tensions could lead to procurement difficulties with negative consequences on the Group's economic results. 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, technological evolution and the increase in the frequency of incidents attributable to cyber security issues and is aware of the growing level of risk in terms of business continuity.

That said, the Geox Group has defined a plan of interventions and relative investments aimed, in a logic of continuous improvement, at strengthening its cyber risk management model. The aforesaid interventions - which envisage the adoption of the best technologies and methodologies for identification and protection, continuous personnel training, and periodic risk assessment and updating activities - are aimed, on the one hand, at preventing and defending against potential risks of cyber attacks and, on the other, at reinforcing the measures for countering and restoring normal operations.

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) and systems through Security Information Event Management that collects and links all security-relevant events;
- 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 prioritized by level of criticality of the supply of goods and/or provision of services.

Potential risks related to climate change

The Geox Group 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 potential emerging risks, mainly of an environmental nature and, more generally, directly and/or indirectly traceable to so-called "climate change" and to manage the impacts, where possible and proactively, to seize the relative opportunities and to comply with the continuously evolving legislative and regulatory aspects attributable to the latter.

In fact, the Group carefully monitors issues related to climate change that are also the subject of current and growing attention by legislators and supervisory authorities in the countries within which the Group, consistently with its value chain, operates, even if only with reference to product commercial activities or their production.

In addition, the Geox Group is aware of the risks that could potentially relate to the increase and unpredictability of extreme climatic phenomena, the increase and instability of the cost of certain types of raw materials; complete and/or partial non-compliance with potential impacts also in terms of the possible application of sanctions; the phenomena of environmental pollution linked, for example, to uncontrolled emissions, the inadequate disposal of waste, waste water, the spillage of dangerous substances, etc.

In this context, the Group identifies and drives specific initiatives and activities aimed at preventing and mitigating the aforementioned and possible risks. Over the last three years, the Group has pursued objectives aimed at increasing the use of electricity from renewable sources, reducing greenhouse gas emissions consistent with the United Nations' commitment to limit the maximum global temperature rise compared to pre-industrial levels.

In addition, the Group has defined and implemented general and specific safeguards to prevent any social, ethical and environmental risks relating to its value chain and, more specifically, to the processes upstream of it, i.e. those referable to its suppliers of processing and raw materials, through the adoption of the Code of Ethics and Code of Conduct for Suppliers, whose principles, obligations and prohibitions - as well as laws and regulations applicable in each country in which the aforementioned suppliers operate - are referred to in specific agreements signed with them (so-called Manufacturing Agreements). These documents contain mandatory and binding provisions, compliance with which is

verified - together with other high reference standards (e.g. ILO, SA8000) - through social, ethical and environmental compliance audits carried out by independent and specialized third parties.

The Group also identifies risks arising from the temporary interruption of operations due to external and/or natural events and provides for their management and mitigation through specific initiatives as well as insurance policies to cover the loss of integrity of company assets.

This information can be found in more detail in the Non-Financial Consolidated Statement in the Financial Reports section of the website www.geox.biz.

The Geox Group is, therefore, aware of the relevance of the issues connected with environmental aspects (e.g. climate, biodiversity), social aspects (e.g. working conditions, human rights) and, also, governance (e.g. internal control system) as well as the transparency with which these must be managed and reported (e.g. double materiality, forward-looking approach, extension to the value chain) in compliance with the current reference standards (NFRD) and, in particular, the next ones (CSRD) on which the Group has already started specific activities.

The Group, also guided by recent and more stringent regulatory obligations, will identify specific objectives with respect to which it will be possible to give continuity to initiatives already started and/or to be started and related, by way of example, to actions aimed at reducing greenhouse gas emissions produced, ensuring respect for working conditions and human rights along its value chain.

Finally, the Group always pays the utmost and increasing attention:

- to its own activities and the activities of third parties that collaborate with the Group itself that could be characterized by a potential social, ethical and environmental risk profile;
- the behavior of its stakeholders (e.g. consumers, employees) and the increasing attention they pay to the above issues;
- the impact that products may have with reference to ethical, environmental, social aspects, etc;
- the aforementioned evolutions, including those of a legislative and regulatory nature, adapting and/or implementing - constantly and promptly - mitigation factors.

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 US 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 decided to implement specific policies to hedge against the risk of changes in interest rates on medium-/long-term loans.

It therefore entered into three Interest Rate Swap (IRS) transactions for a total of Euro 55.7 million, also with the specific aim of being able to remove, on part of the notional amount, the initial floor condition at zero in relation to 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.

The Directors, in view of current business performance, financial forecasts, current available and unused lines, and financing obtained from the banking system, do not believe that the Group is unable to meet 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:

- Sales at Euro 719.6 million, slightly declining by 2.2% compared to 2022;
- EBIT at Euro 15.6 million compared to Euro 4.3 million in 2022;
- Net result at Euro -6.5 million compared to Euro -13.0 million in 2022.

The consolidated income statement is shown below:

(Thousands of Euro)	2023		2022	
		%		%
Sales	719,571	100.0%	735,517	100.0%
Cost of sales	(355,011)	(49.3%)	(386,287)	(52.5%)
Gross profit	364,560	50.7%	349,230	47.5%
Selling and distribution costs	(36,206)	(5.0%)	(38,998)	(5.3%)
Advertising and promotion costs	(32,806)	(4.6%)	(30,358)	(4.1%)
General and administrative expenses	(279,969)	(38.9%)	(275,610)	(37.5%)
EBIT	15,579	2.2%	4,264	0.6%
Net financial expenses	(21,387)	(3.0%)	(12,660)	(1.7%)
PBT	(5,808)	(0.8%)	(8,396)	(1.1%)
Income tax	(643)	(0.1%)	(4,625)	(0.6%)
Net result	(6,451)	(0.9%)	(13,021)	(1.8%)
EBITDA	89,024	12.4%	79,428	10.8%
EBITDA excl. IFRS 16	37,045	5.1%	26,550	3.6%

Sales

In 2023 consolidated sales amounted to Euro 720 million, slightly declining by 2.2% compared to the previous year (+0.3% at constant exchange rates), mainly driven by negative DOS performance only partially offset by Multibrand channel. Fourth quarter results were below previous year, same quarter, with sales reaching Euro 138 million (-17.3% at current exchange rates).

Sales by Distribution channel

(Thousands of Euro)	2023	%	2022	%	Var. %
Wholesale	371,830	51.7%	369,507	50.2%	0.6%
Franchising	60,217	8.4%	63,583	8.7%	(5.3%)
DOS*	287,524	40.0%	302,427	41.1%	(4.9%)
Geox Shops	347,741	48.3%	366,010	49.8%	(5.0%)
Total Sales	719,571	100.0%	735,517	100.0%	(2.2%)

* Directly Operated Store

Wholesales, which accounted for 51.7% of Group sales (50.2% in 2022), amounted to Euro 371.8 million (+0.6% at current exchange rates, +3.4% at constant exchange rates), compared to Euro 369.5 million in 2022.

Franchising channel sales, equal to 8.4% of Group sales, amounted to Euro 60.2 million, showing a 5.3% decrease in respect to 2022. The performance for the year, while benefiting as the Multibrand channel by consistently efficient and timely shipments, was negatively affected by the reduction in the number of stores compared to 2022. In fact, the total number of franchised stores decreased from 294 stores as of December 2022 to 280 stores as of December 2023.

Directly-operated stores (DOS) sales, which account for 40% of Group sales, amount to Euro 287.5 million compared to Euro 302.4 million in 2022 (-4.9% at current exchange rates, -2.7% at constant exchange rates). Comparable sales (LFL) at the end of the period increased by +3.7%. In particular, this performance reflects positive results in physical shops as well as in online channel delivering comparable sales growth of about 3.7% both.

Finally, in terms of distribution perimeter, the number of DOS decreased from 315 at December 2022 to 255 at December 2023.

This reduction significantly defined the overall change in channel revenue, which, despite slightly higher comparable sales, ended the reporting period with a total Euro 14.9 million decrease compared to 2022.

Sales by region

(Thousands of Euro)	2023	%	2022	%	Var. %
Italy	200,760	27.9%	194,754	26.5%	3.1%
Europe (*)	304,632	42.3%	327,901	44.6%	(7.1%)
North America	27,199	3.8%	30,271	4.1%	(10.1%)
Other countries	186,980	26.0%	182,591	24.8%	2.4%
Total sales	719,571	100.0%	735,517	100.0%	(2.2%)

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

Sales generated in Italy, which represents 27.9% of the Group's sales (26.5% in 2022), amount to Euro 200.8 million, up 3.1% compared to Euro 194.8 million in 2022. Growth was driven mainly by the wholesale channel (+17.2%), but partly mitigated by the negative performance of the Franchising channel (-9.7%) and the direct store network (-2%).

Sales generated in Europe, equal to 42.3% of Group sales (44.6% in 2022), amount to Euro 304.6 million, compared to Euro 327.9 million in 2022, recording a decrease of -7.1% mainly driven by the negative performance achieved in the German market and specifically in the Multibrand channel.

DOS in Europe reported comparable sales up by +5.5%. Franchising channel (+1.6%) was also slightly positive in terms of LFL performance.

North America reported sales of Euro 27.2 million, down by -10.1% (-5.4% at constant exchange rates) compared to 2022; the positive results of the Multibrand channel (+2.9% compared to 2022) were more than offset by the lower result achieved by the direct store network (-17.8% compared to 2022) mainly due to a lower number of stores.

Other Countries reported sales growth of +2.4% compared to 2022 (+12.5% at constant exchange rates) mainly driven by the good performance achieved by both the Multibrand channel (+8.6% compared to 2022) and the Franchising network (+6.4% compared to 2022). Positive performance was delivered in the MEA region, particularly due to the signing of significant new distribution agreements aimed at expanding the sales network.

Sales by product category

(Thousands of Euro)	2023	%	2022	%	Var. %
Footwear	646,879	89.9%	663,066	90.1%	(2.4%)
Apparel	72,692	10.1%	72,451	9.9%	0.3%
Total sales	719,571	100.0%	735,517	100.0%	(2.2%)

Footwear accounted for 90% of consolidated sales, amounting to Euro 646.9 million, down by -2.4% (-0.3% at constant exchange rates) compared to 2022. Apparel accounted for 10% of consolidated sales, amounting to Euro 72.7 million substantially in line with 2022 (+0.3% at current exchange rates and +5.7% at constant exchange rates).

Mono-brand store network – Geox shops

As at 31 December 2023 the total number of “Geox Shops” was 655 of which 255 DOS. During 2023, 41 new Geox Shops were opened and 103 were closed, in line with the planned optimization of shops in the more mature markets and an expansion in countries where the Group’s presence is still limited but developing positively.

	12-31-2023		12-31-2022		2023		
	Geox Shops	of which DOS	Geox Shops	of which DOS	Perimeter Change	Openings	Closings
Italy	174	107	189	116	(15)	1	(16)
Europe (*)	173	88	197	110	(24)	10	(34)
North America	11	11	17	17	(6)	-	(6)
Other countries (**)	297	49	314	72	(17)	30	(47)
Total	655	255	717	315	(62)	41	(103)

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

(**) Includes Under License Agreement Shops (120 as of December 31 2023, 108 as of December 31 2022). Sales from these shops are not included in the franchising channel.

Group performance: other income statement items

The results for the year show a further significant improvement in operating margin compared to 2022. This result was achieved through improved gross margins (+320 bps compared to the previous year) and careful management of operating costs.

The result of these actions, in line with the company's strategy, allowed for a significant increase in operating income (EBIT), which grew from Euro 4.3 million (0.6% on sales) to Euro 15.6 million (2.2% of sales), despite the already commented slight contraction in sales (-2.2%).

The main movements are presented below:

COGS and gross margin

The cost of sales was 49.3% of sales compared to 52.5% in 2022, resulting in a gross margin of 50.7% (47.5% in 2022).

The margin improvement stems mainly from the pre-announced stabilization of supply chain conditions with, in particular, a release of pressure on raw material and transportation costs compared to the previous year.

Operating expenses

Total operating costs (general and administrative costs, selling and distribution costs, and advertising) in the year amounted to Euro 349.0 million, or 48.5% of sales, compared to Euro 345.0 million in 2022, or 46.9% of sales.

In particular:

- Selling and distribution costs stood at Euro 36.2 million (Euro 39 million in 2022), accounting for 5% of sales (5.3 % in 2022).
- Advertising and promotion costs amounted to Euro 32.8 million, up from Euro 30.4 million in the previous year. The increase is substantially related to the increased marketing initiatives undertaken in the period, in line with the Strategic Plan.
- General and administrative expenses (net of other income) amounted to Euro 279.9 million, compared to Euro 275.6 million in 2022. It should be noted that in the previous year, this item included some positive non-recurring items, mainly the insurance reimbursement related to the fire in the third-party warehouse in the amount of about Euro 6 million and support (government grants, reduced shop rents) related to the pandemic in the amount of about Euro 3 million. Taking these extraordinary items into account, the general and administrative costs for 2022 would have been in line with 2023.

EBITDA and EBIT

EBITDA increased to Euro 89.0 million (12.4% of sales), compared to Euro 79.4 million in 2022 (10.8% of sales). EBITDA before IFRS 16 amounts to Euro 37.0 million (Euro 26.6 million in 2022).

EBIT stood at Euro 15.6 million (Euro 4.3 million in 2022).

Financial income and expenses

Financial income and expenses amounted to Euro 21.4 million, with an increase compared to 2022 (Euro 12.7 million) mainly due to:

- higher cost of debt for about Euro 5 million, due to the increase in rates experienced by the market and a higher average debt level in the period for about Euro 25 million compared to 2022, linked to the increase in working capital.
- negative exchange rate differences of about Euro 6.0 million suffered by the subsidiary Geox RUS in relation to the EUR/RUB exchange rate.

Income taxes

Income taxes for the year amounted to Euro 0.6 million, compared to Euro 4.6 million in 2022.

IFRS 16 effects on 2023 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, a reconciliation between the income statement figures for 2023 and those excluding the accounting effects resulting from the application of IFRS 16 is presented below:

(Thousands of Euro)	2023	IFRS 16 impact	2023 excl. IFRS 16	%	2022 excl. IFRS 16	%
Sales	719,571	-	719,571	100.0%	735,517	100.0%
Cost of sales	(355,011)	-	(355,011)	(49.3%)	(386,287)	(52.5%)
Gross profit	364,560	-	364,560	50.7%	349,230	47.5%
Selling and distribution costs	(36,206)	(1,291)	(37,497)	(5.2%)	(40,146)	(5.5%)
Advertising and promotion costs	(32,806)	(277)	(33,083)	(4.6%)	(30,622)	(4.2%)
General and administrative expenses	(279,969)	(915)	(280,884)	(39.0%)	(275,850)	(37.5%)
EBIT	15,579	(2,483)	13,096	1.8%	2,612	0.4%
Net interest	(21,387)	4,232	(17,155)	(2.4%)	(8,878)	(1.2%)
PBT	(5,808)	1,749	(4,059)	(0.6%)	(6,266)	(0.9%)
Income tax	(643)	-	(643)	(0.1%)	(4,625)	(0.6%)
Net result	(6,451)	1,749	(4,702)	(0.7%)	(10,891)	(1.5%)
EBITDA adjusted	89,024	(51,979)	37,045	5.1%	26,550	3.6%

The item IFRS 16 impact includes mainly the following effects:

- elimination of depreciation and write-downs for Euro 49,496 thousand, relating to Right-of-use assets;
- higher rent and lease costs for Euro 51,979 thousand;
- lower financial expenses related to financial lease liabilities for Euro 4,232 thousand.

It is emphasized that the income statements set out above, which exclude the impact of the application of IFRS 16, are not to be considered as substitutes for those defined by the IFRS accounting standards adopted by the European Union and therefore their presentation must be carefully considered 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 data:

(Thousands of Euro)	Dec. 31, 2023	Dec. 31, 2022
Intangible assets	30,433	34,190
Property, plant and equipment	31,269	34,477
Right-of-use assets	235,491	224,273
Other non-current assets - net	36,410	34,631
Total non-current assets	333,603	327,571
Net operating working capital	116,706	77,102
Other current assets (liabilities), net	(15,913)	(6,601)
Net invested capital	434,396	398,072
Equity	90,590	108,210
Provisions for severance indemnities, liabilities and charges	6,739	7,701
Net financial position	337,067	282,161
Net invested capital	434,396	398,072

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

(Thousands of Euro)	Dec. 31, 2023	Dec. 31, 2022
Inventories	275,979	290,165
Accounts receivable	72,076	83,998
Trade payables	(231,349)	(297,061)
Net operating working capital	116,706	77,102
% of sales for the last 12 months	16.2%	10.5%
Taxes payable	(6,564)	(9,732)
Other non-financial current assets	17,238	32,021
Other non-financial current liabilities	(26,587)	(28,890)
Other current assets (liabilities), net	(15,913)	(6,601)

Net Operating Working Capital stood at approximately Euro 117 million, up from Euro 77 million as of December 2022. The increase from December 31, 2022 is mainly driven by the newfound efficiency of the supply chain, which resulted in the consequent rebalancing of the liability cycle.

The ratio of net working capital to sales in the last twelve months was 16.2%. This ratio, among the best in our industry, is however higher than the 10.5% recorded in December 2022. 2023 therefore saw a physiological return to normality. 2023 is therefore a year of strong discontinuity in working capital and cash flow, as the Group, with FW22, has ended the reutilization of the excess unsold inventory that had reduced purchases in recent seasons, and is now coping with the increase in orders exclusively with the purchase of new product.

The following table shows the composition of the net financial position:

(Thousands of Euro)	Dec. 31, 2023	Dec. 31, 2022
Cash and cash equivalents	70,146	24,303
Current financial assets - excluding derivatives	5,341	4,043
Current financial liabilities - excluding derivatives	(89,293)	(47,465)
Net financial position - current portion	(13,806)	(19,119)
Non-current financial assets	27	27
Long-term loans	(76,304)	(56,622)
Net financial position - non-current portion	(76,277)	(56,595)
Net financial position - prior to fair value adjustment of derivatives and IFRS 16 impact	(90,083)	(75,714)
Lease liabilities	(243,945)	(232,324)
Net financial position - prior to fair value adjustment of derivatives	(334,028)	(308,038)
Fair value adjustment of derivatives	(3,039)	25,877
Net financial position	(337,067)	(282,161)

The rationalization actions undertaken, as well as the derivative hedges carried out on exchange rate and interest rate risk, enabled the net financial position to be kept under control, which at the end of the year stood (before IFRS 16 and after the fair value of derivative contracts) at Euro -93.1 million (Euro -49.8 million as of December 2022). Net debt to banks amounted at Euro -90.1 million (Euro -75.7 million as of December 2022), and reflects the Net Working Capital cycle.

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

Description	Net result for the period 2023	Equity 12-31-2023	Net result for the period 2022	Equity 12-31-2022
Parent company's equity and net income	(3,941)	91,913	(12,233)	104,910
Differences between the carrying value of the investments in subsidiaries and the Group share of their equity	6,486	8,809	128,573	129,072
Group share of affiliates' results	(5,533)	(5,533)	(122,770)	(122,770)
Elimination of intragroup transactions on inventories	(2,880)	(11,136)	(3,142)	(8,504)
Elimination of intragroup dividends and investments write-off	(1,693)	-	(2,026)	-
Other adjustments	1,110	6,537	(1,423)	5,502
Group equity and net income	(6,451)	90,590	(13,021)	108,210

IFRS 16 effects on the Group's financial performance

In order to provide a clearer representation of the Group's financial performance and to improve the level of transparency for the financial community, a reconciliation between the balance sheet values as at 31 December 2023 and those excluding the accounting effects resulting from the application of the IFRS 16 is presented below:

(Thousands of Euro)	December 31, 2023	IFRS 16 impact	December 31, 2023 excluding IFRS 16	December 31, 2022 excluding IFRS 16
Intangible assets	30,433	1,654	32,087	34,546
Property, plant and equipment	31,269	1,054	32,323	35,430
Right-of-use assets	235,491	(235,491)	-	-
Other non-current assets - net	36,410	-	36,410	34,631
Total non-current assets	333,603	(232,783)	100,820	104,607
Net operating working capital	116,706	-	116,706	76,374
Other current assets (liabilities), net	(15,913)	-	(15,913)	(6,601)
Net invested capital	434,396	(232,783)	201,613	174,380
Equity	90,590	11,162	101,752	116,842
Provisions for severance indemnities, liabilities and charges	6,739	-	6,739	7,701
Net financial position	337,067	(243,945)	93,122	49,837
Net invested capital	434,396	(232,783)	201,613	174,380

The item IFRS 16 Impact mainly includes the following effects:

- elimination of Non-current Assets for Euro 232,783 thousand, mainly related to Right of use assets;
- elimination of Financial lease liabilities for leasing for Euro 243,945 thousand.

It is emphasized that the balance sheet schedules shown above, which exclude the impact of the application of IFRS 16, are not to be considered substitutes for those defined by the IFRS accounting standards adopted by the European Union and therefore their presentation should be carefully considered by the reader of this Financial Report.

Reclassified consolidated cash flow statement and investments of the period

The following table shows the reclassified consolidated cash flow statement:

(Thousands of Euro)	2023	2022
Net result	(6,451)	(13,021)
Depreciation, amortization and impairment	73,445	75,164
Other non-cash items	8,600	(14,744)
Cash flow from economics	75,594	47,399
Change in net working capital	(35,312)	41,381
Change in other assets/liabilities	13,810	(4,837)
Cash flow from operations	54,092	83,943
Capital expenditure	(18,702)	(25,237)
Disposals	-	45
Net capital expenditure	(18,702)	(25,192)
Free cash flow	35,390	58,751
Increase in right-of-use assets	(61,978)	(72,087)
Change in net financial position	(26,588)	(13,336)
Initial net financial position - prior to fair value adjustment of derivatives	(308,038)	(295,230)
Change in net financial position	(26,588)	(13,336)
Translation differences	598	528
Final net financial position - prior to fair value adjustment of derivatives	(334,028)	(308,038)
Fair value adjustment of derivatives	(3,039)	25,877
Final net financial position	(337,067)	(282,161)

Consolidated capital expenditures are analyzed in the following table:

(Thousands of Euro)	2023	2022
Trademarks and patents	349	382
Opening and restructuring of Geox Shop	6,079	8,539
Industrial plant and equipment	3,208	3,510
Logistics	809	2,729
Information technology	7,058	9,151
Offices furniture, warehouse and fittings	1,199	926
Total cash capex	18,702	25,237
Right-of-Use	62,130	72,616
Total capex	80,832	97,853

IFRS 16 effects in on Reclassified consolidated cash flow statement

In order to give a clearer representation of the changes that occurred during the year in the Group's net financial position and to improve the level of transparency for the financial community, a reconciliation statement is presented below between the values of the consolidated cash flow statement and those excluding the accounting effects resulting from the application of IFRS 16:

(Thousands of Euro)	2023	IFRS 16 impact	2023 excluding IFRS 16	2022 excluding IFRS 16
Net result	(6,451)	1,749	(4,702)	(10,891)
Depreciation, amortization and impairment	73,445	(49,496)	23,949	23,938
Other non-cash items	8,600	-	8,600	(14,744)
Cash flow from economics	75,594	(47,747)	27,847	(1,697)
Change in net working capital	(35,312)	-	(35,312)	37,999
Change in other current assets/liabilities	13,810	-	13,810	(4,837)
Cash flow from operations	54,092	(47,747)	6,345	31,465
Capital expenditure	(18,702)	(1,179)	(19,881)	(25,237)
Disposals	-	-	-	45
Net capital expenditure	(18,702)	(1,179)	(19,881)	(25,192)
Free cash flow	35,390	(48,926)	(13,536)	6,273
Increase in right-of-use assets	(61,978)	61,978	-	-
Change in net financial position	(26,588)	13,052	(13,536)	6,273
Initial net financial position - prior to fair value adjustment of derivatives	(308,038)	232,324	(75,714)	(82,856)
Change in net financial position	(26,588)	13,052	(13,536)	6,273
Translation differences	598	(1,431)	(833)	869
Final net financial position - prior to fair value adjustment of derivatives	(334,028)	243,945	(90,083)	(75,714)
Fair value adjustment of derivatives	(3,039)	-	(3,039)	25,877
Final net financial position	(337,067)	243,945	(93,122)	(49,837)

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 should be noted that the above statements, which exclude the impact of the application of IFRS 16, are not to be considered as substitutes for those defined by the IFRS accounting standards adopted by the European Union and therefore their presentation should be carefully considered by the reader of this Financial Report.

Treasury shares and equity interests in parent companies

As at 31 December 2023, the Parent Company Geox S.p.A. held a total of 3,996,250 treasury shares, equal to 1.54% of the share capital, in execution of the resolution passed by the Shareholders' Meeting on 16 April 2019, which launched a buy-back program of Geox shares to be used for the Stock Grant Plan.

The buy-back program started on 5 June, 2019 and ended on 20 November, 2019.

Stock Plan

The Shareholders' Meeting of 22 April 2021 approved a medium-long term incentive plan, the Equity (Stock Grant) & Cash-Based Plan 2021-2023, which provides for the free assignment of a maximum of 7,696,626 of ordinary shares of the Company as well as the disbursement of a monetary component for a maximum amount of Euro 1,320,000 gross in the event of the overachievement of certain objectives, in favor of the Chief Executive Officer, of Executives with Strategic Responsibilities, as well as Executives and Key People of Geox or of other companies of the Group.

The Plan has a vesting period of three years and, consequently, the shares may be granted as of the date of approval of these consolidated financial statements. The grant of the components of the Equity Share to the beneficiaries is subject to the fulfilment of a permanence condition (permanence of the employment/management relationship as at the date of approval by the Company's Board of Directors of the draft consolidated financial statements for the year ended 31 December 2023), the achievement of certain profitability targets related to EBIT in 2022, Target EBITDA in 2023 and certain Group financial capital targets in 2023. The payment 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 beneficiaries whose activities are deemed to be of fundamental importance for the achievement of the Group's objectives; to promote the loyalty of beneficiaries, encouraging their permanence within the Group; to share and align the interests of beneficiaries with those of the Company and the shareholders in the medium-long term, recognizing the contribution made by management in increasing the value of the Company.

The Board of Directors of Geox S.p.A. resolved to implement the Equity (Stock Grant) & Cash-Based Plan 2021-2023, with a first cycle of assignment of no. 7,671,892 rights in favor of 99 beneficiaries. As of 31 December 2023, the amount of the assigned rights entitling to the free assignment of no. 1 Company share for each assigned Right is equal to no. 3,274,241. Based on the updated estimates, related to the plan, the effect on the income statement for the year was positive in the amount of Euro 1,049 thousand. The cumulative effect on the Group's income statement over the three-year period amounts to Euro 2,855 thousand.

For further information on the information documents relating to the Plans, please refer to the company's website, www.geox.biz, in the 'Governance' section.

Transaction between Related parties

With regard to transactions carried out with related parties, it should be noted that these do not qualify as either atypical or unusual, as they fall within the normal course of business of Group companies. These transactions are regulated at market conditions.

Information on transactions with related parties is provided in note 37 of the Consolidated Financial Statements.

The parent company Geox S.p.A. is not subject to management and coordination activities carried out by any other person or entity. Although it is 71.10% controlled by Lir S.r.l., Geox S.p.A. has in fact carried out the checks required pursuant to Articles 2497 et seq. of the Italian Civil Code and has ascertained that the parent company has never imposed binding market strategies on the subsidiary, nor has it ever taken upon itself the management of relations with public and private institutions on its behalf, since the Company and its Board of Directors have provided in full autonomy to define its strategic, industrial and financial plans, to examine and approve its financial policies, as well as to assess the adequacy of its organizational, administrative and accounting structure.

Accordingly, also in consideration of the fact that there is no strict contiguity or complementarity between the economic activities of Geox S.p.A. and those of LIR S.r.l., nor is there any instrumentality in the pursuit of a single common interest of the operating programs of these companies, Geox S.p.A. has deemed that there is no concrete existence of any management and coordination activity by LIR S.r.l. over it pursuant to Articles 2497 et seq. of the Italian Civil Code.

Significant events during the year

Recently, the international tension generated by the invasion of Ukraine has been further exacerbated by the outbreak of the Israeli-Palestinian conflict. The persistence and worsening of this unstable situation is causing strong social and humanitarian impacts, first of all for the living conditions of the populations of these countries, but also on their domestic economic activity and on trade in these areas.

This escalation and the further widening of the Middle East front, combined with the involvement of new players, is having a direct impact on the security and cost of goods transfers along traditional international trade routes, particularly in the Red Sea area.

We believe that the scenario described above may lead to significant negative effects on: i) the development of demand in international markets; ii) trends in inflation rates with subsequent restrictive monetary policies on interest rates; iii) volatility of reference currencies (dollar and ruble); iv) increased uncertainty, which has an impact on consumption; v) increased transportation costs; vi) increased energy costs (gas and oil).

In the countries involved in such conflicts Geox's business is mainly developed through third parties, wholesale and franchising and it may be considered not material in Ukraine, Israel and Palestine. With regards of Russia, sales are substantially in line with the forecast at approximately Euro 72 million (about 9.9% of consolidated sales). The net invested capital of the Russian subsidiary amounts to Euro 37.9 million, comprises mainly fast-moving net working capital and accounted for, in December 2023, approximately 8.7% of the net Group total.

Likewise, the situation of receivables from customers operating in the area is constantly monitored and has a residual balance of Euro 8.9 million. Non-current assets in Russia, which are mainly referred to directly operated shops, amount to Euro 7.2 million (of which Euro 4.6 million Rights-of-use). The value of inventories in Russia amounts to Euro 22.7 million. The Group has no suppliers or production plants in the area.

Significant subsequent events after December 31, 2023

Stock grant plan 2021-2023

The Board of Directors verified on March 1 2024 the conditions of permanence and the degree of achievement of the performance targets for the vesting of rights to the assignment of company shares. In light of this verification, rights have been accrued for a total of 3,262,209 shares, allocated as follows: to the Chief Executive Officer 693,314 shares, to Strategic Executives 924,415 shares and to Key People 1,644,480 shares.

Pursuant to the regulations, these shares will be allocated free of charge within 30 days following the approval of the Financial Statements by the Shareholders' Meeting convened for 19 April 2024.

The shares will be allocated using those from the buy-back plan described above.

Mutual separation agreement between the Company and the CEO Livio Libralesso

On 1 March 2024, the Board of Directors of Geox S.p.A. approved the agreement for the consensual termination of the employment and administration relationship with Livio Libralesso, with effect from the same day for the administration relationship, and with effect from 31 March 2024 for the employment relationship.

On the same date, the Board of Directors of Geox S.p.A. appointed Mr. Enrico Mistrion as Chief Executive Officer.

No further significant events occurred after 31 December 2023.

Outlook

On 1 March 2024, Geox's Board of Directors approved the Budget for year 2024.

This includes the effects of exogenous events occurred in 2022 and 2023, just described, and consequently shows a deviation from the forecast included in the Strategic Plan presented to the financial community in December 2021.

The ongoing uncertainty, variability, and complexities of the international macroeconomic environment have a significant impact on the Group's business development outlook for 2024.

In particular, the continuation of the inflationary environment countered by an extremely restrictive monetary policy is expected to lead to a significant impact on the behavior and purchasing power of our customers in 2024, as in 2023, thus reflecting on the Group's performance.

In particular, the activities of consolidation of the sales network will continue to play an important role in the process of creating value through the enhancement of the Group's assets.

On the other hand, we will continue to focus on cost management with the aim of further improving the margin and service levels achieved. Special attention will be paid to the trend of transportation costs, we will be ready to evaluate specific actions aimed at their efficient management.

The framework thus defined is summarized in a conservative approach with sales expectations for FY2024 broadly in line with FY2023 and gross margins expected to improve slightly further compared the previous year.

The above annual forecast is also based on the following assumptions about the future performance of the fiscal year:

- 1) consumers' behavior allows the continuation of the careful discount management implemented so far in direct stores;
- 2) no changes in consumers' habits compared to current ones;
- 3) the complex geo-political situation in the markets relevant to the Group does not lead to significant deterioration from what was observed in 2023 and/or impacts of further significant devaluation of their currencies against the Euro.

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

Biadene di Montebelluna, 1 March 2024

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

CONSOLIDATED FINANCIAL STATEMENTS AND EXPLANATORY NOTES



Income statement

(Thousands of Euro)	Notes	2023	of which related party (note 37)	2022	of which related party (note 37)
Sales	4	719,571	1,012	735,517	1,000
Cost of sales	5	(355,011)	113	(386,287)	28
Gross profit	5	364,560		349,230	
Selling and distribution costs	6	(36,206)	-	(38,998)	-
Advertising and promotion costs	6	(32,806)	(140)	(30,358)	(159)
General and administrative expenses	7	(286,505)	(115)	(288,974)	(64)
Other revenues	8	6,536	99	13,364	93
EBIT		15,579		4,264	
Financial income	12	3,537	-	2,709	-
Financial expenses	12	(24,924)	(1,613)	(15,369)	(1,307)
PBT		(5,808)		(8,396)	
Income tax	13	(643)	-	(4,625)	-
Net result		(6,451)		(13,021)	
Earning/(Loss) per share (Euro)	14	(0.03)		(0.05)	
Diluted earning/(loss) per share (Euro)	14	(0.02)		(0.05)	

Statement of comprehensive income

(Thousands of Euro)	Notes	2023	of which related party	2022	of which related party
Net income	25	(6,451)		(13,021)	
Other comprehensive income that will not be reclassified subsequently to profit or loss:					
Net gain (loss) on actuarial defined-benefit plans		165	-	373	-
Other comprehensive income that may be reclassified subsequently to profit or loss:					
Gain (loss) on Cash Flow Hedge		(10,692)	-	(6,072)	-
Tax effects on items that may be later reclassified to profit or loss		2,567		1,457	
Currency translation		(2,160)	-	(1,033)	-
Net comprehensive income		(16,571)		(18,296)	

Statement of financial position

(Thousands of Euro)	Notes	Dec. 31, 2023	of which related party (note 37)	Dec. 31, 2022	of which related party (note 37)
ASSETS:					
Intangible assets	15	30,433		34,190	
Property, plant and equipment	16	31,269		34,477	
Right-of-use assets	17	235,491		224,273	
Deferred tax assets	18	31,638		29,222	
Non-current financial assets	23	27		27	
Non-current lease assets	29	532		176	
Other non-current assets	19	5,958		6,588	
Total non-current assets		335,348		328,953	
Inventories	20	275,979		290,165	
Accounts receivable	21	72,076	700	83,998	573
Other current assets	22	17,238	2	32,021	2
Current financial assets	23-36	7,193		30,945	
Cash and cash equivalents	24	70,146		24,303	
Current assets		442,632		461,432	
Total assets		777,980		790,385	
LIABILITIES AND EQUITY:					
Share capital	25	25,921		25,921	
Reserves	25	71,120		95,310	
Net result	25	(6,451)		(13,021)	
Equity		90,590		108,210	
Employee benefits	26	1,649		1,875	
Provisions for liabilities and charges long-term	27	5,090		5,826	
Long-term loans	28	76,304		56,622	
Non-current lease liabilities	29	201,923	63,031	189,549	50,770
Other long-term payables	30	1,186		1,179	
Total non-current liabilities		286,152		255,051	
Trade payables	31	231,349	1,883	297,061	101
Other current liabilities	32	23,910		26,535	
Provisions for liabilities and charges short-term	33	2,677		2,355	
Taxes payable	34	6,564		9,732	
Current financial liabilities	28-36	94,184		48,490	
Current lease liabilities	29	42,554	5,165	42,951	5,000
Current liabilities		401,238		427,124	
Total liabilities and equity		777,980		790,385	

Cash flow statement

(Thousands of Euro)	Notes	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES:			
Net result	25	(6,451)	(13,021)
Adjustments to reconcile net income to net cash generate (absorbed) by operating activities:			
Depreciation and amortization and impairment	9-10	73,445	75,164
Income tax	13	643	4,625
Net financial expenses	12	21,387	12,660
Share-based payment transactions settled with equity instruments	25	(1,049)	1,924
Other non-cash items		9,632	(21,483)
		104,058	72,890
Change in assets/liabilities:			
Accounts receivable	21	6,326	(10,700)
Other assets	19-22	17,832	(819)
Inventories	20	20,997	(56,742)
Accounts payable	31	(62,635)	108,823
Funds and employee benefits	26-27-33	(626)	190
Other liabilities	30-32-34	(3,005)	(3,346)
		(21,111)	37,406
Cash flow generated (absorbed) by operating activities		76,496	97,275
Taxes paid	13	(1,017)	(672)
Interests paid	12	(13,866)	(8,251)
Interests received	12	2,553	1,714
		(12,330)	(7,209)
Net cash flow generated (absorbed) by operating activities		64,166	90,066
CASH FLOW USED IN INVESTING ACTIVITIES:			
Capital expenditure on intangible assets	15	(7,740)	(9,987)
Capital expenditure on property, plant and equipment	16	(10,962)	(15,250)
		(18,702)	(25,237)
Disposals	15-16	-	45
(Increase) decrease in financial assets	23	(1,630)	(1,062)
Net cash flow generated (absorbed) by investing activities		(20,332)	(26,254)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES:			
Increase (decrease) in short-term bank borrowings, net	28	(13,016)	(2,222)
Lease liabilities repayment	29	(49,166)	(52,020)
Loans:			
- Proceeds	28	104,891	17,000
- Repayments	28	(40,357)	(48,180)
Net cash flow generated (absorbed) by financing activities		2,352	(85,422)
Increase (decrease) in cash and cash equivalents		46,186	(21,610)
Cash and cash equivalents, beginning of the period	24	24,303	45,655
Effect of translation differences on cash and cash equivalents		(343)	258
Cash and cash equivalents, end of the period	24	70,146	24,303

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

Statement of changes in equity

(Thousands of Euro)	Notes	Share capital	Legal reserve	Share premium reserve	Translation reserve	Cash flow hedge reserve	IFRS 2 reserve	Treasury shares reserve	Retained earnings	Net income	Group equity
Balance at December 31, 2021	25	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	25	25,921	5,184	37,678	(5,451)	7,141	3,904	(5,051)	51,905	(13,021)	108,210
Allocation of result		-	-	-	-	-	-	-	(13,021)	13,021	-
Share-based payment transactions settled with equity instruments		-	-	-	-	-	(1,049)	-	-	-	(1,049)
Other Items of the Comprehensive Income Statement		-	-	-	(2,160)	(8,125)	-	-	165	-	(10,120)
Net result		-	-	-	-	-	-	-	-	(6,451)	(6,451)
Balance at December 31, 2023	25	25,921	5,184	37,678	(7,611)	(984)	2,855	(5,051)	39,049	(6,451)	90,590

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. 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, 2023. 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.

These consolidated financial statements comprise the income statement, the statement of comprehensive income, the statement of financial position, the cash flow statement, the statement of changes in equity, and the notes to the financial statements.

To facilitate comparison with the previous year, the accounting schedules provide comparative figures with December 31, 2022 for balance sheet accounts and for the year 2022 in the case of the income statement. It should be noted that the comparative information in the cash flow statement 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.

Scope of consolidation

The consolidated financial statements at December 31, 2023 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, 2023".

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 (note 37).

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 make their form of presentation more consistent with the criteria followed by the Parent Company. 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). It should be noted that there were no extraordinary transactions in 2023.

Accounting standards, amendments and interpretations applicable since January 1, 2023

The following is a list of IFRS accounting standards, amendments and interpretations that became effective on January 1, 2023:

Title	Issued Date	Effective Date	Endorsment Date	Commission regulation and date of publication
Disclosure of Accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2)	February 2021	1 January 2023	2 March 2022	(UE) 2022/357 3 March 2022
Definition of accounting estimates (Amendments to IAS 8)	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 Income taxes)	May 2021	1 January 2023	11 August 2022	(UE) 2022/1392 12 August 2022
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
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
International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12)	May 2023	1 January 2023	8 November 2023	UE) 2023/2468 9 November 2023

With reference to the amendments to IAS 1, relevant information on the accounting standards adopted and the decisions made by management during the process of applying the accounting standards, which have the most significant effects on the amounts in the financial statements, have been reported in the section Accounting Policies.

With regard to the amendments to IAS 12, the Group has applied the exception to the recognition and disclosure of deferred tax assets and liabilities related to Pillar 2 income taxes. The qualitative and quantitative information, known or reasonably estimable, that helps to understand the Group's exposure to Pillar 2 income taxes, determined in accordance with this new legislation, has been reported in the section Accounting Policies - Taxes.

The adoption of these amendments did not have a significant impact on the Group's financial statements.

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

Title	Issue Date	Effective date	Endorsment Date	Commission regulation and date of publication
Lease liability in a sale and leaseback (Amendments to IFRS 16)	September 2022	1 January 2024	20 November 2023	(UE) 2023/2579 21 November 2023
Classification of liabilities as current or non-current (Amendments to IAS 1) and Non current liabilities with covenants (Amendments to IAS 1)	January 2020 October 2022	1 January 2024	19 December 2023	(UE) 2023/2822 20 December 2023

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 IASB project on the equity method
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	May 2023	1 January 2024	TBD
Lack of Exchangeability (Amendment to IAS 21)	August 2023	1 January 2025	TBD

Translation of foreign currency financial statements into Euro

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

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

The difference between 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 1 March 2022. As of that date, the Group considered the exchange rate published by WMR (World Market Reuters) in London.

Currency	Average for 2023	As at 12-31-2023	Average for 2022	As at 12-31-2022
US Dollar	1.0816	1.1050	1.0539	1.0666
Swiss Franc	0.9717	0.9260	1.0052	0.9847
British Pound	0.8699	0.8691	0.8526	0.8869
Canadian Dollar	1.4596	1.4642	1.3703	1.4440
Japanese Yen	151.9421	156.3300	138.0051	140.6600
Chinese Yuan	7.6591	7.8509	7.0801	7.3582
Czech Koruna	24.0007	24.7240	24.5603	24.1160
Russian Ruble	92.4875	98.7600	73.3537	77.9094
Polish Zloty	4.5421	4.3395	4.6845	4.6808
Hungarian Forint	381.7591	382.8000	390.9439	400.8700
Macau Pataca	8.7216	8.8903	8.4990	8.5658
Serbian Dinar	117.2518	116.9841	117.4202	117.3246
Vietnam Dong	25,777.9167	26,808.0000	24,642.1667	25,183.0000
Indonesian Rupiah	16,480.3450	17,079.7100	15,633.5917	16,519.8200
Turkish Lira	25.7487	32.6531	17.3849	19.9649
Indian Rupia	89.3249	91.9045	82.7145	88.1710

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 is to be noted, however, that forecasts are by their very nature subject to significant factors of uncertainty, especially in the current economic situation characterized by geo-political tensions concerning Russia and Ukraine and the new outbreak of the Israeli-Palestinian conflict. Therefore, it is possible, based on currently available knowledge, that the results that will be achieved may differ from these estimates and may require adjustments that are difficult to estimate and predict 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 2024-2028, as better described in note 10.

The balance sheet items mainly affected by these uncertainties are:

- intangibles assets, property plant and equipment and Right-of-use assets;
- deferred tax assets;
- provision for returns;
- provision for obsolete and slow-moving inventory;
- provision for bad and doubtful accounts;
- lease liabilities;
- provision for risks and contingent liabilities;
- share-based payments (incentive plans and variable remuneration).

The following summarizes the critical valuation processes and key assumptions used by management in the process of applying accounting standards with regard to the future and which may have significant effects on the values recognized 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 the estimated future economic performance closely linked to them and the related discount rate. Further details and the main Directors' assumptions related impairment test are provided in note 10.

Deferred tax assets

Deferred tax assets are recognized for temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts recognized 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 utilized. 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 18.

Provision for returns

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. These

estimates were detailed based on the types of agreements entered into with customers (wholesale, franchise and e-commerce).

Further details are provided in note 31.

Inventories - provision for obsolete and slow-moving inventory

The Group has recognized write-downs against the possibility that products in inventory may have to be sold at stock and thus at an estimated realizable value lower than the recorded cost, or macerated.

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 20.

Provision for bad and doubtful accounts

The provision for bad and doubtful accounts is calculated on the basis of both files in litigation and files that, although not in litigation, show some signs of riskiness due to delayed collections. Furthermore, the provision includes the receivable evaluation according to the lifetime expected credit loss model. The assessment of the overall amount of trade receivables that are likely to be paid requires the development of estimates about the probability of recovery of the aforementioned files, as well as the write-down percentages applied for not in dispute receivables, and therefore it 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 21.

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 amortization 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 analyzed 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. Specifically, for real estate this assessment considered the specific facts and circumstances of 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 17 with regard to Right-of-use assets and note 29 with regard to lease assets/liabilities.

Provision for risks and contingent liabilities

The Group may be subject to legal and tax litigation concerning a wide range of issues that are subject to the jurisdiction of different countries in which it operates. Lawsuits and litigation against the Group are subject to varying degrees of uncertainty, including the facts and circumstances inherent in each litigation, jurisdiction, and different applicable laws. In the normal course of business, the Directors consult with their legal advisors and experts in legal and tax matters. The Group recognizes a liability for such litigation when it believes it is probable that a financial outlay will occur and when the amount of losses that will result can be reasonably estimated. Where a financial outlay becomes possible but the amount cannot be determined, that fact is disclosed in the notes to the financial statements.

Share based payments

For a description regarding the determination of the fair value of share-based payments for Geox Group management incentive, please refer to note 35.

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 period end and if, regardless of the amortization 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 by a third party to purchase the assets at the end of their useful life or there is an active market for them. With regard to the key money item, which arose prior to the entry into force of IFRS 16, it should be noted that in France the protections provided to the tenant by specific legal provisions, complemented by market practices, allow the recognition of a value of commercial positions even at the end of the contract. This has 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

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

Key money, which arose before IFRS 16 came into force, includes:

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

Goodwill represents the excess cost of acquisition over the fair value of the net assets of the newly acquired business. 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 and any directly-related purchasing costs 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.

Maintenance costs, of an ordinary nature, are charged in full to the income statement, whereas improvement expenditure is allocated to the assets to which they relate 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 and 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 recognize and measure all leasing contracts, with certain exceptions referring to short-term leases and the leasing of assets of modest value. The Group recognizes liabilities relating to payments for leasing and the right-of-use asset representing the right to use the asset underlying the contract.

- *Right-of-use assets*
The Group recognizes right-of-use assets as at the effective date of the lease. Right-of-use assets are measured at cost, net of accumulated depreciation and impairment losses, and are adjusted for any remeasurement of lease liabilities. Right of use assets are amortized on a straight-line basis from the effective date to the end of the useful life of the right-of-use asset.
Right-of-use assets are subject to impairment test.
- *Lease liabilities*
On the effective date of the lease, the Group recognizes lease liabilities by measuring them at the present value of lease payments due but not yet paid at that 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. Lease 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 lease payments that do not depend on an index or rate are recognized as costs in the period in which the event or condition that generated the payment occurs.

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 recognize right-of-use assets and lease liabilities related to low-value assets and short-term leases. The Group recognizes 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 bank deposits, 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 financial payables, financial instruments with a negative fair value, trade payables and other payables.

When financial assets do not have a fixed maturity, they are measured at acquisition cost. Receivables with a maturity of more than one year, non-interest-bearing or bearing interest lower than market rates, are discounted using market rates.

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

Accounts receivable are initially recognized at their current value and then shown net of the provision for bad debt necessary to adjust them in accordance with the impairment model introduced by IFRS 9 (expected losses model). Provision for the doubtful accounts 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 foreign exchange and interest rate risk. 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 benefit

Benefits paid to employees under defined-benefit plans on or after 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 recognized 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 at 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.

Provisions for liabilities and charges

Provisions for liabilities and charges are recognized when there is an effective obligation (legal or implicit) deriving from a past event, providing there will probably be an outlay of resources to settle the obligation and the amount of the obligation can be reliably estimated.

Provisions represent the best estimate of the amount that the business would have to pay to settle the obligation or transfer it to third parties at the balance sheet date. Provisions are determined by discounting the expected future cash flows, if the effect of discounting is significant.

Operating globally, the Group is subject to legal and tax risks arising from the conduct of normal business. Based on the information available to date, the Group believes that as of the date of preparation of this document, the provisions set aside in the financial statements are sufficient to ensure a fair presentation of the Consolidated Financial Statements.

In this regard, 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 2016-2020 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, Geox S.p.A., as is its practice, reserved the right to provide the necessary clarifications within the envisaged timeframe, also through the filing of appropriate briefs. 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.

On 17 March 2023, a notice of assessment was notified in relation to 2016 with reference only to the IRES assessment, to which Geox S.p.A. acquiesced, while on 24 March 2023, a notice of assessment with adhesion was notified, again in relation to 2016, with reference to the IRAP and VAT assessments, through which Geox S.p.A. completed the settlement of the 2016 tax year. As part of the assessment with adhesion, no penalties were applied on the main finding for VAT purposes.

On 27 September 2023 Geox S.p.A. received two invitations to appear through which the Veneto Regional Office activated the assessment with adhesion procedure on the 2017 financial year. During the month of February 2024 Geox S.p.A. defined this annuality with the signing of the relative adhesion deeds.

With reference to the years subsequent to 2017, it should be noted that Geox S.p.A. intends to proceed in the same way to define them by way of assessment with adhesion, with timing that will have to be agreed with the Agenzia delle Entrate, and has reflected the estimate of the related amounts in the financial statements.

Revenues

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;
- royalties

Sale of goods (Wholesale and Franchising)

Revenues from the sale of goods are 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 revenues are 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.

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.

Loyalty programs

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

Rental income

Rental income relates to the Geox Shops owned by the Group and leased to third parties under franchising agreements; rental income 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 domestic tax consolidation for three years (2014-2016), then renewed. The two Italian subsidiaries Geox Retail S.r.l. and Xlog S.r.l. are included in this tax consolidation scheme.

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.

Taxes - Pillar II

Legislative Decree No. 209 of 27 December 2023 transposed Directive No. 2022/EU/2523 on 'Global Minimum Tax' (legislation originating from the rules formulated at the OECD and commonly known as 'Pillar II'), with the express purpose of guaranteeing a minimum level of taxation for multinational or domestic groups of companies as of 1 January 2024.

The new rules affect companies located in Italy, which are part of a multinational or domestic group characterised by annual revenues of Euro 750 million or more, a revenue threshold that must be reached in at least two of the four financial years immediately preceding the financial year in question.

Effective 1 January 2024, the parent company Geox S.p.A. falls under the scope of "Pillar II" regulations, as it is included in the scope of consolidation of the LIR Group, whose revenues exceed 750 million Euro/year for two of the previous four fiscal years.

In this regard, it should be noted that paragraph 4.A of IAS 12 provides, as an exception to the provisions of that standard, that deferred tax assets and liabilities relating to "Pillar II" taxes should not be recognized and disclosed. Therefore, no information is provided in these financial statements and no deferred tax assets or liabilities are recognized for taxes related to the "Pillar II" regulations. In addition, since the regulation is not effective as of the balance sheet date, it was not necessary to recognize any current taxes.

With reference to the application of this provision, as a preliminary reminder, during 2023 the Company took timely action in order to assess the possible impacts of the regulations in question in the jurisdictions of settlement and ensure the proper fulfillment of the regulatory obligations in force as of 1 January 2024.

The exposure of Group entities to "Pillar II" taxes is a direct result of the level of effective taxation in each individual jurisdiction. This level is influenced by various, simultaneous and/or related factors such as, for example, the income produced there, the level of the nominal tax rate, the tax rules for determining the tax base, and the establishment, form and enjoyment of tax incentives or benefits.

Given, however, the complexity of determining the level of effective taxation, the "Pillar II" legislation provides, for the first three effective periods, the possibility of applying a simplified regime (so-called transitional safe harbors from Country-by-Country Reporting) based primarily on accounting information available for each jurisdiction.

Specifically, passing at least one of three tests under this simplification results in a reduction of compliance burden and zeroing of "Pillar II" taxes. Based on the information known or reasonably estimable as of the reporting date, the Parent

Company's exposure to taxes arising from "Pillar II" regulations as of the reporting date, including on the basis of the transitional safe harbors, is assessed as not significant.

Based on the analyses performed, in fact, all of the Group's entities are located in jurisdictions that meet at least one of the three tests under the transitional safe harbors, with the exception of one jurisdiction (Hong Kong), for which at least one of the tests can still be expected to be passed in fiscal years 2024 and beyond. Therefore, given the information known or reasonably estimable as of the reporting date, no exposure to taxation arising from "Pillar II" regulations appears to be present to date.

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. with reference to employee stock option plans, if there are vested options not yet exercised).

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

Consolidated sales for 2023 amounted to Euro 719,571 thousand (Euro 735,517 thousand in 2022), down 2.2% from the previous year (+0.3% at constant exchange rates). The slight decrease is entirely due to the planned optimization of the monobrand store network aimed at increasing profitability and the adverse weather conditions that induced, in the multibrand channel, an increase in unsold inventory and a consequent sharp reduction in reorders in both Spring and Autumn. In particular, the multi-brand channel grew slightly (+0.6%) while comparable sales of direct stores and the online channel grew by 3.7%; finally, the distribution perimeter saw a reduction in DOS stores from 315 in December 2022 to 255 in December 2023, and franchises from 294 to 280. This reduction explains the change in sales.

Sales by product category are shown in the following table:

	2023	2022	Change
Footwear	646,879	663,066	(16,187)
Apparel	72,692	72,451	241
Total sales	719,571	735,517	(15,946)

Sales by region are shown in the following table:

	2023	2022	Change
Italy	200,760	194,754	6,006
Europe	304,632	327,901	(23,269)
North America	27,199	30,271	(3,072)
Other Countries	186,980	182,591	4,389
Total sales	719,571	735,517	(15,946)

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 1,307 thousand, compared to Euro 1,366 thousand in 2022.

5. Cost of sales and gross margin

The cost of sales, amounting to Euro 355,011 thousand (Euro 386,287 thousand in 2022) was 49.3% of sales compared to 52.5% in 2022, resulting in a gross margin of 50.7% (47.5% in 2022).

The margin improvement stems mainly from the pre-announced stabilization of supply chain conditions with, in particular, an easing of pressure on raw material and transportation costs compared to the previous year.

6. Selling and distribution costs and advertising and promotion costs

Selling and distribution costs stood at Euro 36,206 thousand (Euro 38,998 thousand in 2022), accounting for 5.0% of sales (5.3 % in 2022). 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. The decrease is linked to the already explained reduction in turnover and, in particular, to the sharp reduction in reorders of both mono-brand and multi-brand stores, and is attributable to the related transportation costs and sales force costs.

Advertising and promotions costs amounted to Euro 32,806 thousand, accounting for 4.6% of sales, up from Euro 30,358 thousand in 2022 (4.1% incidence in the previous period). The increase is substantially related to the increased marketing initiatives undertaken in the period, in line with the Strategic Plan.

7. General and administrative expenses

General and administrative expenses are analyzed in the following table:

	2023	2022	Change
Wages and salaries	93,726	103,102	(9,376)
Rental and occupancy expenses	11,655	11,120	535
Services and consulting	38,370	35,567	2,803
Depreciation	69,136	71,077	(1,941)
Samples	6,324	5,785	539
Maintenance	9,260	8,822	438
Other costs	58,034	53,501	4,533
Total	286,505	288,974	(2,469)

Wages and salaries decreased from Euro 103,102 thousand to Euro 93,726 thousand, showing a reduction of Euro 9,376 thousand. The change from the previous year is attributable to a reduction in the number of employees on the payroll, following the closure of a number of stores managed directly by the Group, and lower provisions for bonuses.

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 2023 an increase of Euro 535 thousand.

It should be noted that this item includes service charges of Euro 6,413 thousand, variable rents of Euro 2,455 thousand, short-term leases of Euro 1,373 thousand and lease contracts related to low-value assets of Euro 1,236 thousand.

The item services and consulting, amounting to Euro 38,370 thousand, includes mainly logistics and warehousing services, outsourcing services, and information systems.

Depreciation, amounting to Euro 69,136 thousand (Euro 71,077 thousand in 2022) includes mainly the depreciation of

Right-of-use assets, shops furniture, and software and hardware related to information systems.

The item samples, amounting to Euro 6,324 thousand, includes costs for samples development.

The item maintenance, amounting to Euro 9,260 thousand, includes maintenance related to the headquarter, stores and related to information systems.

Other costs, amounting to Euro 58,034 thousand, mainly include: utilities and telephone expenses (amounting to Euro 4,710 thousand), consumption materials (amounting to Euro 4,524 thousand), bank commissions and expenses (amounting to Euro 4,439 thousand), company officers' compensation (amounting to Euro 3,361 thousand), travel expenses (amounting to Euro 2,255 thousand), insurance (amounting to Euro 1,814 thousand), and other miscellaneous costs.

Emoluments due to the members of the Board of Directors of the parent company Geox S.p.A. for the year 2023 amounted to Euro 2,575 thousand (Euro 2,805 thousand in 2022).

In 2023, the total value of compensation related to Executives with Strategic Responsibilities is Euro 2,229 thousand (Euro 2,592 thousand in 2022). The above amounts also include compensation due for performing these functions in other Group companies.

Emoluments due to the statutory auditors of the parent company Geox S.p.A. for the year 2023 amounted to Euro 178 thousand (Euro 177 thousand in 2022).

It should be noted that the general and administrative expenses include 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 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, between cost of sales and general and administrative expenses and amount to Euro 10,058 thousand (Euro 11,313 thousand in 2022).

8. Other revenues

The following table details other revenues:

	2023	2022	Change
Rental income	1,538	1,318	220
Insurance compensation	472	5,961	(5,489)
Government grants	1,433	942	491
Other	3,093	5,143	(2,050)
Total	6,536	13,364	(6,828)

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

Insurance compensation, amounting to Euro 472 thousand, decreased compared to previous year for an amount of Euro 5,489 thousand. It should be recalled how, in the previous year, within the item was included the insurance indemnity related to the fire in third-party warehouse in the amount of Euro 5,833 thousand.

Government grants, amounting to Euro 1,433 thousand, mainly refer to a grant of Euro 451 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 397 thousand, for non-energy consuming companies and companies other than those with high natural gas consumption.

The item other includes mainly sales of miscellaneous goods.

9. Depreciation, amortization and payroll costs

The following table includes the total value of depreciation and amortization for the year, presented in the movements in fixed assets shown in notes 15, 16 and 17, net of provisions and releases of impairment funds:

	2023	2022	Change
Industrial depreciation	4,309	4,087	222
Non-industrial depreciation and amortization	69,136	71,077	(1,941)
Total	73,445	75,164	(1,719)

Industrial depreciation increased from Euro 4,087 thousand to Euro 4,309 thousand and refers mainly to molds for shoes soles. These costs are included in the cost of sales.

Non-industrial depreciation and amortization went from Euro 71,077 thousand to Euro 69,136 thousand and refer mainly to Right-of-use assets, shops furniture, and software and hardware related to information systems. These costs are included in general and administrative expenses.

Total payroll costs amount to Euro 112,195 thousand (Euro 123,422 thousand in 2022). The change from the previous year is mainly attributable to a reduction in the number of employees on the payroll following the closure of some stores operated 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. Based on updated estimates related to the Equity (Stock grant) and Cash-Based 2021-2023 plan adopted by the Group (note 35), the effect on the income statement for the year was positive for Euro 1,049 thousand. The cumulative effect in the Group's income statement over the three-year period amounted to Euro 2,855 thousand.

In 2023, the amount of rights granted entitling to the free allocation of 1 share of the Company, for each Right granted, to members of the Board of Directors and Executives with Strategic Responsibilities is 1,617,729.

10. Impairment test

The following describes the approach followed and the assumptions adopted in carrying out the impairment test, aimed at verifying the recoverability of the Group's assets and approved independently and concurrently with these financial statements. The recoverable amount is based on value in use determined on the basis of projections of estimated future cash flows.

The impairment test was carried out on the basis of the Group's budget for 2024 subject to approval by the Board of Directors on March 1, 2024, and the cash flows from the financial forecasts for the period 2025-2028 prepared and approved by the Board of Directors on the same date.

The estimation of value in use for the purpose of impairment testing was based on the discounting of forecast data considering the growth levels of sales and EBITDA based on both past economic-income performance and future expectations, also taking into account the continuing uncertain environment.

In estimating growth over the financial forecast period, the Group took into account both its own internal expectations and indications obtained from independent external sources.

The impairment test included a first phase in which the recoverability of the invested capital referable to each store operated directly by the Group (Direct Operated Stores, DOS) was verified, excluding a very limited number of stores that are flagship.

At that stage for each of the cash-generating units (CGUs), the recoverable value is based on the value in use, calculated using estimated future cash flows.

Regarding the assets of the stores analyzed, total assets of Euro 187 million (of which Right-of-use assets for Euro 160 million) were tested, as of December 31, 2023. This methodology is consistent with what was done last year in which total assets for Euro 194 million (of which Right-of-use assets for Euro 160 million) were tested.

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 timeframe.

In order to calculate the current value, future cash flows obtained in this way have been discounted using a WACC pre-tax, taking into consideration the specific characteristics and risks of each area in which the Group operates, between 11.0% and 18.4% (18.4% refers to the Russian market).

The Directors therefore proceeded to write down, in whole or in part, assets relating to 24 shops (CGUs), compared to the 70 shops written down as at December 31, 2022.

The total impairment provision allocated as an adjustment to fixed assets as of December 31, 2023, amounted to Euro 3,638 thousand, while it was Euro 5,927 thousand as of December 31, 2022. The reduction from the previous year is mainly attributable to the closure of 40 stores operated directly by the Group that had been written down at the end of 2022 for which the allocated provision was used in 2023.

With reference to the outcomes of the impairment test, it should be noted that the amount of impairments made at the end 2023 compared to 2022 is also significantly affected by the gradual process of depreciation of the tested assets (notes 15, 16 and 17). 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 31-12-2022	(1,103)	(2,055)	(2,769)	(5,927)
Provisions	-	(117)	(3,073)	(3,190)
Releases	981	823	2,510	4,314
Utilization for stores closed	82	1,005	38	1,125
Translation differences and other movements	40	19	(19)	40
Change in impairment fund	1,103	1,730	(544)	2,289
Impairment fund as at 31-12-2023	-	(325)	(3,313)	(3,638)

The 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, amounting to Euro 434,396 thousand, 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.

As previously indicated, cash flow projections were made considering a five-year time horizon, assuming 2024 in line with 2023 and for 2025-2028 to resume the revenue growth trend with a 2023-2028 CAGR of 4.3%.

Expected future cash flows after 2028 and used for terminal value were determined using a growth rate ("g-rate") of 2.2%.

The discount rate was calculated using the Weighted Average Cost of Capital ("WACC") and taking into account the changed scenario of the economy and the resulting interest rate implications.

The calculated discount rate is 10% and is based on the following assumptions: (i) the risk-free rate adopted is 4.7% and corresponds to the yield on 10-year government bonds of the various countries in which the Group operates; (ii) the equity risk premium of 7.6% is based on the results of long-term analysis related to industrialized countries, Group size, and professional practice; (iii) the beta coefficient was estimated on the basis of a panel of comparable companies and is 0.8; (iv) the cost of debt, 4.4%, was estimated on the basis of the 10-year IRS plus a spread of 180bps; (v) the debt/equity ratio was estimated on the basis of a panel of comparable companies and is 40%. Future flows include annual investments of about Euro 23 million.

As a result, the impairment test shows a value in use of Euro 778 million and, therefore, positive coverage, sufficient to support the Group's net invested capital and goodwill. As a result, no further impairment is necessary than those already accounted for with reference to the impairment test on stores.

In addition, the Group conducted the usual sensitivity analyses in order to highlight the effects produced on "value in use" by a change in key assumptions (WACC, growth rate, and EBITDA).

Sensitivity analyses show that in order to make the "value in use" equal to the value of Net Invested Capital, the following parameters would need to change, considered individually and if nothing else changes: i) increase in WACC to 16.2%; ii) growth rate "g" used in terminal value of less than 0; and iii) a reduction in EBITDA of about 23.4%. Finally, it should be noted that as of December 31, 2023, Geox's market capitalization was well above the book value of equity.

II. Personnel

The average number of employees is shown below:

	2023	2022	Change
Managers	44	43	1
Middle managers and office staff	865	858	7
Shop employees	1,888	2,065	(177)
Factory workers	1	1	-
Total	2,798	2,967	(169)

The average number of employees for 2023 amounted to 2,798, showing a reduction of 169 compared to 2022 mainly due mainly due to closure of some stores operated directly by the Group.

12. Financial income and Financial expenses

This item is made up as follows:

	2023	2022	Change
Financial income	3,537	2,709	828
Financial expenses	(24,924)	(15,369)	(9,555)
Total	(21,387)	(12,660)	(8,727)

Financial income is made up as follows:

	2023	2022	Change
Interest from banks	2,035	351	1,684
Interest from customers	120	67	53
Other interest income	1,382	2,291	(909)
Total	3,537	2,709	828

Other interest income mainly includes the time value effect referring to derivative financial instruments mentioned in note 36.

Financial expenses are made up as follows:

	2023	2022	Change
Bank interest and charges	678	206	472
Interest on loans	7,062	1,810	5,252
Interest on leases	4,328	3,785	543
Other interest expense	3,909	5,433	(1,524)
Financial discounts and allowances	2,926	3,168	(242)
Losses on exchange rate differences	6,021	967	5,054
Total	24,924	15,369	9,555

Interest on loans increases by Euro 5,252 thousand compared to previous year, as a result of the increase in the average borrowing rate compared to 2022.

Other interest expense mainly includes the time value effect referring to derivative financial instruments mentioned in Note 36.

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 1.82%.

Foreign exchange losses amounted to Euro 6,021 thousand and mainly referred to the EUR/RUB exchange rate. In fact, it should be noted that starting from the second half of 2022 (Fall/Winter 22 sales season), trade relations of sales of finished products were settled in EUR currency, as a result of the impossibility of hedging transactions on RUB currency. So to date, the transactional exchange risk between EUR and ruble for the Group is mainly present in the balance sheet of the Russian company that purchases finished product in EUR currency.

13. Income tax

Income taxes 2023 amount to Euro 643 thousand, compared to Euro 4,625 thousand in 2022.

	2023	2022	Change
Current taxes	(731)	(1,846)	1,115
Deferred taxes	88	(2,779)	2,867
Total	(643)	(4,625)	3,982

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):

	2023	%	2022	%
PBT	(5,808)	100.0%	(8,396)	100.0%
Theoretical income taxes (*)	(1,394)	24.0%	(2,015)	24.0%
Effective income taxes	643	(11.1%)	4,625	n.a.
Difference due to:	2,037	(35.1%)	6,640	n.a.
1) different tax rates applicable in other countries	(265)	4.6%	136	n.a.
2) permanent differences:				
i) IRAP and other local taxes	1,089	(18.8%)	740	n.a.
ii) writedowns of deferred tax asset	1,677	(28.9%)	5,455	n.a.
iii) previous years' taxes and other taxes	(464)	8.0%	309	n.a.
Total difference	2,037	(35.1%)	6,640	n.a.

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

It should be noted how the recorded amount of deferred tax assets does not include tax benefits associated with tax losses in fiscal years 2023 and 2022, with the exception of some countries, amounting to euro 1,677 thousand and Euro 5,455 thousand, respectively, as deferred tax assets have been recognized within the limits of the amounts deemed recoverable over a time horizon of 4/5 years.

14. 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 potential dilutive ordinary shares with reference to vested, but not yet exercised, options related to the Equity (Stock Grant) Plan 2021-2023 adopted by the Group (note 35).

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

	2023	2022
Earning/(Loss) per share (Euro)	(0.03)	(0.05)
Diluted earning/(loss) per share (Euro)	(0.02)	(0.05)
Weighted average number of shares outstanding:		
- basic	255,211,081	255,211,081
- diluted	258,485,322	261,933,168

15. Intangible assets

Intangible assets are made up as follows:

	Balance at Dec. 31, 2023	Balance at Dec. 31, 2022	Change
Industrial patents and intellectual property rights	14,737	15,068	(331)
Trademarks, concessions and licenses	202	251	(49)
Key money	12,528	14,575	(2,047)
Assets in progress and payments on account	1,828	3,158	(1,330)
Goodwill	1,138	1,138	-
Total	30,433	34,190	(3,757)

The following table shows the changes in intangible assets during 2023:

	Industrial patents and intellectual property rights	Trademarks, concessions and licenses	Key money	Assets in progress and payments on account	Goodwill	Total
Historical value at 31-12-2022	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
	-	-	-	-	-	-
Additions	6,171	17	-	1,552	-	7,740
Disposals	(5,101)	(62)	(4,894)	-	-	(10,057)
Translation differences and other movements	2,141	0	(75)	(2,882)	-	(816)
Change in historical value	3,211	(45)	(4,969)	(1,330)	-	(3,133)
Amortization	(8,633)	(65)	(2,158)	-	-	(10,856)
Decreases	5,085	62	3,901	-	-	9,048
Translation differences and other movements	6	(1)	76	-	-	81
Change in amortization fund	(3,542)	(4)	1,819	-	-	(1,727)
Provisions	-	-	-	-	-	-
Releases	-	-	981	-	-	981
Utilization for stores closed	-	-	82	-	-	82
Translation differences and other movements	-	-	40	-	-	40
Change in impairment fund	-	-	1,103	-	-	1,103
	-	-	-	-	-	-
Total change in the period	(331)	(49)	(2,047)	(1,330)	-	(3,757)
	-	-	-	-	-	-
Historical value at 31-12-2023	115,897	115,683	61,769	1,828	1,789	296,966
Accumulated depreciation at 31-12-2023	(101,160)	(115,481)	(49,241)	-	(651)	(266,533)
Impairment fund at 31-12-2023	-	-	-	-	-	-
Net book value at 31-12-2023	14,737	202	12,528	1,828	1,138	30,433

Investments mainly concern:

- personalization of the IT system and software utilization licenses for a total of Euro 5,839 thousand, costs incurred for registration, extension and protection of patents in various parts of the world for Euro 332 thousand;
- assets in progress relating to further implementations and customizing of the new IT system.

The decreases concern, mainly, the abandonment of trademarks and patents filed in some countries and the divestment of key money as a result of store closures.

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.

16. Property, plant and equipment

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

	Balance at Dec. 31, 2023	Balance at Dec. 31, 2022	Change
Plant and machinery	2,544	3,312	(768)
Industrial and commercial equipment	3,030	3,439	(409)
Other assets	7,615	9,008	(1,393)
Leasehold improvements	16,724	17,606	(882)
Assets in progress and payments on account	1,356	1,112	244
Total	31,269	34,477	(3,208)

The following table shows the changes in property, plant and equipment during 2023:

	Plant and machinery	Industrial and commercial equipment	Other assets	Leasehold improvements	Assets in progress and payments on account	Total
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
Additions	135	2,664	2,356	4,458	1,349	10,962
Disposals	(55)	(2,562)	(5,345)	(8,632)	-	(16,594)
Translation differences and other movements	214	(2)	53	307	(1,105)	(533)
Change in historical value	294	100	(2,936)	(3,867)	244	(6,165)
Amortization	(1,111)	(3,072)	(4,130)	(6,038)	-	(14,351)
Decreases	49	2,547	4,978	7,564	-	15,138
Translation differences and other movements	-	2	217	221	-	440
Change in amortization fund	(1,062)	(523)	1,065	1,747	-	1,227
Provisions	-	-	(77)	(40)	-	(117)
Releases	-	6	296	521	-	823
Utilization for stores closed	-	7	249	749	-	1,005
Translation differences and other movements	-	1	10	8	-	19
Change in impairment fund	-	14	478	1,238	-	1,730
Total change in the period	(768)	(409)	(1,393)	(882)	244	(3,208)
Historical value at 31-12-2023	25,679	34,588	54,449	76,756	1,356	192,828
Accumulated depreciation at 31-12-2023	(23,135)	(31,547)	(46,667)	(59,885)	-	(161,234)
Impairment fund at 31-12-2023	-	(11)	(167)	(147)	-	(325)
Net book value at 31-12-2023	2,544	3,030	7,615	16,724	1,356	31,269

Investments mainly concern:

- the purchase of machinery for the logistics center in Signoressa;
- 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 related to the amounts paid for the construction of a photovoltaic plant at the Biadene di Montebelluna site, which will become operational during 2024.

Decreases concern, mainly, scrapping of molds no longer in use and fully depreciated, furniture and improvements of stores closed during the period.

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, 2023	Balance at Dec. 31, 2022	Change
Electronic machines	2,327	2,812	(485)
Furniture and fittings	5,019	5,810	(791)
Motor vehicles and internal transport	269	386	(117)
Total	7,615	9,008	(1,393)

17. Right-of-use assets

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

	Balance at Dec. 31, 2023	Balance at Dec. 31, 2022	Change
Right-of-use - Apartments	610	395	215
Right-of-use - Building	233,756	223,187	10,569
Right-of-use - Cars and Trucks	1,125	691	434
Total	235,491	224,273	11,218

The following table shows the changes in property, plant and equipment during 2023:

	Right-of-use - Apartments	Right-of-use - Building	Right-of-use - Cars and Trucks	Total
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
Additions	486	60,622	1,022	62,130
Disposals	(84)	(32,553)	(774)	(33,411)
Translation differences and other movements	-	(1,164)	-	(1,164)
Change in historical value	402	26,905	248	27,555
Amortization	(271)	(48,503)	(588)	(49,362)
Decreases	84	32,515	774	33,373
Translation differences and other movements	-	196	-	196
Change in amortization fund	(187)	(15,792)	186	(15,793)
Provisions	-	(3,073)	-	(3,073)
Releases	-	2,510	-	2,510
Utilization for stores closed	-	38	-	38
Translation differences and other movements	-	(19)	-	(19)
Change in impairment fund	-	(544)	-	(544)
Total change in the period	215	10,569	434	11,218
Historical value at 31-12-2023	1,589	424,682	2,407	428,678
Accumulated depreciation at 31-12-2023	(979)	(187,613)	(1,282)	(189,874)
Impairment fund at 31-12-2023	-	(3,313)	-	(3,313)
Net book value at 31-12-2023	610	233,756	1,125	235,491

The increases refer to new lease contracts signed over the course of the year, mainly for Geox Shops, or renegotiations of existing contracts. Of particular note is the lease agreement for the Biadene di Montebelluna office in the amount of Euro 13,218 thousand.

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.

18. 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, 2023	Balance at Dec. 31, 2022	Change
Carry-forward tax losses	6,479	5,348	1,131
Depreciation and amortization and impairment	4,861	5,244	(383)
Evaluation derivates	310	-	310
Provision for obsolescence and slow-moving inventory and returns	12,997	13,611	(614)
Provision for agents' severance indemnities	473	470	3
Provision for bad and doubtful accounts	4,194	4,322	(128)
Provision for liabilities	547	563	(16)
Other	2,142	2,287	(145)
Deferred tax assets	32,003	31,845	158
Evaluation derivates	-	(2,256)	2,256
Other	(365)	(367)	2
Deferred tax liabilities	(365)	(2,623)	2,258
Total deferred taxes	31,638	29,222	2,416

Deferred tax assets have been recognized to the extent that it is considered probable that sufficient future taxable income will be available to allow for their recovery. 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 financial forecasts up to the period 2028, as described in notes 10 and 13.

The deferred tax assets on 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., amounting to Euro 4,198 thousand. 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 2020-2023, for a total amount of 36,828 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 financial forecast horizon, will allow for their recovery.

Derivatives that are defined as cash flow hedges and measured at fair value booked directly to equity require all related taxes also to be booked directly to equity and not to the income statement. The deferred tax assets booked directly to equity amount to Euro 310 thousand (deferred tax liabilities amounting to Euro 2,256 thousand as at December 31, 2022).

19. Other non-current assets

Other non-current assets are made up as follows:

	Balance at Dec. 31, 2023	Balance at Dec. 31, 2022	Change
Accounts receivable from others in 1 to 5 years	3,453	4,418	(965)
Accounts receivable from others in more than 5 years	2,505	2,170	335
Total	5,958	6,588	(630)

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

20. Inventories

The following table shows the breakdown of inventories:

	Balance at Dec. 31, 2023	Balance at Dec. 31, 2022	Change
Raw materials	3,659	4,926	(1,267)
Finished products and goods for resale	272,107	284,902	(12,795)
Furniture and fittings	213	337	(124)
Total	275,979	290,165	(14,186)

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 decreases by Euro 12,795 thousand compared to 2022, as the Group has finished reusing the excess unsold inventory from previous seasons, which had led to a reduction in purchases in recent seasons in order to reuse them in sales. Now the Group is meeting new orders almost exclusively by purchasing new product. It should also be noted that inventories are also lower as a result of the aforementioned reduction in mono-brand stores.

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	32,341
Provisions	5,804
Translation differences	(435)
Utilizations	(14,604)
Balance at December 31	23,106

The write-down reflects the adjustment to the value deemed recoverable of inventories in light of the sales forecasts outlined above. The significant utilization in the year is due, primarily, to the disposal of goods compromised as a result of the fire developed in September 2022 in a third-party warehouse located in Levada (TV).

21. Accounts receivable

Accounts receivable are made up as follows:

	Balance at Dec. 31, 2023	Balance at Dec. 31, 2022	Change
Gross value	90,627	103,070	(12,443)
Provision for bad and doubtful accounts	(18,551)	(19,072)	521
Net value	72,076	83,998	(11,922)

Accounts receivable amounted to Euro 90,627 thousand at December 31, 2023, showing a decrease of Euro 12,443 thousand compared to December 31, 2022.

It has to be noted that this item, during 2023, was influenced by non-recourse factoring transactions, amounting to Euro 25,892 thousand (Euro 21,056 thousand in 2022).

As of December 31, the composition of receivables by maturity was as follows:

	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, 2023	57,129	14,923	2,893	15,682	90,627
Gross value of trade receivables at December 31, 2022	71,714	11,893	4,016	15,447	103,070

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 year end represents a prudent estimate of the current collection risk.

Changes in the provision during the year are as follows:

Balance at January 1	19,072
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Provisions	409
Translation differences	(14)
Utilizations	(916)

Balance at December 31	18,551
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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.

22. Other current assets

This item is made up as follows:

	Balance at Dec. 31, 2023	Balance at Dec. 31, 2022	Change
Tax credits	2,632	2,333	299
VAT recoverable	2,460	5,930	(3,470)
Advances to vendors	1,715	3,690	(1,975)
Other receivables	4,644	16,524	(11,880)
Accrued income and prepaid expenses	5,787	3,544	2,243
Total	17,238	32,021	(14,783)

The decrease in other receivables is mainly due to the collection of the insurance compensation related to the fire of the third-party warehouse, which handled a substantial part of Geox-branded apparel, for euro 12,500 thousand, which occurred in early 2023.

Prepaid expenses mainly include prepayments for rentals and maintenances.

23. 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, 2023	Balance at Dec. 31, 2022	Change
Term bank deposits	27	27	-
Total non current financial assets	27	27	-
Fair value derivative contracts	1,852	26,902	(25,050)
Other current financial assets	5,341	4,043	1,298
Total current financial assets	7,193	30,945	(23,752)

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 36.

The item Other current financial assets amounting to Euro 5,341 thousand includes mainly, sums deposited as guarantee for the purpose of the e-commerce business.

24. Cash and cash equivalent

The amount of Euro 70,146 thousand relates to: short term deposits for Euro 2,880 thousand, to current account in Euro for Euro 56,886 thousand, in US Dollar for Euro 3,232 thousand, in Canadian Dollar for Euro 1,134 thousand, in British Pound for Euro 1,099 thousand, in Rouble for Euro 1,154 thousand, in Chinese Yuan for Euro 993 thousand, other currencies for the rest.

Current account balances refer for approximately euro 30,000 thousand to liquidity investments remunerated at a rate linked to Euribor.

It should be noted that the book value of cash and cash equivalents coincides with their fair value.

25. 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, 2023, 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, 2023	Balance at Dec. 31, 2022	Change
Legal reserve	5,184	5,184	-
Share premium reserve	37,678	37,678	-
Translation reserve	(7,611)	(5,451)	(2,160)
Reserve for cash flow hedges	(984)	7,141	(8,125)
Reserve IFRS 2	2,855	3,904	(1,049)
Reserve for treasury shares	(5,051)	(5,051)	-
Retained earnings	39,049	51,905	(12,856)
Total	71,120	95,310	(24,190)

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, negative for Euro 984 thousand, originated as a result of valuing the financial instruments defined as cash flow hedges at 31 December 2023. Fair value valuation of cash flow hedges is stated net of the tax effect as explained in greater detail in note 36. This reserve is not distributable.

The IFRS 2 reserve, amounting to Euro 2,855 thousand, is measured at each period end based on the fair value of incentives recognized in equity-settled share-based payments. The impact of this change in the period is recognized in the income statement with a corresponding movement in the equity reserve over the period during which employees earn the right to the incentives.

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 2022 loss carried forward.

26. Employee benefits

Employee benefits at 31 December 2023 amount to Euro 1,649 thousand as shown below:

Balance at December 31, 2022	1,875
Increase for acquisition	45
Reversal of 0.50% withholding	(250)
Reversal of 17% flat-rate tax	(3)
Payments to supplementary pension schemes	(1,233)
Advances granted to employees	(233)
Provision for the period	3,648
Payments to supplementary pension schemes run by INPS net of amounts paid to leavers	(2,085)
Change as a result of actuarial calculations	(115)
Balance at December 31, 2023	1,649

Changes in the item, during 2023, show a utilization of Euro 1,233 thousand for payments to supplementary pension funds and one of Euro 2,085 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+): 3.65%
- rate of severance indemnities increase: 3.000%
- inflation rate: 2.00%

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	16
-1% employee turnover rate	(18)
+1/4% inflation rate	29
-1/4% inflation rate	(28)
+1/4% discount rate	(42)
-1/4% discount rate	44

27. Provision for liabilities and charges long term

This item is made up as follows:

	Balance at Dec. 31, 22	Utilization	Provisions	Trans. Diff.	Reclass.	Actuarial adj	Balance at Dec. 31, 23
Provision for agents' severance indemnities	4,210	(771)	94	67	-	(2)	3,598
Other	1,616	(279)	128	3	24	-	1,492
Total	5,826	(1,050)	222	70	24	(2)	5,090

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 587 thousand.

The item other reflects mainly an estimate of the risks involved in outstanding disputes, as well as the estimated restoration costs.

28. Current and non current financial liabilities

This item is made up as follows:

	Balance at Dec. 31, 2023	Balance at Dec. 31, 2022	Change
Bank loans	76,242	56,561	19,681
Other loans	62	61	1
Total	76,304	56,622	19,682

Non current financial liabilities amount to Euro 76,304 thousand compared to Euro 56,622 thousand at December 31, 2022 and are all due within 5 years.

The net increase of Euro 19,681 thousand is mainly explained by new loans obtained during 2023 (for Euro 42,192 thousand) and repayments of existing loans for the difference.

Current financial liabilities is made up as follows:

	Balance at Dec. 31, 2023	Balance at Dec. 31, 2022	Change
Cash advances	12	4,389	(4,377)
Loans	68,646	25,520	43,126
Advances against orders	19,000	17,000	2,000
Other current loans	-	251	(251)
Fair value derivative contracts	4,891	1,025	3,866
Other current financial liabilities	1,635	305	1,330
Total	94,184	48,490	45,694

Current financial liabilities amount to Euro 94,184 thousand compared to Euro 48,490 thousand at December 31, 2022.

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

Regarding the item fair value derivative contracts, refer note 36.

The Group provided for adequate committed credit lines and has implemented a strategy for covering financial requirements aimed at achieving maximum consistency between sources and financing needs so as to have the right balance between short-term credit lines, to be placed at the service of the ordinary seasonality of the business, and medium- to long-term credit lines to support the investments required by the evolution of the business model toward omnichannel with seamless integration between physical and digital.

The Group has in place five loan agreements for a total remaining amount of Euro 109.8 million maturing within the next 3 years assisted by SACE guarantees "Guarantee Italy" and "Supportitalia" on 90% of the amount. These loans are mainly intended to support personnel costs and investments, as well as working capital dynamics for production plants and business activities located in Italy.

Some of these agreements require compliance with financial covenants (to be calculated before IFRS 16), measured on a semi-annual basis in June and December, with reference to the Group's consolidated figures. These parameters are the Debt Ratio (Net Financial Position/Equity) and the ratio of Net Financial Position to EBITDA. The values vary over the term of the contract and can also be possibly remedied by Equity Cure transactions. As of December 31, 2023, the covenants were found to be met.

It should be noted that the Group did not resort to any suspension of loan repayments.

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, 2023	Dec. 31, 2022
A. Cash	70,146	24,303
B. Cash equivalents	-	-
C. Other current financial assets	7,193	30,945
D. Liquidity (A + B + C)	77,339	55,248
E. Current financial debt	(68,092)	(65,921)
F. Current portion of non-current financial debt	(68,646)	(25,520)
G. Current financial indebtedness (E + F)	(136,738)	(91,441)
H. Net current financial indebtedness (G + D)	(59,399)	(36,193)
I. Non current financial debt	(277,606)	(245,907)
J. Debt instruments	-	-
K. Non-current trade and other payables	(62)	(61)
L. Non-current financial indebtedness (I + J + K)	(277,668)	(245,968)
M. Total financial indebtedness (H + L)	(337,067)	(282,161)

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

29. 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, 2023	Balance at Dec. 31, 2022	Change
Non-current lease assets – third parties	532	176	356
Total lease assets	532	176	356
Non-current lease liabilities - third parties	138,892	138,779	113
Non-current lease liabilities - related parties	63,031	50,770	12,261
Total non-current lease liabilities	201,923	189,549	12,374
Current lease liabilities - third parties	37,389	37,951	(562)
Current lease liabilities - related parties	5,165	5,000	165
Total current lease liabilities	42,554	42,951	(397)
Total lease liabilities	244,477	232,500	11,977
Total net lease liabilities	243,945	232,324	11,621

Non-current lease liabilities amount to Euro 201,923 thousand, of which Euro 118,333 thousand are due within 5 years, and Euro 83,590 thousand beyond 5 years.

The following table shows the changes lease liabilities during 2023:

	Balance at Dec. 31, 2022	Net increases	Transl. Diff.	Payments	Balance at Dec. 31, 2023
Total Lease liabilities	232,500	61,978	(835)	(49,166)	244,477

Increases refer to new lease contracts signed during the period, mainly for stores, or renegotiations of existing contracts. The weighted average of the interest borrowing rate (IBR) of the year is 1.82%.

30. Other long-term payables

This item is made up as follows:

	Balance at Dec. 31, 2023	Balance at Dec. 31, 2022	Change
Guarantee deposits	245	308	(63)
Accrued expenses and deferred income	941	871	70
Total	1,186	1,179	7

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

31. Trade payables

The item is made as follows:

	Balance at Dec. 31, 2023	Balance at Dec. 31, 2022	Change
Accounts payable	206,506	269,454	(62,948)
Provision for returns	24,843	27,607	(2,764)
Total	231,349	297,061	(65,712)

Accounts payable at December 31, 2023 amount to Euro 206,506 thousand, showing a decrease of Euro 62,948 thousand if compared with December 31, 2022. This decrease is mainly attributable to the newfound efficiency of the supply chain and the resulting rebalancing of the liability cycle.

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

- trade payables do not bear interests and were settled, in 2023, in an average period of about 110 days;
- 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 2023 are as follows:

Balance at January 1	27,607
Provisions	24,143
Translation differences	(307)
Utilizations	(26,600)
Balance at December 31	24,843

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 provision is allocated mainly to the last selling season at retailers, thus explaining the dynamics of provisions and utilization of the provision.

32. Other current liabilities

This item is made up as follows:

	Balance at Dec. 31, 2023	Balance at Dec. 31, 2022	Change
Social security institutions	4,110	3,940	170
Employees	12,104	16,111	(4,007)
Other payables	6,289	5,088	1,201
Accrued expenses and deferred income	1,407	1,396	11
Total	23,910	26,535	(2,625)

The amounts due to social security institutions mainly relate to pension contributions for 2023, paid in 2024.

The amounts due to employees include payroll, bonuses and accrued vacation not yet taken as of December 31, 2023.

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

33. Provision for liabilities and charges short term

Provision for liabilities and charges short term, amounting to Euro 2,677 thousand (Euro 2,355 thousand in 2022) include, mainly, an estimate of the risks involved in outstanding disputes, task risks as well as the estimated restoration costs.

34. Taxes payable

The item is made up as follows:

	Balance at Dec. 31, 2023	Balance at Dec. 31, 2022	Change
Withholding taxes	3,270	3,154	116
VAT payable and other taxes	3,294	6,578	(3,284)
Total	6,564	9,732	(3,168)

35. Share-based payments

In accordance with IFRS 2, the adoption of a share-based payment plan implies the accounting recognition of a cost equal to the fair value of the options at the grant date. 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 time they are granted.

At the date of this report a medium-long term incentive plans is in place, which has been approved by Shareholders' Meeting, on April 22, 2021 which provides for the free assignment of up to a maximum of 7,696,626 ordinary shares of the

Company, 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 vesting period of three years and, as a result, shares may be granted as of the date of approval of the consolidated 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 beneficiaries whose activities are deemed of fundamental importance to the achievement of the Group's objectives; to foster the retention of beneficiaries, incentivizing their permanence within the Group; and to share and align the interests of beneficiaries with those of the Company and shareholders in the medium to long term, recognizing management for its contribution in increasing the value of the Company.

The Board of Directors of Geox S.p.A. resolved to implement the Equity (Stock Grant) & Cash-Based Plan 2021-2023, with a first cycle of allocation of no. 7,671,892 rights in favor of 99 beneficiaries. As of Dec. 31, 2023, the amount of rights granted entitling to the free assignment of 1 share of the Company's stock for each Right granted is 3,274,241. Based on the updated estimates, related to the plan, the effect on the income statement for the year was positive in the amount of Euro 1,049 thousand. The cumulative effect in the Group's income statement over the three-year period amounted to Euro 2,855 thousand.

For more information on the disclosure documents related to the Plans, please refer to the company's website, www.geox.biz, in the "Governance" Section.

36. 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, 2023 the Group's indebtedness to the banking system amounts to Euro 163.9 million and is mainly floating rate.

The Group decided to put in place specific policies to hedge against the risk of changes in interest rates on medium/long-term loans. It therefore entered into three Interest Rate Swap (IRS) transactions for a total of Euro 55.7 million, also with the specific aim of being able to remove, on part of the notional amount, the initial floor condition at zero in relation to Euribor included in the floating 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 565 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 starting from the second half of 2022, in particular from the Fall/Winter 22 sales season, trade relations of sales of finished products were settled in EUR currency, as a result of the impossibility of hedging transactions on RUB currency. So to date, the transactional exchange risk between EUR and ruble for the Group is mainly present in the balance sheet of the Russian company that purchases finished product in 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, companies may incur debt or use funds in currencies other 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 that 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 translation reserve, included in other comprehensive income.

There have been no substantial changes in 2023 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, 2023 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 12 million, while in case of a favorable change of 10% in exchange rates the impact would have been approximately Euro 10 million, almost all of which relating to RUB. 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 from January to April and from 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.

The Directors, in view of current business performance, financial forecasts, current available and undrawn lines, and financing obtained from the banking system, do not believe that the impacts of the above events may be such that there is a risk that the Group will be unable to meet its payment commitments.

Fair value and related hierarchy

As at December 31, 2023 financial instruments are as follows:

	Notional value on 12-31-23	Fair value on 12-31-23 (debit)	Fair value on 12-31-23 (credit)	Notional value on 12-31-22	Fair value on 12-31-22 (debit)	Fair value on 12-31-22 (credit)
FX Forward buy agreements to hedge exch. rate risk	14,582	3	(231)	37,305	2,588	(673)
FX Forward sell agreements to hedge exch. rate risk	64,372	774	(544)	69,231	1,849	(352)
FX Currency Option agreem. to hedge exch. rate risk	208,145	-	(4,080)	285,955	19,711	-
Target Forward FX Trans. To hedge exch. rate risk	55,688	1,075	(36)	59,063	2,754	-
Totale	342,787	1,852	(4,891)	451,554	26,902	(1,025)

In relation to financial instruments recognized in the statement of financial position, IFRS 13 establishes a hierarchy that classifies the inputs of valuation techniques adopted to measure fair value into levels. The levels provided, set out in hierarchical order, are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at the measurement date;
- Level 2: these are variables other than quoted prices included in Level 1 that are directly or indirectly observable for assets or liabilities;
- Level 3: are unobservable variables for assets or liabilities.

All the financial assets and liabilities measured at fair value at December 31, 2023 are classified on Level 2. In 2023 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, 2023:

- 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, 2023:

- 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, 2023, the Group held three 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.

As set out in the Consolidated Non-Financial Statement, the product initiatives, process initiatives 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.

37. 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 (note 7 and 9).

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 2023 and 2022 are summarised in the following tables:

	Total 2023	Parent company	Affiliated company	Other related parties	Total of which related parties	Effect on Total (%)
Sales	719,571	-	1,012	-	1,012	0.1%
Cost of sales	(355,011)	-	113	-	113	(0.0%)
Advertising and promotion costs	(32,806)	(140)	-	-	(140)	0.4%
General and administrative expenses	(286,505)	(6)	(103)	(6)	(115)	0.0%
Other revenues	6,536	54	45	-	99	1.5%
Financial expenses	(24,924)	(31)	(1,582)	-	(1,613)	6.5%

	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%)
Advertising and promotion costs	(30,358)	(159)	-	-	(159)	0.5%
General and administrative expenses	(288,974)	12	(69)	(7)	(64)	0.0%
Other revenues	13,364	48	45	-	93	0.7%
Financial expenses	(15,369)	(37)	(1,270)	-	(1,307)	8.5%

	Sales 2023	Cost of sales 2023	Advertising and promotion costs 2023	General and administrative expenses 2023	Other revenues 2023	Financial expenses 2023
Lir S.r.l.	-	-	(140)	(6)	54	(31)
Total Parent company	-	-	(140)	(6)	54	(31)
Domicapital S.r.l.	-	-	-	(32)	45	(1,582)
Diadora S.p.A.	1,012	113	-	(20)	-	-
Ca' D'Oro 3 S.r.l.	-	-	-	(51)	-	-
Total Affiliated company	1,012	113	-	(103)	45	(1,582)
Other related parties	-	-	-	(6)	-	-
Total Other related parties	-	-	-	(6)	-	-
Total of which related parties	1,012	113	(140)	(115)	99	(1,613)

	Sales 2022	Cost of sales 2022	Advertising and promotion costs 2022	General and administrative expenses 2022	Other revenues 2022	Financial expenses 2022
Lir S.r.l.	-	-	(159)	12	48	(37)
Total Parent company	-	-	(159)	12	48	(37)
Domicapital S.r.l.	-	-	-	(3)	45	(1,270)
Diadora S.p.A.	1,000	28	-	(20)	-	-
Ca' D'Oro 3 S.r.l.	-	-	-	(46)	-	-
Total Affiliated company	1,000	28	-	(69)	45	(1,270)
Other related parties	-	-	-	(7)	-	-
Total Other related parties	-	-	-	(7)	-	-
Total of which related parties	1,000	28	(159)	(64)	93	(1,307)

The main effects on financial statement of the transactions with these parties at December 31, 2023 and at December 31, 2022 are summarized below:

	Balance at Dec. 31, 2023	Parent company	Affiliated company	Other related parties	Total of which related parties	Effect on Total (%)
Accounts receivable	72,076	61	639	-	700	0.97%
Other non-financial current assets	17,238	2	-	-	2	0.01%
Non-current lease liabilities	201,923	937	62,094	-	63,031	31.22%
Accounts payable	231,349	342	1,535	6	1,883	0.81%
Current lease liabilities	42,554	320	4,845	-	5,165	12.14%

	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%

	Accounts receivable 2023	Other non-financial current assets 2023	Non-current lease liabilities 2023	Accounts payable 2023	Current lease liabilities 2023
Lir S.r.l.	61	2	937	342	320
Total Parent company	61	2	937	342	320
Domicapital S.r.l.	55	-	62,094	1,468	4,845
Diadora S.p.A.	584	-	-	22	-
Ca' D'Oro 3 S.r.l.	-	-	-	45	-
Total Affiliated company	639	-	62,094	1,535	4,845
Other related parties	-	-	-	6	-
Total Other related parties	-	-	-	6	-
Total of which related parties	700	2	63,031	1,883	5,165

	Accounts receivable 2022	Other non-financial current assets 2022	Non-current lease liabilities 2022	Accounts payable 2022	Current lease liabilities 2022
Lir S.r.l.	57	2	1,244	39	336
Total Parent company	57	2	1,244	39	336
Domicapital S.r.l.	55	-	49,526	1	4,664
Diadora S.p.A.	460	-	-	22	-
Ca' D'Oro 3 S.r.l.	1	-	-	38	-
Total Affiliated company	516	-	49,526	61	4,664
Other related parties	-	-	-	1	-
Total Other related parties	-	-	-	1	-
Total of which related parties	573	2	50,770	101	5,000

38. Commitments and contingent liabilities

The future rental payments under lease contracts, excluded from the application of IFRS 16, as of December 31, 2023 are as follows:

	12-31-2023
Within 1 year	6,178
Within 1-5 years	10,922
Beyond 5 years	2,648
Total	19,748

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.

39. 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 2023 and with reference to its Italian companies, the Group received Euro 1,596 thousand, broken down as follows:

- Euro 394 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 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 20 thousand from Fondimpresa relating to the Formative Plan Training Plan Health and Safety;
- Euro 382 thousand relating to the tax credit for investments in new capital goods pursuant to Article 1, paragraphs 1056-1057 and 1057-bis, of Law no.178/2020;
- Euro 91 thousand relating to the tax credit for investments in new capital goods pursuant to Article 1, paragraphs 1054-1055, of Law no.178/2020;
- Euro 21 thousand related to the tax credit in favour of 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;
- Euro 2 thousand related to the tax credit in favour of companies other than those with heavy natural gas consumption referred to in Article 1, Paragraph 4 of Decree Law No. 144 of 23 September 2022;
- Euro 23 thousand related to the tax credit in favour of companies other than those with heavy natural gas consumption referred to in Article 1, of Decree Law No 176 of November 18, 2022;
- Euro 216 thousand related to the tax credit in favour of non-energy consuming companies pursuant to Article 1, paragraph 3, of Decree-Law No. 197 of 29 December 2022;
- Euro 31 thousand related to the tax credit in favour of non-energy consuming companies pursuant to Article 4 paragraph 3, of Decree-Law No. 34 of 30 March 2023;
- Euro 99 thousand related to the tax credit in favour of companies other than those with heavy natural gas consumption referred to in Article 1, paragraph 5, of Decree-Law No. 197 of 29 December 2022;
- Euro 5 thousand related to the tax credit in favour of companies other than those with heavy natural gas consumption referred to in Article 4, paragraph 5, of Decree-Law No. 34 of 30 March 2023;
- Euro 241 thousand related to Fondo Nuove Competenze – first edition referred to in Article 88 of Decree Law No. 34 of 19 May 2020, as amended by Article 4 of Decree Law No. 104 of 14 August 2020, and implemented on the basis of the provisions of the Interministerial Decree of 9 October 2020, and the Supplementary Interministerial Decree of 22 January 2021;
- Euro 37 thousand from the electricity services provider (GSE S.p.A.) relating to tariff incentives for photovoltaic systems;
- Euro 23 thousand related to the tax credit in favour of non-energy consuming companies pursuant to Article 1, paragraph 3, of Decree Law No. 144 of 23 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 were cashed in during 2023, 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.

40. Significant subsequent events after December 31, 2023

Stock grant plan 2021-2023

The Board of Directors verified on March 1 2024 the conditions of permanence and the degree of achievement of the performance targets for the vesting of rights to the assignment of company shares. In light of this verification, rights have been accrued for a total of 3,262,209 shares, allocated as follows: to the Chief Executive Officer 693,314 shares, to Strategic Executives 924,415 shares and to Key People 1,644,480 shares.

Pursuant to the regulations, these shares will be allocated free of charge within 30 days following the approval of the Financial Statements by the Shareholders' Meeting convened for 19 April 2024.

The shares will be allocated using those from the buy-back plan described above.

Mutual separation agreement between the Company and the CEO Livio Libralesso

On March 1 2024 the Board of Directors of Geox S.p.A. approved the agreement for the consensual termination of the employment and administration relations with Livio Libralesso, with effect from the same day for the relationship of administration and with effect from 31 March 2024 for that of employee employment.

On the same date, the Board of Directors of Geox S.p.A. appointed Mr. Enrico Mistrion as Chief Executive Officer.

No other significant events occurred after 31 December 2023.

Biadene di Montebelluna, 1 March 2024

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

Attachment I

Biadene di Montebelluna, 1 March 2024

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 2023.

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, 2023 and for the year 2023;
- 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 Issuer's Regulations:

Type of services	Entity that provided the services	Beneficiary	Fees 2023 (Euro/100)
Auditing	Auditors of the Parent Company	Parent Company	207
Attestation services	Auditors of the Parent Company	Parent Company	44
Tax advisory services	Same network as the Parent Company's auditor	Parent Company	-
Other services	Auditors of the Parent Company	Parent Company	-
Total			251
Auditing	i) Auditors of the Parent Company	Subsidiaries	24
	ii) Same network as the Parent Company's auditor	Subsidiaries	84
Attestation services	i) Auditors of the Parent Company	Subsidiaries	-
	ii) Same network as the Parent Company's auditor	Subsidiaries	-
Tax advisory services	i) Auditors of the Parent Company	Subsidiaries	-
	ii) Same network as the Parent Company's auditor	Subsidiaries	-
Other services	i) Auditors of the Parent Company	Subsidiaries	-
	ii) Same network as the Parent Company's auditor	Subsidiaries	-
			108
Total			359

Attachment 3

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

Name	Location	Year	Currency	Share Capital	% held		Total
					Directly	Indirectly	
- 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%
- Geox Respira SL	Barcelona, Spain	Dec. 31	EUR	1,500,000	100%		100%
- Geox Suisse SA	Lugano, Switzerland	Dec. 31	CHF	200,000	100%		100%
- Geox UK Ltd	London, U.K.	Dec. 31	GBP	1,050,000	100%		100%
- Geox Canada Inc.	Mississauga, Canada	Dec. 31	CAD	23,500,100		100%	100%
- S&A Distribution Inc.	New York, Usa	Dec. 31	USD	1		100%	100%
- Geox Holland B.V.	Breda, Netherlands	Dec. 31	EUR	20,100	100%		100%
- Geox Retail S.r.l.	Biadene di Montebelluna (TV), Italy	Dec. 31	EUR	100,000	100%		100%
- Geox Hungary Kft	Budapest, Hungary	Dec. 31	HUF	10,000,000	99%	1%	100%
- Geox Hellas S.A.	Athens, Greece	Dec. 31	EUR	220,000	100%		100%
- Geox France Sarl	Sallanches, France	Dec. 31	EUR	15,000,000	100%		100%
- Geox Asia Pacific Ltd	Hong Kong, China	Dec. 31	USD	5,116,418		100%	100%
- XLog S.r.l.	Signoressa di Trevignano (TV), Italy	Dec. 31	EUR	110,000	100%		100%
- Geox Rus LLC	Moscow, Russia	Dec. 31	RUB	60,000,000	100%		100%
- Geox AT GmbH	Wien, Austria	Dec. 31	EUR	35,000	100%		100%
- Geox Poland Sp. Z.o.o.	Warszawa, Poland	Dec. 31	PLN	5,000		100%	100%
- Geox Portugal S.U. LDA (*)	Lisbon, Portugal	Dec. 31	EUR	300,000	100%		100%
- Technic Development D.O.O. Vranje (*)	Vranje, Serbia	Dec. 31	RSD	802,468,425	100%		100%
- Geox Macau Ltd (*)	Macau, China	Dec. 31	MOP	5,000,000		100%	100%
- Geox Trading Shanghai Ltd	Shanghai, China	Dec. 31	CNY	136,489,316		100%	100%
- Dongguan Technic Footwear Apparel Design Ltd	Dongguan, China	Dec. 31	CNY	3,795,840		100%	100%
- Technic Development Vietnam Company Ltd	Ho Chi Minh City, Vietnam	Dec. 31	VND	3,403,499,500		100%	100%
- XBalk D.O.O. Vranje	Vranje, Serbia	Dec. 31	RSD	1,200,000		100%	100%



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(The accompanying translated consolidated financial statements of the Geox Group constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

*To the shareholders of
Geox S.p.A.*

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Geox Group (the "group"), which comprise the statement of financial position as at 31 December 2023, the income statement, the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Geox Group as at 31 December 2023 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of Geox S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Limited, società di diritto inglese.

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Geox Group

Independent auditors' report

31 December 2023

Recoverability of non-current assets

Notes to the consolidated financial statements: note "2 Accounting policies – Estimates and assumptions" and note "10. Impairment test"

Key audit matter	Audit procedures addressing the key audit matter
<p>The consolidated financial statements at 31 December 2023 include non-current assets located at shops of €187 million, recognised net of accumulated impairment losses of €3.6 million. It also includes goodwill of €1.1 million.</p> <p>The group tested the non-current assets allocated to each directly operated shop for impairment (first-phase) to check whether their carrying amount exceeded their recoverable amount. It also carried out an impairment test at a higher level to check the recoverability of goodwill and other non-current assets relating to the entire group.</p> <p>The group calculates the recoverable amount of the non-current assets allocated to shops, which are cash-generating units (CGUs) for the first-phase impairment testing purposes, goodwill and other non-current assets using the discounted cash flow model.</p> <p>The process and methods for measuring and determining each CGU's recoverable amount (based on its value in use) are very complex and entail the use of estimates which, by their very nature, are uncertain and subjective about:</p> <ul style="list-style-type: none">the expected cash flows, including for each shop, calculated by taking into account the general economic performance and that of the group's sector, the actual cash flows for the last few years and the projected growth rates;the financial parameters used to calculate the discount rate of the expected cash flows, which also consider the different levels of risk of the country in which the group operates. <p>For the above reasons, we believe that the recoverability of the non-current assets allocated to shops, goodwill and other non-current assets is a key audit matter.</p>	<p>Our audit procedures, which also involved our own specialists, included:</p> <ul style="list-style-type: none">understanding the process adopted to prepare the impairment tests;understanding the process adopted for the preparation of the 2024-2028 financial projections approved by the parent's board of directors on 1 March 2024 from which the expected cash flows used for impairment testing have been inferred;checking the accuracy of the CGUs' scope and of the allocation of the carrying amounts of the non-current assets to the individual CGUs;analysing the main assumptions used by the directors in estimating the expected cash flows (broken down by CGU), including the analysis of any discrepancies between the 2023 forecast and actual figures;assessing the reasonableness of the assumptions used by the directors to determine the value in use of the non-current assets, including the discount rates and perpetual growth rate, and including by means of a comparison with external data and information;checking the mathematical accuracy of the models used to calculate the value in use of the non-current assets;assessing the appropriateness of the disclosures provided in the notes about the impairment tests.



Geox Group

Independent auditors' report

31 December 2023

Measurement of inventories of finished products

Notes to the consolidated financial statements: note "2. Accounting policies – Estimates and assumptions" and note "20. Inventories"

Key audit matter	Audit procedures addressing the key audit matter
<p>The consolidated financial statements at 31 December 2023 include inventories of finished products of €272.1 million, net of the allowance for inventory write-down of €22.7 million, part of the total provision of €23.1 million.</p> <p>The process and methods for measuring and determining this allowance are very complex and entail the use of estimates which, by their very nature, are uncertain and subjective about:</p> <ul style="list-style-type: none"> the characteristics of the Group's business sector; the distribution channels' selling ability; the price policies adopted, especially for sales at stock prices. <p>For the above reasons, we believe that the measurement of inventories of finished products is a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> understanding the process for the measurement of inventories and assessing the design and implementation of material controls; analysing documents and discussing the assumptions adopted to calculate the allowance for inventory write-down with the relevant internal departments, in order to understand the assumptions underlying the expectations of how goods will be sold, including those from expected returns based on current trade agreements; checking the completeness and mathematical accuracy of the databases used for the calculation of the allowance for inventory write-down; evaluate the appropriateness of the net realisable value to the inventories by checking management reports on sales and the expectations of how goods will be sold; assessing the appropriateness of the disclosures provided in the notes about inventories.

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material



Geox Group

Independent auditors' report

31 December 2023

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.



Geox Group

Independent auditors' report

31 December 2023

Other information required by article 10 of Regulation (EU) no. 537/14

On 22 April 2021, the parent's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2022 to 31 December 2030.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the parent in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The parent's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the consolidated financial statements at 31 December 2023 to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the consolidated financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the consolidated financial statements at 31 December 2023 have been prepared in XHTML format and have been marked up, in all material respects, in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The parent's directors are responsible for the preparation of the group's directors' report and report on corporate governance and ownership structure at 31 December 2023 and for the consistency of such reports with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report and the specific information presented in the report on corporate governance and ownership structure indicated by article 123-bis.4 of Legislative decree no. 58/98 with the group's consolidated financial statements at 31 December 2023 and their compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure referred to above are consistent with the group's consolidated financial statements at 31 December 2023 and have been prepared in compliance with the applicable law.



Geox Group

Independent auditors' report

31 December 2023

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Statement pursuant to article 4 of the Consob regulation implementing Legislative decree no. 254/16

The directors of Geox S.p.A. are responsible for the preparation of a consolidated non-financial statement pursuant to Legislative decree no. 254/16. We have checked that the directors had approved such consolidated non-financial statement. In accordance with article 3.10 of Legislative decree no. 254/16, we attested the compliance of the non-financial statement separately.

Treviso, 28 March 2024

KPMG S.p.A.

(signed on the original)

Francesco Masetto
Director of Audit

"Report of the Board of Statutory Auditors to the Shareholders' Meeting pursuant to Article 153 of the TUF and Article 2429, paragraph 2, of the Italian Civil Code"

To the Shareholders' Meeting of Geox S.p.A.

Introduction: legislative, regulatory and ethical sources

The Board of Statutory Auditors was appointed by the Shareholders' Meeting of 14 April 2022, until the Shareholders' Meeting to approve the Financial Statements as at 31 December 2024, based on the lists presented respectively by (i) the majority shareholder Lir S.r.l. - holder of 71.1004% of the subscribed and paid-up share capital - and (ii) a group of asset management companies - who collectively represent 1.3676% of the subscribed and paid-up share capital of Geox S.p.A. The auditors selected from the majority list are Fabrizio Colombo and Gabriella Covino; Sonia Ferrero was appointed from the minority list, and was appointed as Chair. The appointed alternate auditors are Francesca Salvi (majority list) and Filippo Antonio Vittore Caravati (minority list).

In accordance with the TUF and the Legislative Decree No. 39/2010, the independent audit was entrusted to KPMG S.p.A. by the Shareholders' Meeting of 22 April 2021 for the 2022-2030 term.

During the financial year 2023, the Board of Statutory Auditors also carried out the supervisory activity provided by law (and, specifically, by Article 149 of the TUF), by the Rules of Conduct for Boards of Statutory Auditors of Listed Companies issued by the National Board of Chartered Accountants and Auditors (and updated on 21 December 2023), by CONSOB recommendations on corporate supervision and board of statutory auditors activities (specifically, notice No. DAC/RM 97001574 of 20 February 1997 and notice No. DEM 1025564 of 6 April 2001, as subsequently supplemented with notice No. DEM/3021582 of 4 April 2003 and notice No. DEM/6031329 of 7 April 2006) and by the provisions contained in the Corporate Governance Code (January 2020 edition) to which the Company adhered on 25 February 2021.

Auditing on compliance with the law and the articles of association

During the financial year ending on 31 December 2023, the Board of Statutory Auditors monitored compliance with the law and Articles of Association in force as well as compliance with principles of sound management. To such purpose, the Board of Statutory Auditors used the information flows generated by the Company, which are considered suitable to ensure that the Statutory Auditors can check the compliance of the organisational structure, internal procedures, corporate documents and management bodies' resolutions with legal provisions, Articles of Association, and applicable regulations.

In 2023, the Board of Statutory Auditors held a total of eleven meetings to carry out its checks, sometimes jointly with the Audit, Risk, and Sustainability Committee, and received information from the heads of the various corporate departments.

In addition, the Board of Statutory Auditors:

- attended the only Shareholders' Meeting;
- attended the Board of Directors' meetings (7 in total in 2023);
- attended all the meetings of the Audit, Risk, and Sustainability Committee (7 in 2023);
- attended the meetings of the Appointment and Remuneration Committee (4 in 2023);
- attended the meetings of the Executive Committee (16 in 2023).

Auditing on compliance with the principles of good administration

The Board of Statutory Auditors reports that, also by attending meetings of the Board of Directors and of the Executive Committee, it has obtained from the directors, in compliance with the frequency required by law, the due information on the activities carried out and on the most significant economic, equity and financial transactions undertaken by the Company and the Group. In accordance with the information so obtained by the Board of Statutory Auditors, the resolutions and the transactions subsequently carried out are compliant with the law and the Articles of Association and do not show any conflicts of interest with the Company, are not manifestly imprudent, hazardous, atypical, or unusual, nor are they in breach of resolutions adopted by the Shareholders' Meeting or such as to jeopardise the integrity of the company's assets or contrary to the interests of the Company.

The Board of Statutory Auditors believes that the principles of sound management have been complied with and, in accordance with the information acquired, that the management decisions were inspired to the principle of correct information and reasonableness.

The Board of Statutory Auditors brings to the attention of the Shareholders' Meeting the significant events that occurred during the financial year (with reference to the relevant section of the Management Report), highlighting the effects of the climate of international tension determined by Russia's aggression against Ukraine and aggravated in the last months of 2023 with the outbreak of the Israeli-Palestinian conflict. This has serious humanitarian and social repercussions, with strong impacts first of all on the living conditions of the populations of these countries, but also on their internal economic activity and trade. This escalation and the further expansion on the Middle East front, with the involvement of new players, is having specific repercussions on the security and cost of goods transfers along traditional international trade routes, mainly in the Red Sea area. In the countries involved in these conflicts, Geox's business is mainly developed through third parties, wholesale and franchising, and can be considered insignificant in Ukraine, Israel and Palestine. With regard to Russia, revenues recorded in the region amounted to approximately € 72 million (corresponding to 9.9% of total sales). The capital invested in the Russian branch amounts to € 37.9 million and consists mainly of net working capital with a fast realisation cycle, accounting for approximately 8.7% of the Group's net total as of December 2023. Likewise, receivables from customers operating in the area are constantly monitored with the outstanding balance standing at € 8.9 million. Non-current assets in Russia, which mainly relate to own-brand stores, amount to € 7.2 million, of which € 4.6 million refer to user rights. The value of inventories in Russia amounts to € 22.7 million; the Group has no suppliers or production facilities in the area.

Together with the auditing firm, the Board of Statutory Auditors assessed the adequacy of the disclosures made in relation to the Group's activities in Russia and monitored the company's compliance with the sanctions imposed against Russia by the European Union.

The Board of Statutory Auditors acknowledges that the Group's financial situation has been monitored, and points out that the rationalisation actions undertaken and the hedging in derivatives on exchange rate and interest rate risk have made it possible to keep the net financial position under control, which stood - before IFRS 16 and after the fair value of derivative contracts - at € (93.1) million. Net bank debt amounted to € (90.1) million and reflected the net working capital cycle.

With regard to significant events occurring after 31 December 2023, the Statutory Auditors acknowledge that, on 1 March 2024, the Board of Directors of Geox S.p.A. approved the agreement for the termination by mutual consent of the employment and administration relationship with the Chief Executive Officer Livio Libralesso, effective as of the same day for the administration relationship and effective as of 31 March 2024 for the employment relationship.

On the same date, the Board of Directors of Geox S.p.A. appointed Mr. Enrico Mistrion as Director and Chief Executive Officer of the Company.

Auditing on the adequacy of the organisational structure

In the course of its audits, the Board of Statutory Auditors monitored the adequacy of the organisational structure - in terms of structure, procedures, competences and responsibilities - with regard to the size of the Company and the nature and methods of pursuit of its corporate purpose. In this regard, the Board of Statutory Auditors believes that, to the extent of its competence, the organisational structure is, on the whole, adequate. In particular, the Board of Statutory Auditors notes that, on 4 December 2023, Dr. Andrea Maldì was appointed as Chief Financial Officer.

The Board of Statutory Auditors notes that the Board of Directors is responsible for establishing the organisational structure of the company, defining the corporate structure of the Group, and verifying the existence of the internal controls necessary to monitor the performance of the company and the Group. The Management Report, to which reference is made, explains these aspects in detail.

The Board of Statutory Auditors reports that it has supervised the organisational and procedural activities implemented pursuant to Italian Legislative Decree no. 231/2001, verifying the updating of the 231 Model and maintaining a periodic exchange of information with the Supervisory Body (also holding joint meetings). The Board of Statutory Auditors examined the half-year report and the 2023 annual report of the Supervisory Body and has no observations regarding them.

Auditing on the adequacy of the internal control system

The Board of Statutory Auditors verified that the Company has adopted an internal audit and risk management system, also with reference to the Group, which aims to allow identifying, measuring, managing, and monitoring the Company's main risks.

In particular, the Board of Statutory Auditors notes that risks are detected and assessed in the Company's Enterprise Risk Management (ERM) process, in order to ensure the identification of appropriate controls of the organisation's main risks, which are also monitored by the Control, Risk and Sustainability Committee and periodically (at least once a year) submitted to the Board of Directors, which takes them into account when developing strategy.

To oversee the adequacy of the Company's internal control system, the Board coordinated its work with the Audit, Risk, and Sustainability Committee, the Chief Executive Officer, the head of the Internal Audit Department and the Supervisory Body.

The Board of Statutory Auditors participated at the meetings of the Appointment and Remuneration Committee, acquiring information that is useful to perform the supervisory activities for which it is responsible. The Board of Statutory Auditors also declared that the Audit, Risk, and Sustainability Committee operated in compliance with the provisions of the Corporate Governance Code. The collaboration with the Audit, Risk, and Sustainability Committee was satisfactory and effective and, among other things, made it possible to coordinate their respective activities and carry out a joint evaluation and an effective co-ordination of the overall internal audit and risk management system.

The Board of Statutory Auditors examined the half-year reports of the Internal Audit Department on the work undertaken during 2023 and the audit reports.

The Statutory Auditors carried out the verifications for which it is responsible regarding the process of preparing the half-year financial report and the annual financial statements and evaluated, including through regular meetings with the auditing firm, the adequacy of the accounting principles and their consistency for the purposes of the half-year financial report and the annual financial statements.

In addition, in line with the control systems described previously, the Company has obtained the renewal of the ISO 37001 certification on policies to fight corruption and bribery.

The Board of Statutory Auditors also reports that, in compliance with Law 179/2017 setting out "Provisions to protect people who report crimes or irregularities that they become aware of under a public or private employment relationship" (the so-called "Whistleblowing Act"), the Company has implemented a suitable global whistleblowing system which is integrated at Group level, with the aim of promptly ascertaining and handling any illegal conduct and/or violations regarding suspicious conduct which does not conform to what is established by the Company's Code of Ethics.

The Board of Statutory Auditors met with the manager responsible for the activities related to Regulation (EU) 2016/679 on the protection of personal data (GDPR) and reviewed the periodic reports.

Furthermore, in exercising its functions of Internal Control and Audit Committee, in addition to implementing a continuous information flow with the Audit, Risk, and Sustainability Committee, the Board of Statutory Auditors held regular meetings with the auditing firm, and acknowledged the certification made by the same regarding the absence of significant shortfalls in the internal control system.

Considering the supervisory activity carried out, and having regard to the evaluations on the adequacy, effectiveness and actual functioning of the internal control system made by the Audit, Risk, and Sustainability

Committee and by the Board of Directors, the Board of Statutory Auditors holds that, to the extent of its remit, this system is overall adequate.

Auditing on the adequacy of the administrative accounting system and statutory audit activities

The Board of Statutory Auditors oversaw the Company's administrative and accounting system and its reliability in correctly representing the facts reported therein, by obtaining information from the Manager in Charge of Corporate Financial Reporting and the heads of the relevant departments, examining the documents prepared by the Company and analysing the work made by the statutory auditing firm.

Specifically, the Board of Statutory Auditors has ascertained that the Manager in Charge of Corporate Financial Reporting has issued the certification that the documents in the financial statements provide a truthful and correct representation of the asset, economic and financial situation of the Company and of the investee companies included in the scope of the consolidation. Based on the information acquired, the statements made by the Manager in Charge of the Accounting are complete.

Considering the supervisory activity carried out, and having regard to the evaluations on the adequacy, effectiveness and effective functioning of the organisational, administrative, and accounting structure made by the Board of Directors, the Board of Statutory Auditors holds that, to the extent of its remit, the system is overall adequate and reliable as to the representation of the events occurred during the management.

During the financial year ending on 31 December 2023, the Board of Statutory Auditors regularly met the auditing firm, KPMG S.p.A., to exchange data and information that are relevant under Article 150, paragraph 3 of the TUF.

During these meetings, the auditing firm did not communicate any fact or anomaly that is sufficiently relevant to be reported in this report.

The oversight activities on the audit in accordance with Article 19 of Legislative Decree No. 39 of 27 January 2010 was made by the Board of Statutory Auditors within the above meetings with the auditing firm, which presented the quarterly controls made and the relevant results as well as the auditing strategy and any relevant issue encountered in performing its activity. No critical matters have emerged from these meetings such as to affect the individual financial statements of the Company or the consolidated financial statements.

The Board of Statutory Auditors also evaluated the work plan prepared by KPMG S.p.A. and has found it adequate having regard to the characteristics and size of the Group and has overseen the effectiveness of the process of statutory audit and found that the same has been carried out in compliance with the statutory auditing plan and with the International Standard Audit.

The reports of the company KPMG S.p.A. on the financial statements and the consolidated financial statements were issued on 28 March 2024 pursuant to Article 14 of Legislative Decree No. 39 of 27 January 2010 and Article 10 of Regulation (EU) No. 537 of 16 April 2014.

As regards the statements and certifications, the auditing firm:

- issued a statement that Geox's financial statements (included consolidated) provide a truthful and correct representation of the equity and financial situation of Geox and of the Group as of 31 December 2023,

of the operating result and cash flows for the financial year ended on that date, in compliance with the International Financial Reporting Standards adopted by the European Union, as well as the provisions issued pursuant to Article 9 of Legislative Decree No. 38/2005;

- issued a statement of consistency pursuant to which the management reports accompanying the financial statements and the consolidated financial statements as of 31 December 2023, as well as some specific information contained in the Report on Corporate Governance and Ownership Structure referred to in Article 123-*bis*, paragraph 4, of the TUF, for which the Company's directors are responsible, are drafted in compliance with the law; and
- stated that, based on the knowledge and understanding of the company's business and related background information acquired during the audit, no remark needs to be made regarding possible significant errors in the management reports.

The report also includes the key aspects of the audit, in relation to which, however, no separate opinion is provided, since the same are dealt with in the audit and in the overall assessment conducted in relation to the financial statements.

The key aspects of the audit are the following: (i) Recoverability of the value of non-current assets related to stores (impairment testing) and (ii) Valuation of inventories of finished products.

The audit report expresses an opinion on whether Directors' use of the going concern assumption is appropriate, based on audit evidence gathered up to the date of the report.

The Board of Statutory Auditors notes that Article 154-*ter*, paragraph 1.1, of the TUF (effective as of 1 February 2022), requires the directors to oversee the application of the provisions of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 ("ESEF Regulation"). Paragraph 1.2 of aforementioned Article 154-*ter* (also effective as of 1 February 2022) also provided that the independent auditors, in their audit report pursuant to Article 14 of Legislative Decree No. 39/2010, express an opinion on the compliance of the draft financial statements and the consolidated financial statements, included in the annual financial report, with the provisions of the ESEF Regulation.

The Board of Statutory Auditors supervised the application of the provisions of the ESEF Regulation by the Directors and confirms that the auditing company expressed an opinion on the conformity of the draft financial statements and the consolidated financial statements, included in the annual financial report, with the provisions of the ESEF Regulation.

On 28 March 2024, the independent auditors also presented the additional report envisaged to the Board of Statutory Auditors, in its capacity as Internal Control and Audit Committee, the additional report required by Article 11 of Regulation (EU) No. 537/2014, which shows that no significant shortfalls in the internal control system concerning the financial reporting process deserve to be brought to the attention of those responsible for the corporate governance. The Board of Statutory Auditors will inform the Board of Directors of the Company regarding the outcome of the statutory audit, transmitting the additional report for this purpose, together with any observations, under Article 19 of Legislative Decree No. 39/2010. As regards the previous

financial year, the Board of Statutory Auditors informed the Board of Directors on the outcome of the statutory audit, as required by law.

As an attachment to the additional report referred to in the previous paragraph, the auditing firm presented to the Board of Statutory Auditors its declaration of independence, as required by Article 6 of (EU) Regulation no. 537/2014, which shows that no critical issue exists which might affect their independence. Finally, the Board of Statutory Auditors took note of the transparency report prepared by the auditing firm and published on its website pursuant to Article 18 of Legislative Decree No. 39/2010.

During the year ended on 31 December 2023, the Company conferred a single non-audit task to KPMG S.p.A. regarding the evidence of research and development expenditure for 2022 (for an amount of Euro 20,000).

Considering the declaration of independence issued by KPMG S.p.A., and the fact that the amount of the non-audit task was negligible, as well as the fact that no tasks were assigned to companies belonging to its network by the Company and the Group companies, we do not believe that there are any critical issues regarding the independence of KPMG S.p.A.

The Statutory Auditor also declared that no non-audit services prohibited under Article 5, section 1 of Regulation (EU) 537/2014 were provided.

Auditing on the consolidated non-financial statements and diversity information

Legislative Decree No. 254/2016, which implemented the EU Directive on non-financial and diversity information, requires large public interest entities (PIEs) to report specific non-financial information and applies to financial statements relating to financial years starting on 1 January 2017. This information concerns environmental and social issues, employee-related issues, respect for human rights, anti-corruption, diversity on the Board of Directors and other aspects concerning sustainability and climate change.

The Board of Statutory Auditors also pointed out that the responsibility for ensuring that the report is drafted and published in compliance with the provisions of the law rests with the Directors.

The auditing body must supervise compliance with the provisions of Legislative Decree No. 254/2016; as part of this task, the Board of Statutory Auditors monitored the functioning of an adequate organisational, administrative, reporting and control system set up by the Company to allow for the correct and complete representation of non-financial reporting. For this purpose, the Board met with the Sustainability Manager and external consultants, supervised by the former, who form part of the working group tasked with preparing the consolidated non-financial statement. The job involves acquiring information on the Company-commissioned materiality analysis to define the areas of non-financial disclosure relevant to the Geox Group, on the involvement of subsidiaries and on the procedures and operating tools used for the collection of data/information and its subsequent analysis, control and consolidation.

The Board of Directors of the Company approved the Consolidated Non-Financial Statement on 1 March 2024. The Board of Statutory Auditors pointed out that the Board of Directors tasked the auditing firm KPMG S.p.A. with the auditing of non-financial information. The task assigned pursuant to Article 3, paragraph 10 of Legislative Decree No. 254/2016 relates to the limited assurance engagement concerning the consolidated non-

financial statements of the Geox Group. The Board of Statutory Auditors met with the representatives of the auditing firm and read the report on the consolidated non-financial statement issued on 28 March 2024 pursuant to Article 3, paragraph 10 of Legislative Decree No. 254/2016 and Article 5 of CONSOB Regulation No. 20267.

Since the activity carried out by KPMG Italia S.p.A. involves a limited review of the Non-Financial Statement, the opinion is provided in negative form of expression. More specifically, in its report, KPMG S.p.A. stated that, based on the work carried out, no aspects emerged that indicate that the non-financial statement of the Geox Group for the year ended on 31 December 2023 was not drafted, in all material respects, in compliance with the requirements of Articles 3 and 4 of Legislative Decree No. 254/2016 and with the Global Reporting Initiative Standards. The conclusions of KPMG S.p.A. regarding the Geox Group's consolidated non-financial statement do not extend to the information in the "The European Taxonomy" paragraph therein, required by Article 8 of Regulation (EU) No. 852 of 18 June 2020.

The Board of Statutory Auditors also notes that the Company has a policy regarding diversity for corporate bodies, which was approved in 2017, and that in February 2022 a policy was also adopted aimed at promoting gender equality in treatment and opportunity within the corporate organisation, known as the "Diversity-as Uniqueness and Inclusion" policy.

The Board of Statutory Auditors acknowledges that the Company has launched a project to obtain gender equality certification. The project, conducted by the Human Resources Department with the support of an external consultant, is at an advanced stage.

Auditing on the concrete implementation of corporate governance rules

As mentioned, the Company has agreed to abide by the Corporate Governance Code issued by the corporate governance committee for listed companies of Borsa Italiana S.p.A., as resulting from the Corporate Governance and Ownership Structure Report for financial year 2023, approved by the Board of Directors on 01 March 2024 and made available on the Company website. This Report was drafted in accordance with the instructions of the Market Regulations organised and managed by Borsa Italiana S.p.A.

The Report in question describes in detail the governance system adopted by the Company. This system complies with the rules of the governance model required by the above-mentioned Corporate Governance Code and the principles indicated therein are effectively and correctly applied.

In particular, the Board of Statutory Auditors acknowledges verifying the evolution of governance also in the light of the considerations contained in the Corporate Governance Report regarding the recommendations contained in the letter of the Chair of the Corporate Governance Committee of 14 December 2023 and, in this context, it has positively assessed the interest shown by the Company in the topics covered by these recommendations, such as the focus on reporting prior to Board meetings. The Board of Statutory Auditors shall assess whether the new recommendations for 2024, such as the guidelines on the optimal composition and appropriate disclosure to be provided on the involvement of the Board of Directors in the review and

approval of the business plan and in the analysis of matters relevant to long-term value generation, are given due consideration.

Auditing on relations with subsidiaries and parent companies

The Board of Statutory Auditors oversaw the adequacy of the directives from the Company to its subsidiaries in accordance with Article 114, paragraph 2 of the TUF, and the correct flow of information between the Company and the subsidiaries and holds that the Company can comply with the communication obligations under the law. The information flow towards the central external auditor, comprising the various levels of the corporate control chain, which has been operating over the entire financial year and which is necessary for the control of the annual and periodic accounts, has been considered effective. With reference to the provisions under article 36 of CONSOB Resolution no. 16191 of 29 October 2007, on the basis of the information collected and the work undertaken by the Internal Audit Department, the accounting/information system of the significant subsidiaries established and governed by the laws of non-European Union member states was considered adequate, as well as satisfying the other conditions required by the aforementioned article 36 of CONSOB Resolution no. 16191 of 29 October 2007.

Pursuant to Article 151, paragraphs 1 and 2 of the TUF, the Board of Statutory Auditors also confirms having met the Sole Statutory Auditor of the Italian subsidiaries. As a result of these meetings, no issues have emerged that need be reported.

Furthermore, the Board of Directors of the Company has a Global Compliance Program, last updated on 09 November 2022, aimed at companies external to the Group. It is a governance tool aimed at reinforcing the ethics and professionalism of the Company and to prevent commissions of crimes abroad (such as, for example, offences against the public administration, fraudulent accounting, money laundering, offences contrary to occupational safety laws, environmental offences) that could lead to criminal corporate liability and the ensuing reputational damage risks. The Global Compliance Program was drawn up considering applicable law and considering the Group's corporate structure and the specific applicable legislation in the various legal systems in which the Geox Group companies operate.

Auditing on related party transactions

The Board of Statutory Auditors did not find any atypical and/or unusual transaction with the Group companies, with third parties or related parties, and this was confirmed by the indications of the Board of Directors, the auditing firm, and the head of the Internal Audit Department.

The Management Report prepared by the Directors contains adequate information on the intracompany transactions and on related-party transactions, which are all fair, in the interest of the Company and regulated at market conditions. The financial impact of the related-party transactions is shown in Note 39 to the Company's financial statements and Note 37 to the consolidated financial statements. Their impact on financial flows is reported directly in the cash flow statement.

With reference to these transactions, the Board of Statutory Auditors considers that the information that the Directors provided in their Management Report and the Explanatory Notes to the financial statements is adequate.

Omissions and reprehensible facts noted

During financial year 2023, no complaints under Article 2408 of the Italian Civil Code have been received nor any other complaint filed by third parties.

The results of the auditing activities did not identify any omissions or reprehensible facts.

Opinions issued

During the financial year ending on 31 December 2023 and as at the date of this Report, the Board of Statutory Auditors issued the following favourable opinions:

- on the assessment of the existence of independence requirements, as set out in the Corporate Governance Code and in the TUF, for independent directors;
- on the appointment by co-optation of Enrico Mistrion as Director, pursuant to Article 2386 of the Italian Civil Code;
- on the allocation of remuneration to directors vested with special assignments, pursuant to Article 2389(3) of the Civil Code;
- on the approval of the annual activity plan prepared by the head of the Internal Audit function, pursuant to Article 6, Recommendation No. 33, letter (c) of the Corporate Governance Code;
- the assessment of the correct use of accounting standards and their uniformity for the purposes of preparing the consolidated financial statements, carried out by the Control and Risk Committee, pursuant to Article 6, Recommendation No. 35, letter (a), of the Corporate Governance Code, in agreement with the Executive in Charge of Financial Reporting.

Self-assessment

The Board of Statutory Auditors has provided for the self-assessment of the independence of its members, the results of which confirmed the existence of the conditions required by law and by the Corporate Governance Code; it attested to the fact that no statutory auditor had interests, on their own account or for third parties, in any operation of the Company during the 2023 financial year.

With reference to the 2023 financial year, the Board of Statutory Auditors also proceeded to carry out the self-assessment process on the composition and report on the functioning of the collective body, the outcome of which has been reported to the Board of Directors.

The members of the Board of Statutory Auditors have complied with the collection of assignments provided for in Article 144-*terdecies* of the Issuers' Regulations.

The Board of Statutory Auditors also verified the correct implementation of the criteria and procedures adopted by the Board of Directors to assess the independence of their members based on the criteria provided by law and by the Corporate Governance Code.

The Corporate Governance and Ownership Structure Report for financial year 2023 reports the conclusions reached by the Directors regarding the confirmation of the adequacy and effectiveness of the organisational, administrative, and accounting structure of the Company and of the main subsidiaries.

The Directors prepared the Report on the Remuneration Policy and remuneration paid, approved by the Board of Directors on 01 March 2024. In the Report, the Directors also described the principles adopted to determine the remuneration of the members of the management or control bodies and of the managers with strategic responsibilities. Furthermore, the report contains a table showing the remuneration paid to the members of the management and control bodies and the other managers with strategic responsibilities, as well as the schedule concerning the information on the interests in the Company that they hold.

Proposals concerning the annual financial statements and their approval and matters within the competence of the Board of Statutory Auditors

The Board of Statutory Auditors examined the draft financial statements as of 31 December 2023 and reviewed the consolidated financial statements on the same date. The Board of Statutory Auditors draws attention to the information on the business conducted in Russia and the net financial position (set out in detail in the Management Report and referred to in the section "Auditing on compliance with the principles of good administration" of this Report).

The Board of Statutory Auditors, with regard to the matters within its competence, reports on the approach followed and the assumptions adopted in carrying out the impairment test, aimed at verifying the recoverability of the Company's assets (approved independently and at the same time as the financial statements). The recoverable amount is based on the value in use determined on the basis of estimated future cash flow projections. The impairment test was performed on the basis of the budget for 2024 (approved by the Board of Directors on 1 March 2024) and the cash flows from the financial forecasts for the period 2025- 2028 prepared and approved by the Board of Directors on the same date. The estimate of the value in use for the purpose of the impairment test was based on the discounting of forecast data considering the growth levels of turnover and EBITDA based on both past economic-income performance and future expectations, also taking into account the continuing uncertain environment. In estimating growth over the financial forecast period, the Company took into account both its own internal expectations and indications obtained from independent external sources. The impairment test comprised an initial phase in which the recoverability of the invested capital attributable to each of the Group's directly operated stores (DOS) was verified, with the exclusion of a very limited number of flagship stores. In this stage, for each of the cash-generating units (CGUs), the recoverable value is based on its value in use determined based on the estimate of the forecast future cash flows. This methodology is consistent with the method adopted in the previous year. For each store a time horizon is considered which is in line with the envisaged duration of the lease, making the due forecasts needed

to cover the years beyond the horizon of the forecasts. In order to determine the present value, the future cash flows thus obtained have been discounted at a pre-tax rate (pre-tax WACC) of 12.76%, taking account of the specific features and risks of the area in which the Company operates. The Directors therefore wrote down, in full or in part, the assets in reference to 3 stores, compared to the 7 stores written down on 31 December 2022. With regard to equity investments, the impairment test was performed on the carrying value of the investments considering the cash flows per market deriving from the financial forecasts prepared and approved by the Board of Directors for the purpose of valuations for the 2023 financial statements. These financial projections were drawn up from the budget for 2024. The cash flow projections considered for the purpose of the impairment test were carried out considering a five-year horizon, assuming that after 2024, the revenue and margin growth trend for 2025-2028 will be in line with 2023.

With regard to the operating result, the Board of Statutory Auditors observes that this was strongly influenced by financial expenses, which amounted to € 21.4 million (up by € 12.7 million compared to 2022) determined mainly by (i) the higher cost of debt due to the increase in rates experienced by the market and an average level of debt in the period up by approximately € 25 million compared to 2022 and (ii) the negative exchange rate differences of approximately € 6 million suffered by the subsidiary Geox Rus LLC in relation to the euro/ruble exchange rate.

The Directors believe that there are no issues regarding the Company's and the Group's ability to meet their respective obligations in the foreseeable future and, in particular, in the next twelve months. On these bases, as well as given the capital which the Company can call on, the Directors assessed that, despite the difficult economic and financial context, there are no significant uncertainties over the presumption of business continuity.

The Board of Statutory Auditors verified that the provisions of law concerning the preparation of the management report have been complied with and has no specific remarks in relation thereto.

The financial statements as of 31 December 2023, prepared by the Directors pursuant to law, and duly submitted to the Board of Statutory Auditors (together with the Management Report and the Explanatory Notes) show losses for the financial year equal to 3,941 thousand Euros.

Also considering the results of the activity performed by the auditing firm, insofar as falling within its remit, the Board of Statutory Auditors has not found any reason that would prevent the approval of the financial statements as of 31 December 2023, as drafted and approved by the Board of Directors in the meeting of 01 March 2024, or the approval of the proposed carrying forward of the loss for the year by the Board of Directors.

Milan, 28 March 2024

THE BOARD OF STATUTORY AUDITORS

Sonia Ferrero (Chair)

Fabrizio Colombo (Standing Auditor)

Gabriella Covino (Standing Auditor)

The English version of this report is not the official version and has been translated into English solely for the convenience of international readers. In the event of discrepancies, the original Italian text shall prevail.

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

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Documents for Shareholders

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(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.



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