2023

ANNUAL FINANCIAL REPORT

GOLDEN GOOSE

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2023

GOLDEN GOOSE

INDEX

CONSOLIDATED FINANCIAL STATEMENTS

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FINANCIAL STATEMENTS

01 CONSOLIDATED INCOME STATEMENT

(Euro thousand)	Note	For the year ended December 31		
		2023	2022	2021
Net Revenues	05.1	**587,164**	**500,918**	**385,601**
Cost of goods sold	05.2	(162,431)	(144,775)	(131,190)
Gross Margin		**424,733**	**356,143**	**254,411**
Selling and distribution expenses	05.3	(168,329)	(146,936)	(100,758)
General and administrative expenses	05.4	(81,477)	(69,267)	(60,914)
Marketing expenses	05.5	(42,431)	(31,932)	(17,769)
Operating profit		**132,496**	**108,008**	**74,970**
Financial income	05.7	16,793	13,631	9,858
Financial expenses	05.7	(77,852)	(59,711)	(49,337)
Earnings before taxes		**71,437**	**61,928**	**35,491**
Income taxes	05.8	(22,432)	(15,558)	52,188
Net profit for the year		**49,005**	**46,370**	**87,679**
Non-controlling interest		**-**	**-**	**49**
Group net profit		**49,005**	**46,370**	**87,630**
Basic and diluted earnings per share (in Euro)	05.9	**0.10**	**0.09**	**0.18**

02 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Euro thousand)		Note	For the year ended December 31		
			2023	2022	2021
Net profit for the year			**49,005**	**46,370**	**87,679**
Other components of the comprehensive income/(loss) statement that may be reclassified to the profit / (loss) in subsequent periods, net of taxes	Net change in cash flow hedge reserve	04.17	3,453	29,904	(3,459)
	Taxes		(1,154)	(7,905)	953
	Total profits / (losses) from valuation of financial instruments		**2,299**	**21,999**	**(2,506)**
	Foreign exchange differences from translation of financial statements in currencies other than the Euro		(1,702)	482	622
	Total other components of the comprehensive income/(loss) statement that may be reclassified to the profit / (loss) in subsequent periods, net of taxes		**597**	**22,481**	**(1,884)**
Other components of the comprehensive income/(loss) statement that will not be reclassified in the profit / (loss) in subsequent periods, net of taxes	Remeasurement gain/(loss) on defined benefit plans	04.18	(68)	140	(113)
	Taxes		(16)	(34)	27
	Total gains / (losses) on actuarial valuation		**(52)**	**106**	**(86)**
	Total other comprehensive income/(loss) will not be reclassified in profit / (loss) in subsequent periods, net of taxes		**(52)**	**106**	**(86)**
	Total comprehensive income for the period, net of taxes		**49,550**	**68,957**	**85,709**
	Non-controlling interest		0	-	49
	Group interest		49,550	68,957	85,660

03 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Euro thousand)		Note	For the year ended December 31		
			2023	2022	2021
Asset	Intangible assets	04.1	1,431,288	1,416,663	1,433,435
	Tangible assets	04.2	85,134	66,091	46,677
	Rights of use	04.3	137,036	131,486	119,762
	Deferred tax assets	04.10	5,159	3,075	1,896
	Other non-current financial assets	04.5	15,639	17,342	245
	Other non-current assets	04.11	5,914	8,806	7,147
	Non-current assets		**1,680,170**	**1,643,463**	**1,609,162**
	Inventories	04.12	113,519	98,607	55,737
	Trade receivables	04.13	35,507	34,632	36,642
	Income tax receivables	04.14	6,246	-	120
	Other current assets	04.15	23,059	33,474	14,877
	Current financial assets	04.5	36,684	62,525	26,161
	Cash and cash equivalents	04.16	132,411	115,586	99,975
	Current assets		**347,426**	**344,824**	**233,512**
	Total assets		**2,027,596**	**1,988,287**	**1,842,674**

(Euro thousand)		Note	For the year ended December 31		
			2023	2022	2021
Lliabilities and shareholders' equity	Share capital		5,000	5,000	5,000
	Share premium reserve		862,513	862,513	862,513
	Other reserves		156,989	110,073	(688)
	Net profit for the year		49,005	46,370	87,630
	Equity attributable to equity holders of the parent	04.17	**1,073,507**	**1,023,956**	**954,455**
	Non-controlling interests			**-**	**(8)**
	Total equity	04.17	**1,073,507**	**1,023,956**	**954,447**
	Provision for pensions	04.18	3,906	2,623	2,175
	Deferred tax liabilities	04.10	143,308	146,479	151,212
	Non-current provisions	04.19	6,402	3,762	1,376
	Non-current financial liabilities	04.8	597,113	586,319	572,748
	Non-current liabilities		**750,729**	**739,183**	**727,511**
	Trade payables	04.21	94,127	111,034	76,901
	Other current liabilities	04.22	32,021	31,371	20,905
	Income tax liabilities	04.23	3,360	16,994	15,655
	Refund liabilities	04.20	18,677	14,264	8,261
	Current financial liabilities	04.8	55,175	51,485	38,994
	Current liabilities		**203,360**	**225,148**	**160,716**
	Total liabilities and shareholders' equity		**2,027,596**	**1,988,287**	**1,842,674**

04 CONSOLIDATED CASH FLOW STATEMENTS

(Euro thousand)		Note	For the year ended December 31		
			2023	2022	2021
A. Cash flow generated by operations	Net profit		49,005	46,370	87,679
	Income taxes	05.8	22,432	15,558	(52,188)
	Interest expense (interest income)	05.7	61,059	46,080	39,479
	Provisions		10,688	17,898	14,265
	Depreciation of property, plant and equipment		63,682	57,245	51,324
	Write-downs for impairment losses		(1,268)	307	(2,260)
	Other adjustments for non-monetary items		(1,247)	(545)	(1,935)
	Decrease / (increase) in inventories		(18,119)	(49,472)	(12,894)
	Decrease/(Increase) in trade receivables		888	3,624	(2,746)
	Increase/(Decrease) in trade payables		(6,312)	41,377	11,846
	Other changes in net working capital		7,556	(11,194)	2,215
	Interest collected/(paid)	05.7	(46,785)	(33,338)	(39,129)
	(Income taxes paid)		(48,856)	(27,907)	(11,903)
	(Use of provision)		(606)	(755)	(705)
	CASH FLOW GENERATED BY OPERATIONS (A)		**92,117**	**105,248**	**83,048**
B. Cash flow absorbed in investment activities	* Tangible assets		-	-	-
	(Investments in tangible assets)	04.2	(31,045)	(24,520)	(19,395)
	Disposal price tangible assets		-	-	-
	* Intangible assets		-	-	-
	(Investments in intangible assets)	04.1	(7,850)	(6,285)	(6,702)
	Disposal price intangible assets		-	-	-
	Financial assets		-	-	-
	(Investments in Financial assets)		(2,001)	(36,508)	(25,771)
	Disposal price financial assets		4,770	-	3,054
	* Acquisition, net of cash and cash equivalents	03.19.1	3,941	-	-
	CASH FLOW ABSORBED BY INVESTMENT ACTIVITIES (B)		**(32,185)**	**(67,313)**	**(48,814)**

(Euro thousand)		Note	For the year ended December 31		
			2023	2022	2021
C. Cash flows absorbed by financing activities	*Debt	04.8		-	-
	Proceeds from borrowings	04.8		-	460,275
	Repayment of borrowings		(39,081)	(23,059)	(501,793)
	*Equity			-	-
	Proceeds from capital contribution			-	25,000
	Dividends paid			-	-
	CASH FLOW ABSORBED BY FINANCIAL ACTIVITIES (C)		**(39,081)**	**(23,059)**	**(16,518)**
	Exchange rate effect on cash and cash equivalents		(4,026)	735	3,749
	INCREASE (DECREASE) OF CASH AND CASH EQUIVA-LENTS (A +B +C + Exchange Rate Effect)		**16,825**	**15,611**	**21,465**
	Cash and cash equivalents at the beginning of the year	04.16	115,586	99,975	78,510
	Cash and cash equivalent at the end of the year	04.16	**132,411**	**115,586**	**99,975**

05 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Euro thousand)	Note	Share capital	Share premium reserve	Translation reserve	Actuarial reserve	Other reserves	Cash flow hedge reserve	Retained earnings	Profit (loss) for the year	Group shareholders' equity	Non-controlling internest	Total equity
As of December 31, 2020		**5,000**	**862,513**	**378**	**(105)**	**139**	**748**	**-**	**(24,878)**	**843,795**	**(57)**	**843,738**
Allocation of previous year profit		-	-	-	-	-	-	(24,878)	24,878	-	-	-
Capital contribution	04.17	-	-	-	-	25,000	-	-	-	25,000	-	25,000
Net loss on cash flow hedges	04.17	-	-	**-**	**-**	**-**	**(2,506)**	**-**	**-**	**(2,506)**	**-**	**(2,506)**
Remeasurement loss on defined benefit plans	04.18	-	-	-	(86)	-	-	-	-	(86)	-	(86)
Translation differences		-	-	622	-	-	-	-	-	622	-	622
Profit for the year ended December 31, 2021		-	-	-	-	-	-	-	87,630	87,630	49	87,679
Total comprehensive income		**-**	**-**	**622**	**(86)**	**-**	**(2,506)**	**-**	**87,630**	**85,660**	**49**	**85,709**
As of December 31, 2021		**5,000**	**862,513**	**1,000**	**(191)**	**25,139**	**(1,758)**	**(24,878)**	**87,630**	**954,455**	**(8)**	**954,447**
Allocation of previous year profit		-	-	-	-	-	-	87,630	(87,630)	-	-	-
IAS 29 hyperinflation		-	-	**-**	**-**	**-**	**-**	**541**	**-**	**541**	**-**	**541**
Net gain on cash flow hedges	04.17	-	-	-	-	-	21,999	-	-	21,999	-	21,999
Other changes		-	-	-	-	-	-	-	-	-	8	8
Remeasurement gain on defined benefit plans	04.18	-	-	-	106	-	-	-	-	106	-	106
Translation differences		-	-	485	-	-	-	-	-	485	-	485
Profit for the year ended December 31, 2022		-	-	-	-	-	-	-	46,370	46,370	-	46,370
Total comprehensive income		**-**	**-**	**485**	**106**	**-**	**21,999**	**-**	**46,370**	**68,957**	**-**	**68,957**
As of December 31, 2022		**5,000**	**862,513**	**1,485**	**(85)**	**25,139**	**20,241**	**63,293**	**46,370**	**1,023,956**	**-**	**1,023,956**
Allocation of previous year profit		-	-	-	-	-	-	46,370	(46,370)	-	-	-
Net gain on cash flow hedges	04.17	-	-	-	-	-	2,300	-	-	2,300	-	2,300
Remeasurment gain on defined benefit plans	04.18	-	-	-	(52)	-	-	-	-	(52)	-	(52)
Translation difference		-	-	(1,702)	-	-	-	-	-	(1,702)	-	(1,702)
profit for the year ended December 31 2023									49,005	49,005	-	49,005
Total comprehensive income				**(1,702)**	**(52)**		**2,300**		**49,005**	**49,550**		**49,550**
As of December 31. 2023		**5,000**	**862,513**	**(217)**	**(137)**	**25,139**	**22,541**	**109,663**	**49,005**	**1,073,507**		**1,073,507**

02

EXPLANATORY NOTES

Golden Goose Group S.p.A. (the "Company" or the "Parent") is a limited company constituted under Italian law and registered on the Italian Companies Register with the number 11212510967. The name of the Company was changed on March 7, 2024, as this company was previously named Astrum 2 S.p.A.. The publication of these consolidated financial statements as of and the for the years ended on December 31, 2023, 2022 and 2021 was authorised by the Board of Directors' resolution of March 7th, 2024.

The Parent and the companies (the "Subsidiaries") in which the Parent directly or indirectly holds the controlling stake in the capital or exercises control (together the "Group") operates in the luxury goods market with its proprietary brand Golden Goose. The Group is active in the design, production and retail of footwear, clothing, leather goods and other accessories. Absolute quality, refined attention to detail along with the characteristic "lived-in" look have become the distinctive yet sought-after traits of the products, making Golden Goose a gold standard "total look" brand in the luxury industry. Consistent with the Group's DNA and mission, we continue to cultivate a culture of innovation, passionately contributing to the evolution of the luxury world and our community. We are recognized as pioneers for having:

- Launched sneakers into the luxury sector with the creation of a true icon, the Super-Star, universally recognized as the ultimate "luxury sneaker".
- Introduced "co-creation", a new way to engage our community through the Group's dedicated stylists (Sneaker Makers and Dream Makers) to cocreate new products and styles together and express their singular nature within a unique, inclusive context.
- Made repairing, reusing and refurbishing products the new, personal and unique points of engagement with our community.

01 Basis of preparation

The consolidated financial statements as of and for the years ended December 31, 2023, 2022 and 2021 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Union and for the sole purposes of their inclusion in the documentation for the proposed listing and trading of ordinary shares of Golden Goose Group S.p.A. on the Euronext Milan managed by Borsa Italiana S.p.A..

The acronym "IFRS" also means the International Accounting Standards ("IAS") still in force, as well as all the interpretative documents issued by the IFRS Interpretation Committee, previously called the International Financial Reporting Interpretations Committee ("IFRIC") and even before the Standing Interpretations Committee ("SIC").

The Group's consolidated financial statements comprise:

- the consolidated statements of financial position that show separately current and non-current assets and liabilities based on their realization or extinction within the normal business operating cycle within the twelve months following the end of the year;
- the consolidated income statement that show costs and revenues using a classification based on their destination, a method considered consistent with industry practice;
- the consolidated statements of comprehensive income;
- the consolidated cash flow statements prepared according to the indirect method;
- the consolidated statements of changes in equity;
- the explanatory notes containing the required disclosure.

These financial statements are expressed in thousands of Euro, the presentation currency adopted by the Parent, in accordance with IAS 1, which is also the functional currency of the Parent.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

02 SCOPE OF CONSOLIDATION

The consolidated financial statements originate from the financial statements of Golden Goose Group S.p.A. and of the Companies in which the Parent directly or indirectly holds the controlling stake in the capital or exercises control.

Control is obtained when the Group is exposed to or has the right to variable returns, deriving from its relationship with the entity being invested in and, at the same time, can influence these returns by exercising its power over that entity. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the entity being invested in (or holds valid rights which confer it the current ability to direct the relevant activities of the entity being invested in);
- exposure to, or rights to variable returns, deriving from the relation with the investee company;
- the capacity to exercise its power on the investee company, to influence the amount of its returns.

Generally, there is a presumption that the majority of voting rights entails control. In support of this presumption and when the Group holds less than the majority of the voting rights (or similar rights), the Group considers all the relevant facts and circumstances to determine whether it controls the entity being invested in, including:

- Contractual agreements with other holders of voting rights;
- Rights deriving from contractual agreements;
- Voting rights and potential voting rights of the Group.

The Group reconsiders whether it has control of an investee if facts and circumstances indicate that there have been changes in one or more of the three elements relevant to the definition of control. Consolidation of a subsidiary begins when the Group obtains control of it and ceases when the Group loses control. The assets, liabilities, revenues and costs of the subsidiary acquired or sold during the year are included in the consolidated financial statements from the date on which the Group obtains control until the date on which the Group no longer exercises control over the company.

The profit (loss) for the period and each of the other components of the consolidated statements of comprehensive income are attributed to the shareholders of the parent and to the non-controlling interests, even if this implies that the non-controlling interests have a negative balance. When necessary, appropriate adjustments are made to the financial statements of the subsidiaries, to ensure compliance with the group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between group entities are eliminated in full on consolidation.

The changes in the ownership interest in a subsidiary without a loss of control, are accounted for as equity transaction.

If the Group loses control of a subsidiary, it derecognises the related assets (including goodwill), liabilities, minority interests and other components of equity, while any gain or loss is recognized in the consolidated income statement. The interest retained is recognized at fair value.

The list of companies included in the consolidation as of December 31, 2023 is provided below:

Company Name	Registered Office	Share capital		Shareholders	Share Cons.	Share of profit
		Currency	Amount		%	%
Golden Goose Group S.p.A.	Italy	EUR	5,000,000		100	100
Golden Goose S.p.A.	Italia	EUR	1,004,341	Golden Goose Group S.p.A.	100	100
Golden Goose Holland BV	Amsterdam	EUR	10,000	Golden Goose S.p.A.	100	100
SASU Golden Goose Francia	Parigi	EUR	800,000	Golden Goose S.p.A.	100	100
Golden Goose USA INC	Wilmington	USD	909,877	Golden Goose S.p.A.	100	100
Golden Goose DB UK LTD	Londra	GBP	873,000	Golden Goose S.p.A.	100	100
Golden Goose Germany Gmbh	Monaco	EUR	1,300,000	Golden Goose S.p.A.	100	100
Golden Goose HK Ltd	Hong Kong	HKD	1,702,351	Golden Goose S.p.A.	100	100
Golden Goose Korea Ltd	Seoul	KRW	8,496,080,000	Golden Goose S.p.A.	100	100
Golden Goose Switzerland Gmbh	Zurigo	CHF	100,000	Golden Goose S.p.A.	100	100
Golden Goose Austria Gmbh	Vienna	EUR	285,000	Golden Goose S.p.A.	100	100
Golden Goose Spain SL	Barcellona	EUR	3,000	Golden Goose S.p.A.	100	100
Golden Goose Belgium Sprl	Bruxelles	EUR	18,550	Golden Goose S.p.A.	100	100
Golden Goose Denmark ApS	Copenaghen	DKK	50,000	Golden Goose S.p.A.	100	100
GGDB Cina	Shanghai	CNY	41,787,665	Golden Goose S.p.A.	100	100
Golden Goose Japan Ltd	Tokyo	YPY	7,000,000	Golden Goose S.p.A.	100	100
Golden Goose Trading Llc	Dubai	AED	100,000	Golden Goose S.p.A.	100	100
Golden Goose Macau Ltd	Macao	MOP	100,000	Golden Goose S.p.A.	100	100
Golden Goose Taiwan Ltd	Taiwan	TWD	344,490	Golden Goose S.p.A.	100	100
Golden Goose Australia Ltd	Sidney	AUD	10,000	Golden Goose S.p.A.	100	100
Golden Goose New York LLC	New York	USD	896,110	Golden Goose USA INC	100	100
Golden Goose LA LLC	Studio City	USD	100,000	Golden Goose USA INC	100	100
Golden Goose Madison LLC	New York	USD	100,000	Golden Goose USA INC	100	100
GOLDEN GOOSE MI LLC	Miami	USD	-	Golden Goose USA INC	100	100
GOLDEN GOOSE SF LLC	San Francisco	USD	-	Golden Goose USA INC	100	100
Golden Goose LV Crystals Llc	Miami	USD	-	Golden Goose USA INC	100	100
Golden Goose Woodbury Llc	New York	USD	-	Golden Goose USA INC	100	100
Golden Goose SCP Llc	Miami	USD	-	Golden Goose USA INC	100	100
Golden Goose Boston Llc	Miami	USD	-	Golden Goose USA INC	100	100
Golden Goose Dallas Llc	Miami	USD	-	Golden Goose USA INC	100	100
Golden Goose Hampton Llc	New York	USD	-	Golden Goose USA INC	100	100
Golden Goose Hawaii Llc	Honolulu	USD	-	Golden Goose USA INC	100	100
Golden Goose New Jersey Llc	New Jersey	USD	-	Golden Goose USA INC	100	100
Golden Goose Nashville Llc	Miami	USD	-	Golden Goose USA INC	100	100
Golden Goose Atlanta Llc	Georgia	USD	-	Golden Goose USA INC	100	100
Golden Goose Chicago Llc	Illinois	USD	-	Golden Goose USA INC	100	100
Golden Goose Houston Llc	Taxas	USD	-	Golden Goose USA INC	100	100
Golden Goose Santa Clara Llc	California	USD	-	Golden Goose USA INC	100	100

Golden Goose Scottsdale Llc	Arizona	USD	-	Golden Goose USA INC	100	100
Golden Goose Virginia Llc	Virginia	USD	-	Golden Goose USA INC	100	100
Golden Goose Turchia	Turchia	TRY	11,200,000	Golden Goose S.p.A.	100	100
Golden Goose Austin Llc	Texas	USD	-	Golden Goose USA INC	100	100
Golden Goose Americana Llc	New York	USD	-	Golden Goose USA INC	100	100
Golden Goose Aspen Llc	Colorado	USD	-	Golden Goose USA INC	100	100
Golden Goose Boca Llc	Florida	USD	-	Golden Goose USA INC	100	100
Golden Goose Topanga Llc	California	USD	-	Golden Goose USA INC	100	100
Golden Goose Las Vegas Llc	Nevada	USD	-	Golden Goose USA INC	100	100
Golden Goose Phil a Llc	Pennsylvania	USD	-	Golden Goose USA INC	100	100
Golden Goose Denver Llc	Colorado	USD	-	Golden Goose USA INC	100	100
Golden Goose Detroit Llc	Michigan	USD	-	Golden Goose USA INC	100	100
Golden Goose Charlotte Llc	Carolina del Nord	USD	-	Golden Goose USA INC	100	100
Golden Goose Beverly Llc	California	USD	-	Golden Goose USA INC	100	100
Golden Goose Lux Canada Ltd	Canada	CAD	100	Golden Goose S.p.A.	100	100
Golden Goose Toronto Ltd	Canada	CAD	100	Golden Goose Lux Canada Ltd	100	100
Golden Goose Bevcen Llc	California	USD	-	Golden Goose USA INC	100	100
Golden Goose BD Llc	Florida	USD	-	Golden Goose USA INC	100	100
Golden Goose do Brasil LTDA	Brasile	BRL	797,000	Golden Goose S.p.A.	100	100
Golden Goose Saint Louis Llc	Missouri	USD	-	Golden Goose USA INC	100	100
Golden Goose Legacy west Llc	Texas	USD	-	Golden Goose USA INC	100	100
Golden Goose New Orleans Llc	Florida	USD	-	Golden Goose USA INC	100	100
Golden Goose Portland Llc	Florida	USD	-	Golden Goose USA INC	100	100
Golden Goose San Antonio Llc	Florida	USD	-	Golden Goose USA INC	100	100
Golden Goose Tampa Llc	Florida	USD	-	Golden Goose USA INC	100	100
Golden Goose Singapore Pte. Ltd	Singapore	SGD	15,271	Golden Goose S.p.A.	100	100
Golden Goose Portugal	Lisbon	EUR	5,000	Golden Goose S.p.A.	100	100
Golden Goose New Zeland	New Zeland	NZD	-	Golden Goose S.p.A.	100	100
Golden Goose Chicago Oakbrrok	Illinois	USD	-	Golden Goose USA INC	100	100
Golden Goose Glendale	California	USD	-	Golden Goose USA INC	100	100
Golden Goose San Juan Pr LLC	Porto Rico	USD	-	Golden Goose USA INC	100	100
Golden Goose Charleston	Carolina del Sud	USD	-	Golden Goose USA INC	100	100
Golden Goose Miami Design	Miami	USD	-	Golden Goose USA INC	100	100
Golden Goose Chile	Chile	CLP	-	Golden Goose S.p.A.	100	100
Clarosa	Italia	EUR	100,000	Golden Goose S.p.A.	100	100
GGDB/IFT	Italia	EUR	100,000	Golden Goose S.p.A.	100	100
Golden Goose Mexico	Messico	MXN	-	Golden Goose S.p.A.	100	100
Golden Goose Retail USA	USA	USD	-	Golden Goose USA INC	100	100
Golden Goose Thailandia	Thailandia	THB	1,000,000	Golden Goose S.p.A.	100	100
Golden Goose Israel	Israele	ILS	-	Golden Goose S.p.A.	100	100

The list of companies included in the consolidation as of December 31, 2022 is provided below:

Company Name	Registered Office	Share capital		Shareholders	Share Cons.	Share of profit
		Currency	Amount		%	%
Golden Goose Group S.p.A.	Italy	EUR	5,000,000		100	100
Golden Goose S.p.A.	Italia	EUR	1,004,341	Golden Goose Group S.p.A.	100	100
Golden Goose Holland BV	Amsterdam	EUR	10,000	Golden Goose S.p.A.	100	100
SASU Golden Goose Francia	Parigi	EUR	800,000	Golden Goose S.p.A.	100	100
Golden Goose USA INC	Wilmington	USD	909,877	Golden Goose S.p.A.	100	100
Golden Goose DB UK LTD	Londra	GBP	873,000	Golden Goose S.p.A.	100	100
Golden Goose Germany Gmbh	Monaco	EUR	1,300,000	Golden Goose S.p.A.	100	100
Golden Goose HK Ltd	Hong Kong	HKD	1,702,351	Golden Goose S.p.A.	100	100
Golden Goose Korea Ltd	Seoul	KRW	8,496,080,000	Golden Goose S.p.A.	100	100
Golden Goose Switzerland Gmbh	Zurigo	CHF	100,000	Golden Goose S.p.A.	100	100
Golden Goose Austria Gmbh	Vienna	EUR	285,000	Golden Goose S.p.A.	100	100
Golden Goose Spain SL	Barcellona	EUR	3,000	Golden Goose S.p.A.	100	100
Golden Goose Belgium Sprl	Bruxelles	EUR	18,550	Golden Goose S.p.A.	100	100
Golden Goose Denmark ApS	Copenaghen	DKK	50,000	Golden Goose S.p.A.	100	100
GGDB Cina	Shanghai	CNY	41,787,665	Golden Goose S.p.A.	100	100
Golden Goose Japan Ltd	Tokyo	YPY	7,000,000	Golden Goose S.p.A.	100	100
Golden Goose Trading Llc	Dubai	AED	100,000	Golden Goose S.p.A.	100	100
Golden Goose Macau Ltd	Macao	MOP	100,000	Golden Goose S.p.A.	100	100
Golden Goose Taiwan Ltd	Taiwan	TWD	344,490	Golden Goose S.p.A.	100	100
Golden Goose Australia Ltd	Sidney	AUD	10,000	Golden Goose S.p.A.	100	100
Golden Goose New York LLC	New York	USD	896,110	Golden Goose USA INC	100	100
Golden Goose LA LLC	Studio City	USD	100,000	Golden Goose USA INC	100	100
Golden Goose Madison LLC	New York	USD	100,000	Golden Goose USA INC	100	100
GOLDEN GOOSE MI LLC	Miami	USD	-	Golden Goose USA INC	100	100
GOLDEN GOOSE SF LLC	San Francisco	USD	-	Golden Goose USA INC	100	100
Golden Goose LV Crystals Llc	Miami	USD	-	Golden Goose USA INC	100	100
Golden Goose Woodbury Llc	New York	USD	-	Golden Goose USA INC	100	100
Golden Goose SCP Llc	Miami	USD	-	Golden Goose USA INC	100	100
Golden Goose Boston Llc	Miami	USD	-	Golden Goose USA INC	100	100
Golden Goose Dallas Llc	Miami	USD	-	Golden Goose USA INC	100	100
Golden Goose Hampton Llc	New York	USD	-	Golden Goose USA INC	100	100
Golden Goose Hawaii Llc	Honolulu	USD	-	Golden Goose USA INC	100	100
Golden Goose New Jersey Llc	New Jersey	USD	-	Golden Goose USA INC	100	100
Golden Goose Nashville Llc	Miami	USD	-	Golden Goose USA INC	100	100
Golden Goose Atlanta Llc	Georgia	USD	-	Golden Goose USA INC	100	100
Golden Goose Chicago Llc	Illinois	USD	-	Golden Goose USA INC	100	100
Golden Goose Houston Llc	Taxas	USD	-	Golden Goose USA INC	100	100
Golden Goose Santa Clara Llc	California	USD	-	Golden Goose USA INC	100	100
Golden Goose Scottsdale Llc	Arizona	USD	-	Golden Goose USA INC	100	100
Golden Goose Virginia Llc	Virginia	USD	-	Golden Goose USA INC	100	100
Golden Goose Turchia	Turchia	TRY	11,200,000	Golden Goose S.p.A.	100	100
Golden Goose Austin Llc	Texas	USD	-	Golden Goose USA INC	100	100
Golden Goose Americana Llc	New York	USD	-	Golden Goose USA INC	100	100
Golden Goose Aspen Llc	Colorado	USD	-	Golden Goose USA INC	100	100
Golden Goose Boca Llc	Florida	USD	-	Golden Goose USA INC	100	100
Golden Goose Topanga Llc	California	USD	-	Golden Goose USA INC	100	100
Golden Goose Las Vegas Llc	Nevada	USD	-	Golden Goose USA INC	100	100
Golden Goose Phil a Llc	Pennsylvania	USD	-	Golden Goose USA INC	100	100
Golden Goose Denver Llc	Colorado	USD	-	Golden Goose USA INC	100	100
Golden Goose Detroit Llc	Michigan	USD	-	Golden Goose USA INC	100	100
Golden Goose Charlotte Llc	Carolina del Nord	USD	-	Golden Goose USA INC	100	100
Golden Goose Beverly Llc	California	USD	-	Golden Goose USA INC	100	100
Golden Goose Lux Canada Ltd	Canada	CAD	100	Golden Goose S.p.A.	100	100
Golden Goose Toronto Ltd	Canada	CAD	100	Golden Goose Lux Canada Ltd	100	100
Golden Goose Bevcen Llc	California	USD	-	Golden Goose USA INC	100	100
Golden Goose BD Llc	Florida	USD	-	Golden Goose USA INC	100	100
Golden Goose do Brasil LTDA	Brasile	BRL	797,000	Golden Goose S.p.A.	100	100
Golden Goose Saint Louis Llc	Missouri	USD	-	Golden Goose USA INC	100	100
Golden Goose Legacy west Llc	Texas	USD	-	Golden Goose USA INC	100	100
Golden Goose New Orleans Llc	Florida	USD	-	Golden Goose USA INC	100	100
Golden Goose Portland Llc	Florida	USD	-	Golden Goose USA INC	100	100
Golden Goose San Antonio Llc	Florida	USD	-	Golden Goose USA INC	100	100
Golden Goose Tampa Llc	Florida	USD	-	Golden Goose USA INC	100	100
Golden Goose Singapore Pte. Ltd	Singapore	SGD	15,271	Golden Goose S.p.A.	100	100
Golden Goose Portugal	Lisbon	EUR	5,000	Golden Goose S.p.A.	100	100
Golden Goose New Zeland	New Zeland	NZD	-	Golden Goose S.p.A.	100	100
Golden Goose Chicago Oakbrrok	Illinois	USD	-	Golden Goose USA INC	100	100
Golden Goose Glendale	California	USD	-	Golden Goose USA INC	100	100
Golden Goose San Juan Pr LLC	Porto Rico	USD	-	Golden Goose USA INC	100	100
Golden Goose Charleston	Carolina del Sud	USD	-	Golden Goose USA INC	100	100
Golden Goose Miami Design	Miami	USD	-	Golden Goose USA INC	100	100
Golden Goose Chile	Chile	CLP	-	Golden Goose S.p.A.	100	100
Clarosa	Italia	EUR	100,000	Golden Goose S.p.A.	100	100

The list of companies included in the consolidation as of December 31, 2021 is provided below:

Company Name	Registered Office	Share capital		Shareholders	Share Cons.	Share of profit
		Currency	Amount		%	%
Golden Goose Group S.p.A.	Italy	EUR	5,000,000		100	100
Golden Goose S.p.A.	Italia	EUR	1,004,341	Golden Goose Group S.p.A.	100	100
Golden Goose Holland B.V.	Amsterdam	EUR	10,000	Golden Goose S.p.A.	100	100
SASU Golden Goose France	Paris	EUR	800,000	Golden Goose S.p.A.	100	100
Golden Goose USA INC	Wilmington, Delaware	USD	909,877	Golden Goose S.p.A.	100	100
Golden Goose DB UK LTD	London	GBP	873,000	Golden Goose S.p.A.	100	100
Golden Goose Germany Gmbh	Munich	EUR	1,300,000	Golden Goose S.p.A.	100	100
Golden Goose HK Ltd	Hong Kong	HKD	1,702,351	Golden Goose S.p.A.	100	100
Golden Goose Korea Ltd	Seoul	KRW	8,496,080,000	Golden Goose S.p.A.	100	100
Golden Goose Switzerland Gmbh	Zurich	CHF	100,000	Golden Goose S.p.A.	100	100
Golden Goose Austria Gmbh	Vienna	EUR	285,000	Golden Goose S.p.A.	100	100
Golden Goose Spain SL	Barcelona	EUR	3,000	Golden Goose S.p.A.	100	100
Golden Goose Belgium Sprl	Brussels	EUR	18,550	Golden Goose S.p.A.	100	100
Golden Goose Denmark ApS	Copenhagen	DKK	50,000	Golden Goose S.p.A.	100	100
GGDB China	Shanghai	CNY	21,772,915	Golden Goose S.p.A.	100	100
Golden Goose Japan Ltd	Tokyo	JPY	7,000,000	Golden Goose S.p.A.	100	100
Golden Goose Trading Llc	Dubai	AED	100,000	Golden Goose S.p.A.	49 *	80 *
Golden Goose Macau Ltd	Macau	MOP	100,000	Golden Goose S.p.A.	100	100
Golden Goose Taiwan Ltd	Taiwan	TWD	344,490	Golden Goose S.p.A.	100	100
Golden Goose Australia Ltd	Sydney	AUD	10,000	Golden Goose S.p.A.	100	100
Golden Goose New York LLC	New York	USD	896,110	Golden Goose USA INC	100	100
Golden Goose LA LLC	Studio City	USD	100,000	Golden Goose USA INC	100	100
Golden Goose Madison LLC	New York	USD	100,000	Golden Goose USA INC	100	100
GOLDEN GOOSE MI LLC	Miami	USD	-	Golden Goose USA INC	100	100
GOLDEN GOOSE SF LLC	San Francisco	USD	-	Golden Goose USA INC	100	100
Golden Goose LV Crystals Llc	Miami	USD	-	Golden Goose USA INC	100	100
Golden Goose Woodbury Llc	New York	USD	-	Golden Goose USA INC	100	100
Golden Goose SCP Llc	Miami	USD	-	Golden Goose USA INC	100	100
Golden Goose Boston Llc	Miami	USD	-	Golden Goose USA INC	100	100
Golden Goose Dallas Llc	Miami	USD	-	Golden Goose USA INC	100	100
Golden Goose Hampton Llc	New York	USD	-	Golden Goose USA INC	100	100
Golden Goose Hawaii Llc	Honolulu	USD	-	Golden Goose USA INC	100	100
Golden Goose New Jersey Llc	New Jersey	USD	-	Golden Goose USA INC	100	100
Golden Goose Nashville Llc	Miami	USD	-	Golden Goose USA INC	100	100
Golden Goose Atlanta Llc	Georgia	USD	-	Golden Goose USA INC	100	100
Golden Goose Chicago Llc	Illinois	USD	-	Golden Goose USA INC	100	100
Golden Goose Houston Llc	Texas	USD	-	Golden Goose USA INC	100	100
Golden Goose Santa Clara Llc	California	USD	-	Golden Goose USA INC	100	100
Golden Goose Scottsdale Llc	Arizona	USD	-	Golden Goose USA INC	100	100
Golden Goose Virginia Llc	Virginia	USD	-	Golden Goose USA INC	100	100
Golden Goose Turkey	Turkey	TRY	6,400,000	Golden Goose S.p.A.	100	100
Golden Goose Austin Llc	Texas	USD	-	Golden Goose USA INC	100	100
Golden Goose Americana Llc	New York	USD	-	Golden Goose USA INC	100	100
Golden Goose Aspen Llc	Colorado	USD	-	Golden Goose USA INC	100	100
Golden Goose Boca Llc	Florida	USD	-	Golden Goose USA INC	100	100
Golden Goose Topanga Llc	California	USD	-	Golden Goose USA INC	100	100
Golden Goose Las Vegas Llc	Nevada	USD	-	Golden Goose USA INC	100	100
Golden Goose Phil a Llc	Pennsylvania	USD	-	Golden Goose USA INC	100	100
Golden Goose Denver Llc	Colorado	USD	-	Golden Goose USA INC	100	100
Golden Goose Detroit Llc	Michigan	USD	-	Golden Goose USA INC	100	100
Golden Goose Charlotte Llc	North Carolina	USD	-	Golden Goose USA INC	100	100
Golden Goose Beverly Llc	California	USD	-	Golden Goose USA INC	100	100
Golden Goose Lux Canada Ltd	Canada	CAD	100	Golden Goose S.p.A.	100	100
Golden Goose Toronto Ltd	Canada	CAD	100	Golden Goose Lux Canada Ltd	100	100
Golden Goose Bevcen Llc	California	USD	-	Golden Goose USA INC	100	100
Golden Goose BD Llc	Florida	USD	-	Golden Goose USA INC	100	100
Golden Goose do Brasil LTDA	Brazil	BRL	797,000	Golden Goose S.p.A.	100	100
Golden Goose Saint Louis Llc	Missouri	USD	-	Golden Goose USA INC	100	100
Golden Goose Legacy west Llc	Texas	USD	-	Golden Goose USA INC	100	100
Golden Goose New Orleans Llc	Florida	USD	-	Golden Goose USA INC	100	100
Golden Goose Portland Llc	Florida	USD	-	Golden Goose USA INC	100	100
Golden Goose San Antonio Llc	Florida	USD	-	Golden Goose USA INC	100	100
Golden Goose Tampa Llc	Florida	USD	-	Golden Goose USA INC	100	100
Golden Goose Singapore Pte. Ltd	Singapore	SGD	15,271	Golden Goose S.p.A.	100	100
Golden Goose Portugal	Lisbon	EUR	-	Golden Goose S.p.A.	100	100

(*) 51% of the shares of Golden Goose Trading Llc are owned by a local shareholder in accordance with a local law. Golden Goose Group is entitled to 80% of the distribution of profits.

Equity and all intercompany transactions included in the consolidation area are eliminated. Gains and losses arising from transactions between consolidated companies that are not realized through transactions with third parties are eliminated.

The statements of financial position foreign subsidiaries are translated using the spot exchange rate at the reporting date for assets and liabilities, while the average exchange rate for the period is used for the income statement items. The cumulative exchange differences arising on translation for consolidation are included in the "Translation reserve".

For the conversion of financial statements prepared in foreign currencies, the following rates have been applied:

Currency description	**Spot as of December 31, 2023**	**Average for the year ended December 31, 2023**	**Spot as of December 31, 2022**	**Average for the year ended December 31, 2022**	**Spot as of December 31, 2021**	**Average for the year ended December 31, 2021**
U.S. dollar - USD	1.105	1.082	1.067	1.054	1.133	1.184
Pound Sterling - GBP	0.869	0.870	0.887	0.853	0.84	0.86
South Korea Won - KRW	1,433.660	1,413.264	1,344.09	1,358.071	1,346.38	1,354.069
HK dollar - HKD	8.631	8.468	8.316	8.251	8.833	9.199
Renminbi (Yuan) - CNY	7.851	7.659	7.358	7.08	7.195	7.634
Danish Krone - DKK	7.453	7.451	7.437	7.44	7.436	7.437
Swiss Franc – CHF	0.926	0.972	0.985	1.005	1.033	1.081
Japanese Yen - JPY	156.330	151.942	140.66	138.005	130.38	129.863
Arab Emirates Diram - AED	4.058	3.972	3.917	3.87	4.16	4.346
Macanese pataca - MOP	8.890	8.722	8.566	8.499	9.098	9.475
Taiwan dollar - TWD	33.874	33.695	32.76	31.33	31.367	33.06
Australian dollar - AUD	1.626	1.628	1.569	1.517	1.562	1.575
Canadian dollar - CAD	1.464	1.460	1.444	1.37	1.439	1.484
Turkish Lira TRY:	32.653	25.749	19.965	n.a.	15.234	10.466
Brazilian real - BRL	5.362	5.402	5.639	5.443	6.31	6.289
Singapore dollar - SGD	1.459	1.452	1.43	1.452	1.1326	1.59
New Zealand Dollar - NZD	1.750	1.762	1.68	1.687	n.a.	n.a.
Chilean Peso - CLP	977.070	908.085	913.82	931.17	n.a.	n.a.
Mexican Peso - MXN	18.723	19.190	n.a	n.a	n.a.	n.a.
Thai Baht - THB	37.973	37.633	n.a	n.a	n.a.	n.a.
Israeli New Shekel - ILS	3.999	3.987	n.a	n.a	n.a.	n.a.

03 MATERIAL ACCOUNTING PRINCIPLES

03.1. INTANGIBLE ASSETS

Intangible assets acquired separately are initially recognized at cost, while those acquired through business combinations are recognized at fair value at the acquisition date. After initial recognition, intangible assets are recognized at cost net of accumulated amortization and any accumulated impairment losses.

The useful life of intangible assets is assessed as either finite or indefinite.

Intangible assets with a finite useful life are amortized over their useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method of an intangible asset with a finite useful life is reviewed at least at each the end of each reporting period. Changes in the expected useful life or in the ways in which the future economic benefits associated with the asset will be realized are recognized through the change in the period or the method of amortization, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible with a finite useful life are recognized in the consolidated income statement in the expense category consistent with the function of the intangible asset.

Intangible assets with an indefinite useful life are not amortized, but are subject to impairment test yearly, either individually or at the level of the cash-generating unit. The assessment of indefinite useful life is reviewed annually to determine whether this attribution continues to be supportable, otherwise, the change from indefinite useful life to defined useful life is applied on a prospective basis.

An intangible asset is eliminated at the time of its disposal (that is, the date when the purchaser obtains control of it) or when no future economic benefits are expected from its use or disposal.

Industrial patent rights and rights to use intellectual property, licenses and concessions are amortized at an annual rate of 33%.

Trademarks: as regards the multi-year expenses incurred during the registration of distinctive signs and the filing of company trademarks, amortization is carried out over 18 years. The trademark that emerged when allocating the Group's acquisition price in 2020 is considered to have an indefinite useful life and therefore subjected to annual impairment tests.

Customer Relationship Korea: this component arose as a result of the agreement stipulated in 2021 for the sale of Golden Goose products on the Korean market. It was considered as having a finite useful life and amortized over 10 years.

Key Money: this item includes the amounts paid by the Group to take over the contractual positions relating to commercial properties located in prestigious locations. Key money is amortized over the lease term, taking account of the possibility of renewal.

For intangible assets, the amortization period is at most equal to the legal or contractual limit. If the Group plans to use the asset for a shorter period, the useful life reflects this shorter period rather than the legal or contractual limit for the purpose of calculating amortization.

The amortization criteria adopted for the various items of intangible assets are illustrated below:

Description	% Rate
Brand name	indefinite useful life
Key Money	lease term
Licensing	33.33
Backlog	100.00
Customer relationships	6.67-10
Patents and Trademarks	5.56
Software programs	33.33
Other intangible assets	20.00

03.2. BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognized in the statement of profit or loss in accordance with IFRS 9. The contingent consideration arrangements in which the payments are forfeited if the former owners terminate their employment are not included in the consideration transferred, as they are considered remuneration for post—combination services and recognized in the income statement as the services are rendered.

Goodwill is initially recognized at the cost represented by the excess of the total consideration transferred and the amount recognized for minority interests compared to the identifiable net assets acquired and the liabilities assumed by the Group. At the acquisition date the Goodwill is allocated to each cash generating unit of the Group which is expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquired entity are assigned to such units.

After initial recognition, goodwill is measured at cost, less any accumulated impairment losses.

03.3. TANGIBLE ASSETS

Assets under construction are accounted for at historical cost, less any accumulated impairment losses. Tangible assets are accounted for at historical cost, net of accumulated depreciation and accumulated impairment losses. Where periodic replacement of significant parts of plant and machinery is necessary, the Group depreciates them separately based on the specific useful life. Similarly, in the event of major maintenance, the cost is included in the book value of the plant or machinery as a replacement, where the criterion for recognition is met. All other repair and maintenance costs are recognized in the income statement when incurred. If significant, the present value of the cost of dismantling and removing the asset at the end of its use is included in the cost of the asset, if the recognition criteria for a provision are met.

Tangible assets are accounted for at the purchase cost actually incurred for the acquisition or production of the asset and are recognized when the transfer of risks and benefits takes place, which normally coincides with the transfer of the legal title. This cost includes the purchase cost, the accessory purchase costs and all costs incurred to bring the asset to the place and conditions necessary for it to operate in the manner intended by the Group.

Tangible assets, the use of which is limited in time, are systematically depreciated over their useful life. Depreciation starts when the asset is available and ready for use and is recognized in the consolidated income statement. The residual value is usually considered insignificant. The depreciation rates applied, unchanged compared to the previous year, are as follows:

Description	**% Rate**
Equipment	25.00
Automatic machinery	12.50
Electronic office machines	20.00
Sundry and small equipment	25.00
Furniture and furnishings	12.00
Cars	25.00
Motor vehicles	20.00
Generic plant	7.50
Commercial equipment	15.00
Specific plant	7.50
Civil buildings	3.00

03.4. IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Group assesses the existence of indicators of impairment. Temporarily unused tangible assets are also subject to depreciation.

When an asset becomes impaired, independently of previous depreciation charges, the asset is written down accordingly.

When an annual impairment test is required, the Group makes an estimate of the recoverable value. The recoverable value is the higher of the fair value of the asset or unit generating cash flows, net of costs of disposal, and its value in use. The recoverable value is determined by individual asset, except when such asset generates cash flows that are not largely independent of those generated by other assets or groups of assets. If the book value of an asset is higher than its recoverable value, the asset is written down to its recoverable value.

In determining the value in use, the Group discounts estimated future cash flows to the present value using a post-tax discount rate, which reflects the market valuations of the present value of money and the specific risks of the asset. In determining the fair value net of costs to sell, recent market transactions are considered. If such transactions cannot be identified, an appropriate valuation model is used. These calculations are corroborated by suitable market multiples and other available fair value indicators.

The Group bases its impairment test on more recent budgets and forecast calculations, prepared separately for each Group cash generating unit to which individual assets are allocated. These budgets and forward-looking calculations generally cover a 5-year period. A long-term growth rate is calculated to project future cash flows beyond the fifth year.

Impairment losses of assets are recognized in the consolidated income statement and presented consistently with the destination of the asset impaired.

For assets other than goodwill and other intangible assets with an indefinite useful life, at each reporting date, the Group assesses the possible existence of indicators of the elimination (or reduction) of previously recognized impairment losses and, if such indicators exist, estimate the recoverable amount of the asset or CGU. The value of a previously written down asset can be restored only if there have been changes in the assumptions on which the calculation of the determined recoverable value was based, after the recognition of the last impairment loss. The recovery of value cannot exceed the carrying amount which would have been determined, net of depreciation, if no impairment had been recognized in previous years. This recovery is recognized in the consolidated income statement.

Goodwill and other intangible assets with indefinite useful life are subjected to impairment testing at least annually or more frequently if circumstances indicate that the carrying amount may be subject to impairment.

The impairment of goodwill is determined by evaluating the recoverable value of the cash generating unit (or group of cash-generating units) to which the goodwill is attributable. If the recoverable amount of the cash generating unit is lower than the book value of the cash generating unit to which the goodwill has been allocated, an impairment loss is recognized. The reduction in the value of goodwill cannot be reversed in future years.

03.5. INVENTORIES

Inventories are carried at the lower of purchase or manufacturing cost, determined with the weighted average method, and the net realizable value. The cost includes the purchase cost, direct costs and a share of the general production costs, based on normal production capacity, excluding borrowin costs.

Provisions are recorded to adjust the net realisable value, taking into consideration factors such as the age and condition of inventory, as well as the saleability of finished products across the Group's distribution channels.

03.6. CASH AND CASH EQUIVALENTS

For the consolidated statements of financial position and for the consolidated cash flow statements, Cash and cash equivalents and short-term deposits include cash on hand and short-term deposits, highly liquid deposits with a maturity of three months or less, which are readily convertible into a given amount of money and subject to a risk that is not significant changes in value.

03.7. PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are made when the Group has a present (legal or constructive) obligation resulting from a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made in the amount of the obligation. When the Group believes that a provision for risks and charges will be partially or fully reimbursed, for example, in the case of risks covered by insurance policies, the compensation is recognized separately and separately in the assets if, and only if, it is virtually certain. In this case, the cost of any provision is presented in the consolidated income statement net of any reimbursement.

If the effect of the value of money over time is significant, the provisions are discounted using a rate that reflects, where appropriate, the specific risks of the liabilities. When the liability is discounted, the increase in the provision due to the passage of time is recognized as a financial expense.

03.8. PROVISIONS FOR SEVERANCE INDEMNITIES

The benefits paid to employees at or after the termination of the employment relationship are divided according to the economic nature into defined contribution plans and defined benefit plans. In defined contribution plans, the legal or implicit obligation of the company is limited to the amount of contributions to be paid. In defined benefit plans, the company's obligation is to grant and ensure the agreed benefits to employees: consequently, the actuarial and investment risks fall on the company.

Following the reform introduced with Law no. 296 of December 27, 2006, the portion of provisions for severance indemnities accrued January 1, 2007, is substantially similar to a "defined contribution plan". In particular, these modifications introduced the possibility for the worker to choose where to allocate his/her provisions for severance indemnities accruing: the new flows of severance indemnities can be, in companies with more than 50 employees, routed by the worker to selected pension schemes or transferred to the Treasury Fund at INPS.

With regard to the presentation in the consolidated income statement of the various cost components relating to the employee severance indemnities, it was decided to apply the accounting method allowed by IAS 19 which requires the separate recognition in the income statement of the cost components related to the work performance (classified under labour costs) and net financial charges (classified within the financial area), and the recognition of actuarial gains and losses that derive from the measurement in each financial year of the liability and asset among the components of the consolidated statement of comprehensive income. The profit or loss deriving from the actuarial calculation of the defined benefit plans (provision for severance indemnities) is fully recognized in the consolidated statement of comprehensive income.

03.9. RIGHTS OF USE

The Group assesses when signing a contract if it is, or contains, a lease. In other words, whether the contract confers the right to control the use of an identified asset for a period in exchange for a payment.

Except for contracts involving low value assets or short-term leases, the Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, and variable lease payments that depend on an index or a rate. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate, such as the rent calculated in percentage of the turnover of the shop, are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

03.10. FINANCIAL INSTRUMENTS - RECOGNITION AND EVALUATION

A financial instrument is any contract that gives rise to a financial asset for an entity and to a financial liability or equity instrument for another entity.

03.11. FINANCIAL ASSETS

03.11.1. INITIAL RECOGNITION AND VALUATION

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at the time of initial recognition depends on the characteristics of the contractual cash flows of the financial assets and on the business model that the Group uses for their management. Apart from trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially assesses a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, the transaction cost. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are valued at the transaction price as illustrated in the paragraph Revenue recognition.

In order for a financial asset to be classified and measured at the amortized cost or at fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' on the principal amount outstanding. This assessment is referred as an SPPI test and is performed at the instrument level. Financial assets whose cash flows do not meet the above requirements (SPPI) are classified and measured at fair value through profit or loss.

03.11.2. SUBSEQUENT VALUATION

For the purpose of subsequent valuation, financial assets are classified into four categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through other comprehensive income with reclassification of accumulated profits and losses (debt instruments);
- Financial assets at fair value through other comprehensive income without reversing the accumulated profits and losses at the time of elimination (equity instruments);
- Financial assets at fair value through profit or loss.

Financial assets at amortized cost (debt instruments)
Financial assets at amortized cost are subsequently valued using the effective interest method and are subject to impairment. Gains and losses are recognized in the consolidated income statement when the asset is derecognized, modified, or impaired.

Financial assets at fair value through OCI (debt instruments)
For assets from debt instruments measured at fair value through OCI, interest income, changes due to exchange differences and impairment losses, together with write-backs, are recognized in the income statement and are calculated in the same way as the financial assets measured at amortized cost. The remaining changes in fair value are recognized in OCI. At the time of elimination, the cumulative change in fair value recognized in OCI is reclassified in the income statement.
At the reporting date and in the comparative periods shown, the Group had no assets included in this category.

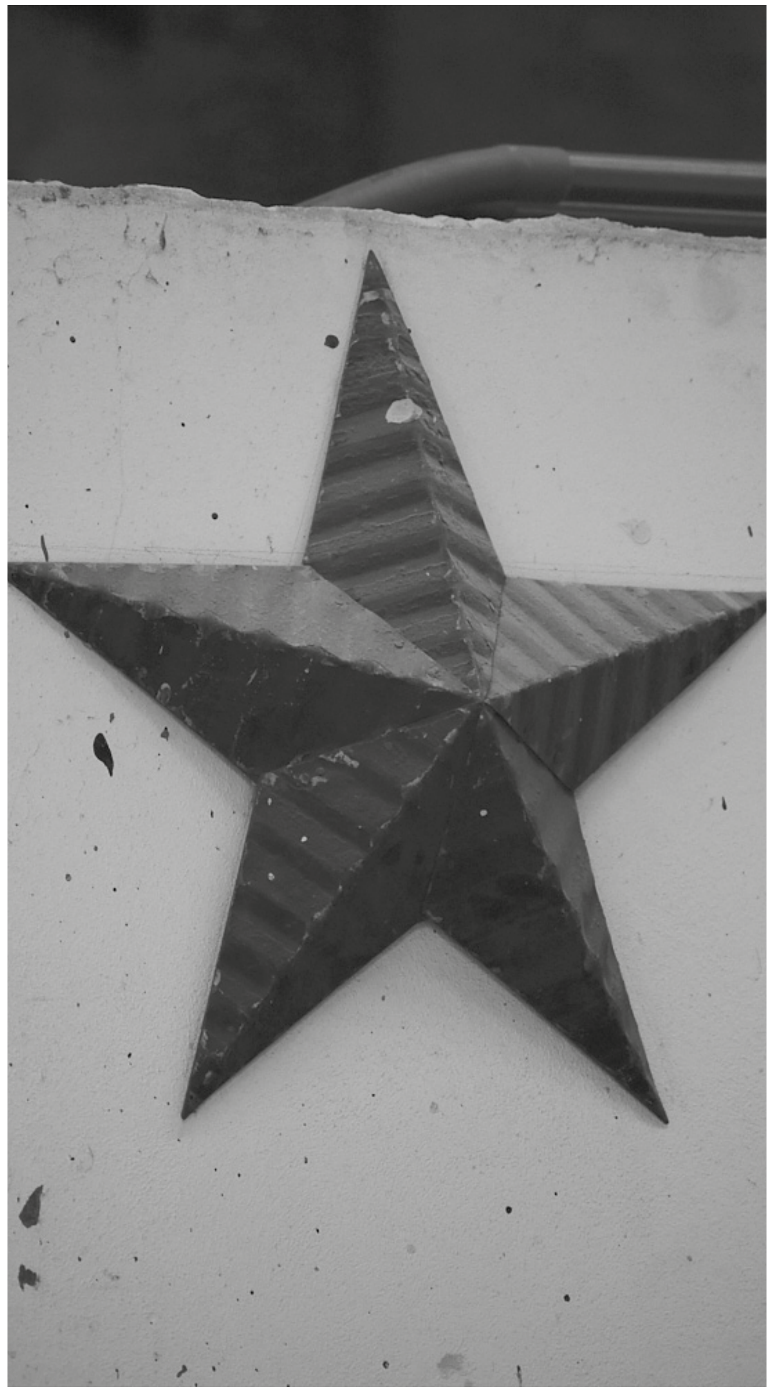
Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group may irrevocably choose to classify its equity investments as equity instruments recognized at fair value through OCI when they meet the definition of equity instruments pursuant to IAS 32 "Financial Instruments: Presentation" and are not held for trading. Classification is determined for each individual instrument.

The gain and losses achieved on these financial assets are never recycled to the consolidated income statement. Dividends are recognized as other income in the income statement when the right to payment has been approved, except when the Group benefits from such income as a recovery of part of the cost of the financial asset, in which case such profits are recognized in OCI. Equity instruments recognized at fair value through OCI are not subject to an impairment test.

At the reporting date and in the comparative periods shown, the Group had no assets included in this category.

Financial assets at fair value through profit or loss
Financial instruments at fair value with changes recognized through profit or loss are entered in the statement of financial position at fair value and net changes in fair value are recognized in the consolidated income statement.

This category includes derivative instruments which have not been classified as hedging instruments as well as other investments held by the Group.



03.11.3. DERECOGNITION

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognized in the first place (e.g., removed from the statement of financial position of the Group) when:

- the rights to receive cash flows from the asset have expired, or

- the Group has transferred the right to receive cash flows from the asset to a third party or has assumed an obligation to pay the cash flow received in full and without delay and under a 'pass-through' arrangement (a) has substantially transferred all the risks and rewards of ownership of the financial asset, or (b) has not transferred or substantially retained all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

03.11.4. IMPAIRMENT OF FINANCIAL ASSETS

The Group recognizes an expected credit loss ('ECL') for all financial assets represented by debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include the cash flows deriving from the enforcement of the collateral held or other credit guarantees which are an integral part of the contractual conditions.

For trade receivables, the Group applies a simplified approach in calculating expected losses. Therefore, the Group does not monitor changes in credit risk, but fully recognizes the expected loss at each reporting date. The Group has defined a provision matrix based on its historical credit loss experience, revised to consider prospective elements with reference to the specific types of debtors and their economic environment.

The Group considers a financial asset in default when contractual payments have been past due for 90 days. In some cases, the Group may also consider that a financial asset is in default when internal or external information indicates that the Group is unlikely to recover the contractual amounts entirely before considering the credit guarantees held by the Group. A financial asset is eliminated when there is no reasonable expectation of recovery of the contractual cash flows.

03.12. FINANCIAL LIABILITIES

03.12.1. INITIAL RECOGNITION AND VALUATION

Financial liabilities are classified upon initial recognition under financial liabilities at fair value through profit or loss, under mortgages and loans, or among derivatives designated as hedging instruments.

All financial liabilities are initially recognized at fair value and, in the case of loans and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, and loans, including bank overdrafts, reverse factoring liabilities and financial derivative instruments.

03.12.2. SUBSEQUENT VALUATION

For the purposes of subsequent valuation, financial liabilities are classified into two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans)

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value with changes recognized through profit or loss include liabilities held for trading and financial liabilities initially recognized at fair value with changes recognized through profit or loss.

Liabilities held for trading are all those assumed with the intention of extinguishing or transferring them in the short term. This category also includes the derivative financial instruments subscribed by the Group which are not designated as hedging instruments in a hedging relationship defined by IFRS 9. Embedded derivatives, separated from the main contract, are classified as financial instruments held for trading unless are designated as effective hedging instruments.

Financial liabilities at amortized cost (loans)
This is the most relevant category for the Group. After initial recognition, loans are measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the consolidated income statement when the liability is extinguished, as well as through the amortization process.

The amortized cost is calculated by taking into account any discount or premium on the acquisition and the fees or costs that form an integral part of the effective interest rate. Amortization at the effective interest rate is included in financial expenses in the consolidated income statement.This category generally includes interest bearing loans.

03.12.3. DERECOGNITION

A financial liability is derecognized when the obligation underlying the liability is discharged, cancelled or expires.

The reverse factoring and confirming agreements, trade payables are derecognized when the payable reaches the additional payment term negotiated with the supplier together with the reverse factoring or the confirming agreements, and a new liability is recognized and classified as a financial liability.

If an existing financial liability is replaced by another of the same lender, at substantially different conditions, or the conditions of an existing liability are substantially modified, this exchange or modification is treated as an accounting derecognition of the original liability, accompanied by the recognition of a new liability, with recognition of any differences between book values in the consolidated income statement for the period.

03.12.4. OFFSETTING FINANCIAL INSTRUMENTS

A financial asset and liability can be offset, and the net balance shown in the statement of financial position, if there is a current legal right to offset the amounts recognized in the accounts and there is an intention to pay off the net residual or realize the assets and simultaneously extinguish the liability.

03.12.5. PRESENTATION

The Group presents liabilities that are part of a reverse factoring and confirming arrangement as part of trade payables only when those liabilities have a similar nature and function to trade payables. In assessing whether to present reverse factoring and confirming liabilities as trade receivables or financial liabilities the Group considers all relevant terms, including additional payment terms obtained with the reverse factoring and confirming agreements.

03.12.6. DIVIDENDS

The Parent recognizes a liability against the payment of a dividend when the distribution is properly authorized and is no longer at the discretion of the company. Under company law applicable in Italy, a distribution is authorized when it is approved by the shareholders. The corresponding amount is recognized directly in equity.

03.12.7. RECOGNITION OF REVENUES

The Group is engaged in the production, distribution and sale of footwear, clothing and accessories in the luxury fashion market.

Revenues from contracts with customers are mostly recognized at a point in time, when control of the goods and services is transferred to the customer for an amount that reflects the consideration that the Group expects to receive in exchange for these goods or services. The Group generally concluded that it acts as principal for most of the agreements that generate revenues.

Revenues from the sale of products are recognized when the control of the asset passes to the customer, which for wholesale sales generally coincides with shipping, while for retail sales it is contextual to the delivery of the asset. The usual terms of commercial payment extension in relation to wholesale business average from 30 to 60 days from shipment.

The Group considers whether there are other promises in the contract that represent performance obligations on which a part of the consideration of the transaction must be allocated. In determining the price of the sales transaction, the Group considers the effects deriving from the presence of variable consideration, significant financing components, non-monetary considerations and considerations to be paid to the customer (if any).

If the consideration promised in the contract includes a variable amount, the Group estimates the amount of the consideration to which it will be entitled in exchange for the transfer of the goods to the customer.

The variable consideration is estimated at the time of signing the contract and cannot be recognized until it is highly probable that, when the uncertainty associated with the variable consideration is subsequently resolved, there will be no significant downwards adjustment to the amount of the cumulative revenues that have been accounted for. Some wholesale contracts provide the customer with a right to return the goods within a certain period of time. As regards the right of return, in case of many contracts that have similar characteristics, the Group uses the expected value method to estimate the variable consideration. The Group therefore applies the requirements on constraining estimates of the variable consideration to determine the amount of the variable consideration that can be included in the transaction price and recognized as revenue. The right to return an asset (and the corresponding adjustment of the cost of goods sold) is also recognized for the right to receive the goods from the customer. The right of return asset represents the right of the Group to recover the goods that are expected to be returned by customers. The asset is measured at the previous book value of inventories net of any recovery costs, including any expected reduction in the value of the returned products. The Group periodically updates the estimate of expected returns from customers, as well as any further reductions

in value of the returned products. The liability for refunds represents the obligation to repay part or all the consideration received (or to be received) from the customer and is assessed on the basis of the value that the Group expects to have to return to the customer. The Group updates its estimates of liabilities for refunds (and the corresponding change in the transaction price) at the end of each reporting period.

A receivable is recognized when the consideration is due unconditionally from the customer (i.e., it is only necessary for the time to elapse before payment of the consideration is obtained).

The contractual liability is an obligation to transfer to the customer goods or services for which the Group has already received the consideration (or for which a portion of the consideration is due). The contractual liability is recognized if the payment has been received or the payment is due (whichever comes first) from the customer before the Group has transferred control of the goods or services. Liabilities deriving from the contract are recognized as revenues when the Group satisfies the performance obligation in the related contract (i.e., control of the goods or services has been transferred to the customer).

03.13. INVESTMENTS IN ASSOCIATE COMPANIES AND JOINT VENTURES

Investments in associate companies are accounted for using the equity method. Investments in associate companies are therefore initially recorded at acquisition cost.

The carrying amount of investments in associates is subsequently increased or decreased to recognize the company's share in the associate's profit or loss, or other changes in equity realized after the date of acquisition. Dividends received from an associate reduce the carrying amount of the investment. Adjustments of the carrying amount may also be necessary as a result of changes in the investor's share in the associate arising from changes in items in the investee's consolidated statement of comprehensive income. The investor's share of these changes is recognized in the investor's consolidated statement of comprehensive income.

03.14. INCOME TAXES

03.14.1. CURRENT TAXES

Current tax assets and liabilities for the year are recognized for the amount expected to be recovered or paid to the tax authorities. The tax rates and legislation used to calculate the amount are those enacted, or substantially enacted, at the reporting date in the countries where the Group operates and generates its taxable income.

Current taxes relating to items recognized directly in equity are also recognized in equity and not in the consolidated income statement. The Management periodically evaluates the position taken in the tax returns in cases where the tax rules are subject to interpretation and, where appropriate, establishes provisions.

03.14.2. DEFERRED TAX LIABILITIES

Deferred taxes are calculated by applying the liability method to the temporary differences at the reporting date between the tax bases of the assets and liabilities and the corresponding carrying amounts.

Deferred tax liabilities are recognized on all taxable temporary differences, with the following exceptions:

- deferred tax liabilities that arises from the initial recognition of goodwill or of an asset or liability in a transaction that does not represent a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit;
- the taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that it will not reverse in the foreseeable future.

Deferred tax assets are recognized against all deductible temporary differences, unused tax credits and losses that can be carried forward, to the extent that it is probable that enough future taxable income will be available, which could allow the use of the deductible temporary differences and tax credits and losses carried forward, except in cases where:

- deferred tax assets that arises from the initial recognition of an asset or liability in a transaction that does not represent a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that enough taxable income will be available in the future to allow the use of the deferred tax asset. Deferred tax assets not recognized are reviewed at each reporting date and are recognized to the extent that it becomes probable that the taxable income will be enough to allow for the recovery of these deferred tax assets.

Deferred taxes are measured on the basis of the tax rates expected to be applied in the year in which these assets will be realized, or these liabilities will be settled, considering the rates enacted, or substantially enacted, on the reporting date.

Deferred taxes relating to items recognized outside the consolidated income statement are also recognized outside the income statement and, therefore, in shareholders' equity or in the consolidated statement of comprehensive income, consistently with the underlying transaction.

The Group offset deferred tax assets and deferred tax liabilities if and only if there is a legally enforceable right to set off current tax assets and current tax liabilities and deferred tax assets and liabilities refer to income taxes levied by the same tax authority by the same taxable entity (or from different taxable entities who intend to pay the current tax assets and liabilities on a net basis or to realize the asset and pay the liability simultaneously), with reference to each future period in which the deferred tax assets and liabilities are expected to be paid or recovered.

03.14.3. INDIRECT TAXES

Expenses, revenues, assets, and liabilities are recognized net of indirect taxes, such as value added tax, except when the tax applied to the purchase of goods or services is non-deductible; in this case, it is recognized as part of the purchase cost of the asset or part of the expense recognized in the consolidated income statement.

The net amount of indirect taxes to be recovered or paid to the tax authorities is included in the statement of financial position under receivables or payables.

03.15. FOREIGN CURRENCIES

The consolidated financial statements are presented in Euro, which is the functional and presentation currency adopted by the Parent. Each Group company defines its own functional currency, which is used to measure the items included in the individual financial statements. The Group uses the direct consolidation method; the profit or loss reclassified to the income statement at the time of the sale of a foreign subsidiary represents the amount that emerges from the use of this method.

03.15.1. TRANSACTIONS AND BALANCES

Transactions in foreign currency are initially recorded by Group's entities in their respective functional currency, applying the spot exchange rate on the date of the transaction.

Monetary assets and liabilities denominated in foreign currency are converted into the functional currency at the exchange rate at the reporting date. The exchange differences realized or those deriving from the conversion of monetary items are recognized in the consolidated income statement.

Non-monetary items measured at historical cost in foreign currency are converted at the exchange rates on the date of initial recognition of the transaction.

03.15.2. GROUP COMPANIES

On consolidation, at each the reporting date, the assets and liabilities of the foreign operations are translated into Euro at the exchange rate on that date, while the revenues and expenses of each statement of comprehensive income or income statement presented are translated at the exchange rates on the date of the transactions. The exchange differences arising from the conversion are recognized in the consolidated statement of comprehensive income. Upon the disposal of a foreign operation, the cumulative amount of exchange differences is reclassified to the consolidated income statement.

The goodwill deriving from the acquisition of a foreign operation and the adjustments to the fair value of the book values of assets and liabilities deriving from the acquisition of that foreign operation are accounted for as assets and liabilities of the foreign operation and therefore are expressed in the functional currency of the foreign operations and converted at the year-end exchange rate.

03.15.3. HYPERINFLATION

In the event of a hyperinflationary economy, the Group adjusts non-cash items and equity up to the limit of their recoverable value using a price index that reflects changes in general purchasing power.

The effects of initial application are recognized in equity net of tax effects. Conversely, during the period of hyperinflation (until its cessation), the result (gain or loss) of adjustments is recognized in the Income Statement with separate disclosure under financial income and expenses.

The Group includes a non-material company based in Turkey, whose economy was declared hyperinflationary in 2022.

03.16. DERIVATIVE CONTRACTS AND HEDGE ACCOUNTING

03.16.1. INITIAL RECOGNITION AND SUBSEQUENT VALUATION

The Group uses derivative financial instruments including forward currency contracts and interest rate swaps to hedge their currency exchange rate risks and interest rate risks. These derivative financial instruments are measured at fair value.

At the start of a hedging transaction, the Group formally designates and documents the hedging relationship to which it intends to apply hedge accounting, its objectives in risk management and the strategy pursued.

The documentation includes the identification of the hedging instrument, the hedged item, the nature of the risk and the ways in which the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of the sources of ineffectiveness of the coverage and how the coverage ratio is determined). The hedging relationship meets the eligibility criteria for hedge accounting if it meets all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not prevail over the changes in value resulting from the aforementioned economic relationship;
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group hedges and from the quantity of the hedging instrument that the Group actually uses to hedge this quantity of hedged items.

Transactions that meet all the qualifying criteria for hedge accounting are accounted for as follows:

Fair value hedges
The change in the fair value of hedging derivatives is recognized in the consolidated income statement. The change in the fair value of the hedged item attributable to the hedged risk is recognized as part of the carrying amount of the hedged item and is also recognized in the consolidated income statement for the period in other costs.

Cash flow hedging
The effective portion of gain or loss on the hedging instrument, is recognized in the consolidated statements of comprehensive income in the cash flow hedge reserve, while the ineffective portion is recognized immediately in the consolidated income statement. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in the fair value of the hedged item.

The Group uses forward currency contracts to hedge its exposure to exchange rate risk relating to expected transactions. The ineffective portion of the forward currency contracts is recognized among the financial income and expenses.

The Group only designates the spot component of forward contracts as a hedging instrument. The forward component is cumulatively recognized in OCI in a separate item.

The amount accumulated in OCI is reclassified in the consolidated income statement as a reclassification adjustment in the same period or in the periods during which the hedged cash flows affect the consolidated income statement.

If cash flow hedge accounting is discontinued, the amount accumulated in OCI must remain that amount if it is expected that future cash flow hedges cash flows are still expected to occur. Otherwise, the amount is immediately reclassified to the consolidation income statement for the period as a reclassification adjustment.

03.16.2. DETERMINATION OF FAIR VALUE

The Group measures some financial instruments, such as derivatives, at fair value at each reporting date.

The fair value is the price that would be received for the sale of an asset, or that would be paid to transfer a liability, in a regular transaction between market participants at the measurement date.

The Group uses valuation techniques that are appropriate for the circumstances and for which there is sufficient data available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All the assets and liabilities for which the fair value is measured or disclosed in the financial statements are categorized according to the fair value hierarchy, as described below:

- Level 1 — prices quoted (unadjusted) in active markets for identical assets or liabilities that the entity can access on the measurement date;
- Level 2 — inputs other than the quoted prices included in Level 1, observable directly or indirectly for the asset or liability;
- Level 3 — valuation techniques for which the input data is not observable for the asset or liability.

03.17. ACCOUNTING STANDARDS AND INTERPRETATIONS WITH APPLICATION FROM JANUARY 1, 2023 OR LATER.

The following changes apply from January 1, 2023:

- Definition of Accounting Estimates - Amendments to IAS 8;
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2;
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12;
- International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

03.17.1. DEFINITION OF ACCOUNTING ESTIMATES - AMENDMENTS TO IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Group's consolidated financial statements.

03.17.2. DISCLOSURE OF ACCOUNTING POLICIES - AMENDMENTS TO IAS 1 AND IFRS PRACTICE STATEMENT 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

03.17.3. DEFERRED TAX RELATED TO ASSETS AND LIABILITIES ARISING FROM A SINGLE TRANSACTION – AMENDMENTS TO IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no impact on the Group's consolidated financial statements.

03.17.4. INTERNATIONAL TAX REFORM—PILLAR TWO MODEL RULES – AMENDMENTS TO IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The amendments had no impact on the Group's consolidated financial statements as the Group is not in scope of the Pillar Two model rules as its revenue is less that EUR 750 million/year.

03.17.5. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations which, at the date of preparation of these financial statements, had already been issued but were not yet effective, are illustrated below. The Group intends to adopt these standards and interpretations, if applicable, when they become effective.

03.17.6. AMENDMENTS TO IFRS 16: LEASE LIABILITY IN A SALE AND LEASEBACK

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

03.17.7. AMENDMENTS TO IAS 1: CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

In January 2020, the IASB published amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right;
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The amendments are not expected to have a material impact on the Group's financial statements.

03.17.8. SUPPLIER FINANCE ARRANGEMENTS - AMENDMENTS TO IAS 7 AND IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements, as the Group already discloses the information required by the amendments.

03.18. SIGNIFICANT ESTIMATES AND ASSUMPTIONS

03.18.1. IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Group checks whether there are indicators of impairment for all non-financial assets that require an impairment test; in any case, at least annually, goodwill and intangible assets with an indefinite useful life are subjected to impairment tests. If the asset is impaired, the book value is reduced to the recoverable amount. An impairment occurs when the book value of an asset or cash-generating unit exceeds its recoverable amount, which is the greater of its fair value less costs to sell and its value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset or a cash-generating unit in a free transaction between knowledgeable and willing parties, less the costs of the disposal. The calculation of the value in use is based on a model of discounting of cash flows. Cash flows are usually derived from the financial projections of the following 5 years and do not include restructuring activities for which the Group has not yet committed or significant future investments which will increase the results of the activity included in the cash flow generating unit tested. The recoverable amount depends significantly on the discount rate used in the discounting model of the cash flows, as well as on the cash flows expected in the future and on the growth rate used for the extrapolation.

The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 04.1.2.

03.18.2. LEASES - ESTIMATE OF THE INCREMENTAL BORROWING RATE

The Group cannot easily determine the implicit interest rate of most lease contracts and therefore uses the incremental borrowing rate (IBR) to measure the lease liability. The incremental borrowing rate is the interest rate that the lessee would have to pay for to borrow aver a similar terms, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects the rate that the Group would have to pay, and this requires the estimation when data are not observable or when rates need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable data (such as market interest rates), if available, and making entity specific estimates on credit ratings.

03.18.3. SIGNIFICANT JUDGMENT IN DETERMINING THE LEASE TERM OF CONTRACTS THAT CONTAIN AN EXTENSION OPTION

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, for some of its leases, to extend the lease term, as well as to terminate the lease. The Group applies its judgment in assessing whether it is reasonable certain whether or not to exercise the renewal or to terminate the lease. The Group considers all the factors that may create an incentive to exercise the renewal or termination. After the commencement date, the Group re-evaluates the duration of the lease in the event that a significant event or significant change occurs in circumstances that are under its control and which may affect the ability to exercise (or not to exercise) the renewal option (for example, a change in business strategy). The renewal options for vehicle leases have not been included in the determination of the duration of the lease, as the Group has a lease policy for vehicles for a period not exceeding five years and therefore will not exercise any renewal option.

03.18.4. DEFERRED TAX ASSETS

Deferred tax assets are recognized in accordance with IAS 12. An assessment is required from the Group to determine the amount of deferred tax assets that can be recognized, based on the estimation of the future tax profits, as well as a planning strategy for future taxes. Further details on taxes are disclosed in Note 04.10.

03.18.5. PROVISIONS FOR RISKS AND CHARGES

The Group make estimates for the valuation of risks and charges. In particular, the Group made use of estimates and assumptions in determining the degree of likelihood of occurrence of a liability and, if the risk was assessed as probable, in determining the amount to be set aside for the identified risks. Further details about provisions for risks and charges are provided in Note 04.19.

03.18.6. REVENUE RECOGNITION – ESTIMATE OF THE VARIABLE CONSIDERATION FOR RETURNS

The Company has developed a statistical model for expected returns on sales. The model uses the historical return data by season in order to quantify the expected return percentages. These percentages are then applied to determine the expected value of the variable consideration. Any significant change compared to the model will affect the expected return percentages estimated by the Company.

As of 31 December 2023, 2022 and 2021 the amount recognized as refund liabilities for the expected returns was Euro 18,677 thousand, Euro 14,264 thousand and Euro 8,261 thousand respectively.

03.18.7. INVENTORY WRITE-DOWN PROVISION

The value of inventories is adjusted taking into consideration the age and condition of inventory, as well as the saleability of finished products across the Group's distribution channels, taking into account the Group strategy. Further details about inventory write-down provision are provided in Note 4.12.

03.18.8. ALLOWANCE FOR DOUBTFUL ACCOUNTS

The allowance for doubtful accounts reflects the estimate of Expected Credit Loss over the entire life of the trade receivables recorded in the financial statements and not covered by any credit insurance. This estimate considers the historical information available to the Company and the expectations on future economic conditions. The matrix is based on the Company's observed historical default rates, and adjusted including forecast data. For example, if the expected economic conditions (e.g., gross domestic product) are expected to deteriorate the following year, this may lead to an increase in the number of defaults in a given geographic market, historical default rates are therefore adjusted. At each reporting date, historical default rates are updated and changes in estimates on forecast items are analysed. The assessment of the correlation between historical default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in the circumstances and expected economic conditions. The historical experience of the Company's credit losses and the forecast of future economic conditions may also not be representative of the customer's actual insolvency in the future. Further details about allowance for doubtful accounts are provided in Note 04.13.

03.19. BUSINESS COMBINATION OCCURRED DURING THE REPORTING PERIOD

03.19.1. ACQUISITION OF GGDB/IFT S.R.L.

In 2022 Golden Goose S.p.A. and Italian Fashion Team S.r.l. signed a binding agreement for Golden Goose S.p.A.'s total acquisition of GGDB/IFT S.r.l., a newly established company resulting from the business unit spun off by Italian Fashion Team S.r.l. business unit consisting of all the operations, assets and legal relations of Italian Fashion Team S.r.l. (minus equity investments and a shareholder loan).

Italian Fashion Team S.r.l. is one of the Group's main suppliers of sneakers. Founded in 2007 and based in Casarano, Lecce, Italy, Italian Fashion Team S.r.l. specializes in the design, manufacture, and sale of high-end footwear for some of Italy's best-known luxury brands. Italian Fashion Team S.r.l. aims to preserve the artisanal heritage of the Salento footwear district, overseeing all the central stages of the production chain to ensure the highest quality standards. In 2022 its team of more than 270 employees produced more than 870,000 pairs of sneakers, 80% of them for Golden Goose.

The acquisition is part of the Group's supply chain vertical integration strategy. Italian craftsmanship, dexterity, and tradition are at the heart of the Golden Goose brand. This is blended with a firm resolve to preserve traditional craftsmanship and Italian artisanal excellence. The integration with the newly formed company GGDB/IFT S.r.l. will give us strategic control of the Group's supply chain, as well as the opportunity to govern the Group's production capacity in view of the brand's expected medium- to long-term growth.

The acquisition took place on January 1, 2023, and for GGDB/IFT S.r.l. was included in the consolidation since this date.

The allocation of the price paid under the business combination has been completed, and the following table summarizes the fair value of the assets acquired and the liabilities assumed:

(Euro thousand)	**As of January 1, 2023**
Intangible assets	26
Tangible assets	5,791
Deferred tax assets	70
Other non-current financial assets	109
Other non-current assets	361
Non-current assets	**6,358**
Inventories	3,080
Trade receivables	25,357
Current tax assets	11
Cash and cash equivalents	4,360
Current assets	**32,808**
Total assets	**39,166**
Provisions for pensions	(1,151)
Non-current liabilities	**(1,151)**
Trade payables	(13,013)
Other current liabilities	(3,340)
Current financial liabilities	(4,552)
Current liabilities	**(20,906)**
Total liabilities	**(22,056)**
Total identifiable net assets at fair value	**17,110**
Goodwill arising on acquisition	25,046
Purchase consideration transferred	**42,156**

The gross amount of trade receivables acquired is Euro 25,357 thousand and it is expected that the full contractual amounts can be collected. The total consideration defined for this acquisition is Euro 42,156 thousand as detailed below:

Price consideration paid in January 2023	31,544
Price adjustment paid in April 2023	419
Fair value of the deferred consideration	10,193
Total consideration	**42,156**

The first tranche of the consideration (Euro 31,544 thousand) was placed in an escrow account in December 2022. The transaction was finalized on January 1, 2023 with the release of the funds in that account to the seller. In April 2023 an additional amount of Euro 419 thousand was paid to the seller as adjustment connected to the final Net Financial Position calculation of GGDB/IFT.

The deferred part of the consideration, due in 2024 has a fair value of Euro 10,193 thousand at the acquisition date. This consideration will be either be Euro 11,500 thousand to be paid in cash or in Group's shares equal to Euro 10,000 thousand at the IPO price if Golden Goose Group will be listed on a regulated stock market before June 30, 2024.

The cash flows presented as "Acquisitions, net of cash and cash equivalents" in 2023 (Euro 3,941 thousand), includes the Cash and cash equivalents held by GGDB/IFT at the acquisition date (Euro 4,360 thousand), net of the price adjustment paid in April 2023 (Euro 419 thousand).

Transaction costs of Euro 461 thousand, mainly legal and due diligence costs, were expenses and are included in the "General and administrative expenses". Cash outflows of the transaction cost were presented as operating cash flow, of which Euro 334 thousand in 2023 and Euro 127 thousand in 2022.

The share purchase agreement provided an additional compensation for the former owner of the business (to be paid to his company, Italian Fashion Team S.r.l.), which will be paid in yearly instalments in the period 2024-27 only if the person will still be working with the company. Such additional compensation (Euro 1,500 thousand per year) is not included in the consideration transferred for the acquisition and will be accounted as an operating expense.

The goodwill recognized captures the synergies that will be achieved as part of the consolidation of operations in the Golden Goose Group, as well as intangible assets that do not qualify for separate recognition, such as the workforce. The goodwill is not expected to be tax deductible.

From the acquisition date, January 1, 2023, GGDB/IFT contributed to the consolidated revenues for Euro 11,625 thousand, net of the intercompany sales; and a net profit of Euro 2,896 thousand, net of the intercompany transactions.

03.20. BUSINESS COMBINATION OCCURRED AFTER THE END OF THE REPORTING PERIOD

03.20.1. ACQUISITION OF CALZATURIFICIO SIRIO S.R.L.

In September 2022 Golden Goose S.p.A. signed a binding agreement with Calzaturificio Sirio S.r.l. ("Sirio"), one of its sneakers suppliers, for the acquisition of a minority stake equal to 30%. Besides the parties also agreed on a system of options that may allow the Group to have majority control of the company from 2023. As of December 31, 2022 the Sirio equity investment was accounted for in the financial statements using the equity method.

In November 2023, the parties signed a second agreement for Golden Goose S.p.A.'s total acquisition of Sirio, whose effects are effective from January 1, 2024.

Based in Campania in southern Italy, Sirio specializes in the design, production, and marketing of high-end footwear for some of the most renowned luxury brands in Italy. With a production capacity of about 350,000 pairs per year and strong growth potential, Sirio aims to preserve the artisan heritage of the Campania footwear district, overseeing all key stages of the production chain to ensure the highest quality standards.

As of today, the total consideration defined for this acquisition has been provisionally quantified in Euro 7,029 thousand, as detailed below:

Fair value of 30% stake originally acquired in September 2022	2,109
First installment of the 70% stake, paid in November 2023	500
Second installment of the 70% stake, paid in January 2024	4,420
Provisional consideration	**7,029**

The 30% stake, originally paid Euro 2,412 thousand in September 2022 excluding the direct costs, has been remeasured at its fair value (Euro 2,109 thousand) at the date of the acquisition of the control (January 1, 2024).

The provisional consideration is subject to a price adjustment, to be paid in March 2024, connected to the calculation of the Net Financial Position of Sirio as of December 31, 2023.

The share purchase agreement provided an additional compensation for the former owner of the business, that will be paid in yearly instalments in the period 2024-26 only if the person will still be working with the company. Such additional compensation (Euro 1,093 thousand per year) is not included in the consideration transferred for the acquisition and will be accounted as an operating expense.

As of the date of this report, the allocation of the price paid under the business combination has not yet been completed as the Group is still determining the fair value of the assets acquired and liabilities assumed; the following table summarizes the provisional amounts:

(Euro thousand)	As of January 1, 2024
Intangible assets	113
Tangible assets	1,712
Other non-current assets	43
Non-current assets	**1,869**
Inventories	1,840
Trade receivables	1,318
Current tax assets	271
Other current assets	2,170
Cash and cash equivalents	1,011
Current assets	**6,610**
Total assets	**8,479**
Provisions for pensions	(644)
Non-current provisions for risks and charges	(55)
Non-current liabilities	**(699)**
Trade payables	(2,627)
Other current liabilities	(700)
Tax liabilities	(524)
Current financial liabilities	(408)
Current liabilities	**(4,258)**
Total liabilities	**(4,957)**
Total identifiable net assets at fair value	**3,522**
Provisional goodwill arising on acquisition	3,507
Provisional purchase consideration transferred	**7,029**

It is expected that the goodwill that will be recognized will capture the synergies that will be achieved as part of the consolidation of operations in the Golden Goose Group, as well as intangible assets that do not qualify for separate recognition, such as the workforce.

04 MAIN ITEMS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

04.1. INTANGIBLE ASSETS

The breakdown and movements of intangible assets for the years 2023, 2022 and 2021 are as follows.

(Euro thousand)	Cost 01.01.23	Accumulated depreciation 01.01.2023	01.01.2023 Net Value	Increases	Decreases	Depreciation	Write-up	Business combination	FX Changes	Cost 31.12.23	Accumulated depreciation 31.12.23	31.12.23 Net Value
Trademarks and patents	703,762	(244)	703,517	-	-	(44)	-	-	-	703,762	(289)	703,473
Concessions, licenses, software and similar rights	21,901	(14,586)	7,315	6,631	-	(4,213)	10	22	(42)	28,618	(18,895)	9,723
Key Money	8,635	(6,073)	2,562	1,189	-	(1,349)	14	-	(154)	9,656	(7,395)	2,261
Goodwill	548,084	-	548,084	-	-	-	-	25,046	-	573,129	-	573,129
Backlog	11,900	(11,900)	-	-	-	-	-	-	-	11,900	(11,900)	-
Customer relationships	185,600	(30,860)	154,740	-	-	(12,496)	-	-	-	185,600	(43,356)	142,244
Intangible assets in progress and payments on account	372	-	372	420	(372)	-	-	-	-	420	-	420
Other intangible assets	199	(126)	73	50	(67)	(21)	3	4	(3)	151	(113)	38
Total	**1,480,451**	**(63,789)**	**1,416,663**	**8,290**	**(439)**	**(18,124)**	**26**	**25,072**	**(198)**	**1,513,236**	**(81,948)**	**1,431,288**

Intangible assets as of December 31, 2023, have a value of Euro 1,431,288 thousand, compared to a value as of December 31, 2022, amounting to Euro 1,416,663 thousand, highlighting an increase of Euro 14,625 thousand (+1 %).

As of December 31, 2023, the net value of intangible asset located in EMEA was Euro 11,528 thousand (of which Euro 8,264 thousand in Italy), in Americas Euro 827 thousand, in APAC Euro 660 thousand. Euro 1,418,273 thousand, composed by goodwill, the trademark and the customer relationship allocated following the 2020 acquisition, are not allocated.

(Euro thousand)	Cost 01.01.22	Accumulated depreciation 01.01.22	01.01.22 Net Value	Reclass	Increases	Decreases	Depreciation	FX Changes	Cost 31.12.22	Accumulated depreciation 31.12.22	31.12.22 Net Value
Trademarks and patents	703,914	(200)	703,714	-	1	(155)	(44)	1	703,762	(245)	703,517
Goodwill	548,084	-	548,084	-	-	-	-	-	548,084	-	548,084
Customer relationships	184,950	(18,374)	166,576	-	650	-	(12,486)	-	185,600	(30,860)	154,740
Concessions, licenses, software and similar rights	16,214	(9,820)	6,394	-	5,649	(1)	(4,712)	(15)	21,901	(14,586)	7,315
Key Money	8,717	(5,073)	3,644	-	-	-	(1,042)	(40)	8,635	(6,073)	2,562
Backlog	11,900	(11,900)	-	-	-	-	-	-	11,900	(11,900)	-
Intangible assets in progress and payments on account	4,809	-	4,809	(4,729)	292	-	-	-	372	-	372
Other intangible assets	349	(135)	214	-	65	(160)	(43)	(3)	199	(126)	73
Total	**1,478,937**	**(45,502)**	**1,433,435**	**(4,729)**	**6,657**	**(316)**	**(18,327)**	**(57)**	**1,480,453**	**(63,790)**	**1,416,663**

Intangible assets as of December 31, 2022, amount to Euro 1,416,663 thousand, compared to a value of Euro 1,433,435 thousand as of December 31, 2021, showing a decrease of Euro 16,772 thousand (-1.2%). The column "Reclas." refers to the reclassification of all those costs incurred during 2021 on leased assets from Intangible Assets to Tangible Assets.

As of December 31, 2022, the net value of intangible asset located in EMEA was Euro 10,062 thousand (of which Euro 3,317 thousand in Italy), in Americas Euro 125 thousand; in APAC Euro 753 thousand. Euro 1,405,723 thousand, composed by goodwill, the trademark and the customer relationship allocated following the 2020 acquisition, are not allocated.

(Euro thousand)	Cost 01.01.21	Accumulated depreciation 01.01.21	01.01.21 Net Value	Increases/Decreases		Depreciation	FX Changes	Cost 31.12.21	Accumulated depreciation 31.12.21	31.12.21 Net Value
Trademarks and patents	703,798	(156)	703,642	104		(45)	13	703,914	(200)	703,714
Goodwill	548,084	-	548,084	-		-	-	548,084	-	548,084
Customer relationships	182,100	(6,106)	175,994	2,850		(12,268)	-	184,950	(18,374)	166,576
Concessions, licenses, software and similar rights	13,267	(5,334)	7,933	2,971		(4,492)	(18)	16,214	(9,820)	6,394
Key Money	8,581	(3,978)	4,603	(76)		(923)	40	8,717	(5,073)	3,644
Backlog	11,900	(11,900)	-	-		-	-	11,900	(11,900)	-
Intangible assets in progress and payments on account	4,294	-	4,294	470		-	45	4,809	-	4,809
Other intangible assets	135	(100)	35	382		(227)	24	349	(135)	214
Total	**1,472,159**	**(27,574)**	**1,444,585**	**6,701**		**(17,955)**	**104**	**1,478,937**	**(45,502)**	**1,433,435**

Intangible assets as of December 31, 2021, amount to Euro 1,433,435 thousand, compared to a value of Euro 1,444,585 thousand as of December 31, 2020, showing a decrease of Euro 11,150 thousand (-0.8%).

As of December 31, 2021, the net value of intangible asset located in EMEA was Euro 13,458 thousand (of which Euro 3,782 thousand in Italy), in Americas Euro 1,002 thousand; in APAC Euro 1,416 thousand. Euro 1,417,560 thousand, composed by goodwill, the trademark and the customer relationship allocated following the 2020 acquisition, are not allocated.

04.1.1. TRADEMARKS AND PATENTS

Trademarks and patents decreased by Euro 44 thousand, to Euro 703,473 thousand as of December 31, 2023 from Euro 703,517 thousand as of December 31, 2022, and decreased by Euro 197 thousand to Euro 703,517 thousand as of December 31, 2022, from Euro 703,714 thousand as of December 31, 2021.

The amount mainly relates to the value relating to the "Golden Goose Deluxe Brand" trademark, recognized in the purchase price allocation following the Group acquisition occurred in 2020. The value initially attributed to the brand, equal to Euro 702,900 thousand, was assigned by Board of Directors based on an appraisal carried out by an independent firm which applied the royalty relief method using a royalty rate of 11.5%, consistent with a panel of comparable brands, and using a discount rate (WACC) of 9.9% and considering the tax amortization benefit. The classification of a trademark as an asset with finite or indefinite useful life was based on the following criteria:

- the brand or trade name's overall positioning in its market expressed in terms of volume of activity, international presence and reputation;
- its expected long term profitability;
- its degree of exposure to changes in the economic environment;
- any major event within its business segment liable to compromise its future development;
- its age.

In addition, from business and legal perspective, this trademark has no terms or can be indefinably renewed and therefore, will always belong to the Group. Having considered these criteria, the Group classified its trademark as assets with indefinite useful life.

As of December 31, 2023, the Group carried out an impairment test on the brand value, and the recoverable amount was estimated determining the brand fair value using a WACC of 10.0% and a royalty rate of 11.5 %, based on the most recent business plan approved by the Board of Directors as described in note 04.1.2. No impairment loss was identified. Below are the financial parameters that would reduce the recoverable amount to the trademark book value at the reporting date:

- Decrease of the net revenues, including terminal value: -30.3%
- Increase in the WACC: +291 bps;
- Decrease of the growth rate: -349 bps.

As of December 31, 2022, the Group carried out an impairment test on the brand value, based on the business plan described in note 04.1.2, and the recoverable amount was estimated determining the brand fair value using a WACC of 11.1% and a royalty rate of 11.5%. No impairment loss was identified.

As of 31 December 2021, the Group carried out an impairment test for the brand value, based on the business plan described in note 04.1.2, and the recoverable amount was estimated determining the brand fair value using a WACC of 9.8% and a royalty rate of 11.5%. No impairment loss was identified. The increase in this category relates to patents acquired during the year 2021.

04.1.2. GOODWILL

Goodwill increased by Euro 25,045 thousand to Euro 573,129 thousand as of December 31, 2023, from Euro 548,084 thousand as of December 31, 2022 (unchanged compared to December 31,2021). The increase in 2023 is due to the GGDB/IFT acquisition, described in Note 03.19.1. The remaining amount of Goodwill, Euro 548,084, referring to the acquisition in 2020, was determined as the residual value after allocating the consideration paid for the acquisition of the Golden Goose Group to all identifiable assets and liabilities, for a value of Euro 548,084 thousand. The recoverable value of the cash generating units was determined based on a calculation of the value in use.

The Group carried out impairment tests in accordance with IAS 36, allocating to its CGUs all of its operating assets and liabilities, including Tangible and Intangible assets. Management identifies the geographical areas in which the Group operates (EMEA, America, APAC) as CGUs for the purpose of impairment test. Management strategically considers the Group as a unified entity, allocating investments in the geographical areas with the greatest commercial and profitability potential at any given time, in order to maximize the Group's overall value creation.

Consequently, under the application of IAS 36, Goodwill can only be reasonably tested over the group of CGUs that comprises the entire Group.

For the impairment tests, the Group engages an independent external expert, to assist in the process. In particular, the external expert provides assistance in determining the recoverable amount, which involves estimating the future cash flows expected, derived by the Group's business plans, and applying an appropriate discount rate to calculate the present value of those cash flows. The external expert's work is reviewed by the Management.

Based on the impairment test carried out as of December 31, 2023, the recoverable amounts of the group of CGUs were determined considering their value in use, from the point of view of the entity that carries out the business, for which it assumes a value proportionate to the expected cash flows arising from its continued use and disposal at the end of activities. The Group extracted from its 2024-2029 business plan, approved by the Company's Board of Directors on March 7, 2024, the projections for the five-year period 2024-2028 to calculate the value in use of the CGUs and derive perpetuity. The WACC applied was 10.0%, with a G rate of 2.5%, equal to the expected weighted long-term inflation rate. No impairment loss has been identified for the goodwill.

Considered i) the proven ability to consistently deliver business plan goals over the past two years, ii) the historical outperformance of the reference market, iii) a business plan whose projections are consistent with the main expected trends of the luxury goods market, the Group's management concluded that carrying amount of the group of CGUs exceeded its recoverable amount.

The Group also conducted sensitivity analyses of the parameters applied in the base version of the test, increasing or decreasing the WACC discount rate and/or the g-rate. Below are the financial parameters that would reduce the Enterprise Value to align it with the Group's net invested capital at the reporting date:

- Operating cash flows, including terminal value: -11%
- Increase in the WACC: +83 bps;
- Decrease of the growth rate: -117 bps.

On December 31, 2022, the impairment test was performed using the 2023-2027 business plan approved on February 28, 2023 by the Golden Goose S.p.A., whose perspective financial information was overperformed in the year ended December 31, 2023, and extending its results to the consolidation of Golden Goose Group S.p.A.. The WACC applied was 11.1%, with a G rate of 2.3%, equal to the expected weighted long-term inflation rate. No impairment loss has been identified for the goodwill. Below are the financial parameters that would reduce the Enterprise Value to align it with the Group's net invested capital at the reporting date.

- Operating cash flows, including terminal value: -9.1%
- Increase in the WACC: +78 bps;
- Decrease of the growth rate: -115 bps.

On December 31, 2021 the Management confirmed the impairment test that was performed by Golden Goose S.p.A. in its 2021 consolidated financial statement, using the latest available business plan then available, as updated for 2022 by the budget. The perspective financial information underlying the test was overperformed in the years ended December 31, 2022 and 2023. The WACC applied was 9.8%, with a G rate of 2.0%, equal to the expected weighted long-term inflation rate. No impairment loss has been identified for the goodwill.

Below are the financial parameters that would reduce the Enterprise Value to align it with the Group's net invested capital at the reporting date.

- Operating cash flows, including terminal value: -19.4%;
- Increase in the WACC: +166 bps;
- Decrease of the growth rate: -247 bps.

04.1.3. CUSTOMER RELATIONSHIPS

Customer relationships decreased by Euro 12,496 thousand, to Euro 142,244 thousand as of December 31, 2023, from Euro 154,740 thousand as of December 31, 2022, and decreased by Euro 11,836 thousand to Euro 154,740 thousand as of December 31, 2022, from Euro 166,576 thousand as of December 31, 2021. Customer relationships mainly refer to the purchase price allocation after the acquisition of Golden Goose in 2020. The initially asset value (Euro 182,100 thousand gross) was assigned by the Board of Directors on the basis of an appraisal carried out by an independent firm which estimated the value applying the attrition rate (6.7%, based on the average loss rate per year of wholesale customers served by Golden Goose in the five years before the acquisition in 2020) and considering a 15-year period, using 10.9% as discount rate (equal to the WACC, used for the trademark appraisal, increased by an additional premium of 1%) and considering the tax amortization benefit. The asset is amortized over a 15-year period.

04.1.4. CONCESSIONS, LICENSES, SOFTWARE, AND SIMILAR RIGHTS

Concessions, licenses, software, and similar rights increased by Euro 2,408 thousand to Euro 9,723 thousand as of December 31, 2023, from Euro 7,315 thousand as of December 31, 2022, and increased by Euro 921 thousand to Euro 7,135 thousand as of December 31, 2022, from Euro 6,394 thousand as of December 31, 2021.

This category mainly includes the costs incurred for the acquisition and implementation of company information systems and the website for e-commerce. The increases refer to licenses on software programs related to upgrading and customizing the company's ERP software.

04.1.5. KEY MONEY

Key Money decreased by Euro 301 thousand, to Euro 2,261 thousand as of December 31, 2023, from Euro 2,562 thousand as of December 31, 2022, and decreased by Euro 1,082 thousand to Euro 2,562 thousand as of December 31, 2022, from Euro 3,644 thousand as of December 31, 2021.

Key Money refers to costs paid by Group companies to take over contracts referred to commercial real estate located in prestigious places within the opening of owned stores. These costs are capitalized because of the expected incremental revenues deriving from the possibility of specifically operating in prestigious locations. Key money is amortized over the lease term, taking account of the possibility of renewal. At the reporting date, no impairment indicators were identified for key money.

04.1.6. INTANGIBLE ASSETS UNDER DEVELOPMENT AND ADVANCES

Intangible assets under development and advances increased by Euro 48 thousand to Euro 420 thousand as of December 31, 2023, from Euro 372 thousand as of December 31, 2022, and decreased by Euro 4,437 thousand to Euro 372 thousand as of December 31, 2022, from Euro 4,809 thousand as of December 31, 2021, when intangible assets under development and advances mainly included expenses incurred by Golden Goose S.p.A. for property redevelopment costs, subsequently reclassified as tangible assets.

04.2. TANGIBLE ASSETS

The breakdown and movements of tangible assets for the years 2023, 2022 and 2021 are as follows.

(Euro thousand)	Cost 01.01.23	Accumulated depreciation 01.01.23	01.01.23 Net Value	Increases	Decreases	Amortization	Write-up	Business combination	FX Changes	Cost 31.12.23	Accumulated depreciation 31.12.23	31.12.23 Net Value
Land and buildings	6,875	(1,609)	5,266	104	-	(555)	-	3,976	-	11,326	(2,535)	8,791
Plant and machinery	817	(531)	286	544	-	(543)	-	1,650	-	5,004	(3,067)	1,937
Furniture and Leasehold improvement	86,234	(32,185)	54,049	20,540	(639)	(13,750)	479	166	(1,675)	103,899	(44,729)	59,170
Assets in progress and advance payments	6,490	-	6,490	8,882	(90)	-	-	-	(46)	15,236	-	15,236
Total	**100,416**	**(34,325)**	**66,091**	**30,071**	**(729)**	**(14,847)**	**479**	**5,791**	**(1,721)**	**135,465**	**(50,330)**	**85,134**

Net value of Tangible assets as of December 31, 2023, amount to Euro 85,134 thousand, compared to a net value of Euro 66,091 thousand as of December 31, 2022, showing an increase of Euro 19,043 thousand (28.8%). The increase of Euro 3,976 thousand in the item "Land and Buildings" and the increase of Euro 1,650 thousand in the item "Plant and Machinery" are mainly connected to the effect of consolidation of GGDB/IFT S.r.l.

The item "Furniture and Leasehold improvement" include both office and store furniture, electronic office machine, leasehold improvements related to retail stores and HQ facilities. The increase in 2023 amounting to Euro 5,121 thousand is mainly related to the expansion of retail network. Increase in assets in progress is mainly connected to investments in the new facilities in Marghera (Venice) underlying the HAUS project.

As of December 31, 2023, the net value of tangible assets located in EMEA was Euro 45,770 thousand (of which Euro 35,054 thousand in Italy), in Americas Euro 25,098 thousand, in APAC Euro 14,267 thousand.

(Euro thousand)	Cost 01.01.22	Accumulated depreciation 01.01.22	01.01.22 Net Value	Reclass	Increases	Decreases	Amortization	Iperinflation IAS 29	FX Changes	Cost 31.12.22	Accumulated depreciation 31.12.22	31.12.22 Net Value
Land and buildings	502	(60)	442	-	4,864	-	(40)	-	-	6,875	(1,609)	5,266
Plant and machinery	798	(442)	356	-	4	(17)	(57)	-	-	817	(531)	286
Furniture and Leasehold improvement	71,584	(26,703)	44,881	-	20,743	(1,380)	(11,318)	419	705	86,234	(32,185)	54,049
Assets in progress and advance payments	998	-	998	4,729	2,746	(2,044)	-	-	60	6,490	-	6,490
Total	**73,882**	**(27,205)**	**46,677**	**4,729**	**28,357**	**(3,441)**	**(11,415)**	**419**	**765**	**100,416**	**(34,325)**	**66,091**

Net value of tangible assets as of December 31, 2022, amount to Euro 66,091 thousand, compared to a net value of Euro 46,677 thousand as of December 31, 2021, showing an increase of Euro 19,414 thousand (41.6%).

Land and Buildings mainly refer to an industrial property of approximately 4,000 square meters with significant strategic value in the context of the vertical integration undertaken by the Group in 2022 with the acquisition of the company Clarosa S.r.l. and a building owned by the Group used as a company guesthouse. Other tangible assets mainly relate to leasehold improvements carried out in out in the Group's retail stores, showrooms and HQ facilities. Increase in assets in progress is mainly connected to investments underlying the new facilities in Marghera (Venice) underlying the HAUS project.

As of December 31, 2022, the net value of tangible assets located in EMEA was Euro 30,229 thousand (of which Euro 22,736 thousand in Italy), in Americas Euro 22,031 thousand; in APAC Euro 13,831 thousand.

(Euro thousand)	Cost 01.01.21	Accumulated depreciation 01.01.21	01.01.21 Net Value	Increases	Decreases	Amortization	Write-ups	FX Changes	Cost 31.12.21	Accumulated depreciation 31.12.21	31.12.21 Net Value
Land and buildings	502	(45)	457	-	-	(15)	-	-	502	(60)	442
Plant and machinery	745	(382)	363	73	-	(79)	-	-	798	(442)	356
Furniture and Leasehold improvement	51,432	(16,963)	34,469	20,131	(256)	(10,710)	48	1,200	71,584	(26,703)	44,881
Assets in progress and advance payments	1,785	-	1,785	-	(808)	-	-	23	998	-	998
Total	**54,464**	**(17,390)**	**37,074**	**20,204**	**(1,064)**	**(10,804)**	**48**	**1,223**	**73,882**	**(27,205)**	**46,677**

Net value of tangible assets as of December 31, 2021, amount to Euro 46,677 thousand, compared to a net value of Euro 37,074 thousand as of December 31, 2020, showing an increase of Euro 9,607 thousand (25.9%).

The variation in tangible assets is mainly driven by leasehold improvements related to the expansion of the Group's retail network and renovation of HQ facilities (Milano and Marghera).

As of December 31, 2021, the net value of tangible assets located in EMEA was Euro 16,540 thousand (of which Euro 11,171 thousand in Italy), in Americas Euro 16,165 thousand; in APAC Euro 13,972 thousand.

04.3. RIGHTS OF USE

The breakdown and movements of intangible assets for the years 2023, 2022 and 2021 are as follows.

(Euro thousand)	Buildings	Motor vehicles	Electronic machines	Total Rights of use	Right-of-use liabilities
Book value as of December 31, 2022	**130,674**	811	1	131,486	(144,358)
Increases for new contracts	28,697	400	-	29,097	(29,097)
Depreciation for the period	(30,321)	(389)	-	(30,710)	-
Write-ups	763	-	-	763	-
Contractual amendments and early terminations	9,573	-	-	9,573	(9,573)
Accrued interest	-	-	-	-	(9,262)
Repayments	-	-	-	-	35,402
Exchange rate effect	(3,173)	-	-	(3,173)	3,602
Book value as of December 31, 2023	**136,213**	**822**	**1**	**137,036**	**(153,286)**

The total rights of use as of December 31, 2023, amount to Euro 137,036 thousand, compared to a book value of Euro 131,486 thousand as of December 31, 2022, showing an increase of Euro 5,550 thousand (4.2%) while right of use liabilities as of December 31, 2023, amount to Euro 153,286 thousand, compared to a right of use liabilities of Euro 144,358 thousand as of December 31, 2022, showing an increase of Euro 8,928 thousand (6.2%).

The variation of Euro 29,097 thousand in rights of use mainly relates to the new property lease contracts entered into 2023. The depreciation for the year amounts to Euro 30,710 thousand. Lease liabilities increased by Euro 29,097 in relation to new leases and by Euro 9,262 thousand for interest expense accrued. New contracts comprise Euro 27,111 thousand referring to contracts entered for stores opened during the year. Repayments for the year amounted to Euro 35,402 thousand.

Many lease contracts related to commercial buildings provide variable payments linked to the turnover of the stores.

The Group makes use of property rental contracts to obtain the availability of the premises where its business is carried out; these contracts provide for extension and termination options in accordance with what is normally applied in commercial practice. None of the assets consisting of the rights of use meets the definition of real estate investment. The Group has no sub-lease contracts in place and no sales or leaseback transactions were carried out.

As of December 31, 2023, the net value of the Right of Use assets located in EMEA was Euro 53,630 thousand (of which Euro 29,996 thousand in Italy), in Americas Euro 71,542 thousand, in APAC Euro 11,864 thousand.

(Euro thousand)	Buildings	Motor vehicles	Electronic machines	Total Rights of use	Right-of-use liabilities
Book Value as of December 31, 2021	**119,442**	316	4	119,762	(127,177)
Increases for new contracts	29,208	854	-	30,062	(30,087)
Depreciation for the period	(27,203)	(297)	(3)	(27,503)	-
Write-downs	(307)	-	-	(307)	-
Contractual amendments and early terminations	5,956	(62)	-	5,894	(5,892)
Accrued interest	-	-	-	-	(7,315)
Adjustments for hyperinflation	419	-	-	419	-
Repayments	-	-	-	-	29,409
Exchange rate effect	3,159	-	-	3,159	(3,296)
Book Value as of December 31, 2022	**130,674**	**811**	**1**	**131,486**	**(144,358)**

The total rights of use as of December 31, 2022, amount to Euro 131,486 thousand, compared to a book value of Euro 119,762 thousand as of December 31, 2021, showing an increase of Euro 11,724 thousand (9.8 %) while the right of use liabilities as of December 31, 2022, amount to Euro 144,358 thousand, compared to a right of use liabilities of Euro 127,177 thousand as of December 31, 2021, showing an increase of Euro 17,181 thousand (13.5 %).

These changes in rights of use mainly relate to the new lease contracts (properties and other assets) entered into for Euro 30,062 thousand, and the depreciation for the year of Euro 27,503 thousand. Lease liabilities increased by Euro 30,087 in relation to new leases and by Euro 7,315 thousand for interest expense accrued. New contracts comprise Euro 28,906 thousand referring to contracts entered for stores opened during the year. Repayments for the year amounted to Euro 29,409 thousand.

Hyperinflation adjustments refer to the application of IAS 29 for Euro 419 thousand to lease contracts of the Turkish subsidiary.

As of December 31, 2022, the net value of the Right of Use assets located in EMEA was Euro 50,423 thousand (of which Euro 28,642 thousand in Italy), in Americas Euro 66,792 thousand, in APAC Euro 14,271 thousand.

(Euro thousand)	Buildings	Motor vehicles	Electronic machines	Total Rights of use	Right-of-use liabilities
Book Value as of December 31, 2020	**93,875**	305	9	94,189	(98,675)
Increases for new contracts	40,298	247	-	40,545	(40,545)
Depreciation for the period	(22,344)	(216)	(5)	(22,565)	-
Write-ups	2,212	-	-	2,212	-
Contractual amendments and early terminations	888	(20)	-	868	(834)
Accrued interest	-	-	-	-	(5,208)
Rent relief accounted as negative variable lease payments	-	-	-	-	1,155
Repayments	-	-	-	-	22,152
Exchange rate effect	4,513	-	-	4,513	(5,222)
Book Value as of December 31, 2021	**119,442**	**316**	**4**	**119,762**	**(127,177)**

The total rights of use as of December 31, 2021, amount to Euro 119,762 thousand, compared to a book value of Euro 94,189 thousand as of December 31, 2020, showing an increase of Euro 25,573 thousand (27.2%) while the right of use liabilities as of December 31, 2021, amount to Euro 127,177 thousand, compared to a right of use liabilities of Euro 98,675 thousand as of December 31, 2020, showing an increase of Euro 28,502 thousand (28.9%).

These changes in rights of use mainly relate to the new property lease contracts entered, and the depreciation for the year of Euro 22,565 thousand. Lease liabilities increased by Euro 40,545 thousand in relation to new leases and by Euro 5,208 thousand for interest expense accrued.

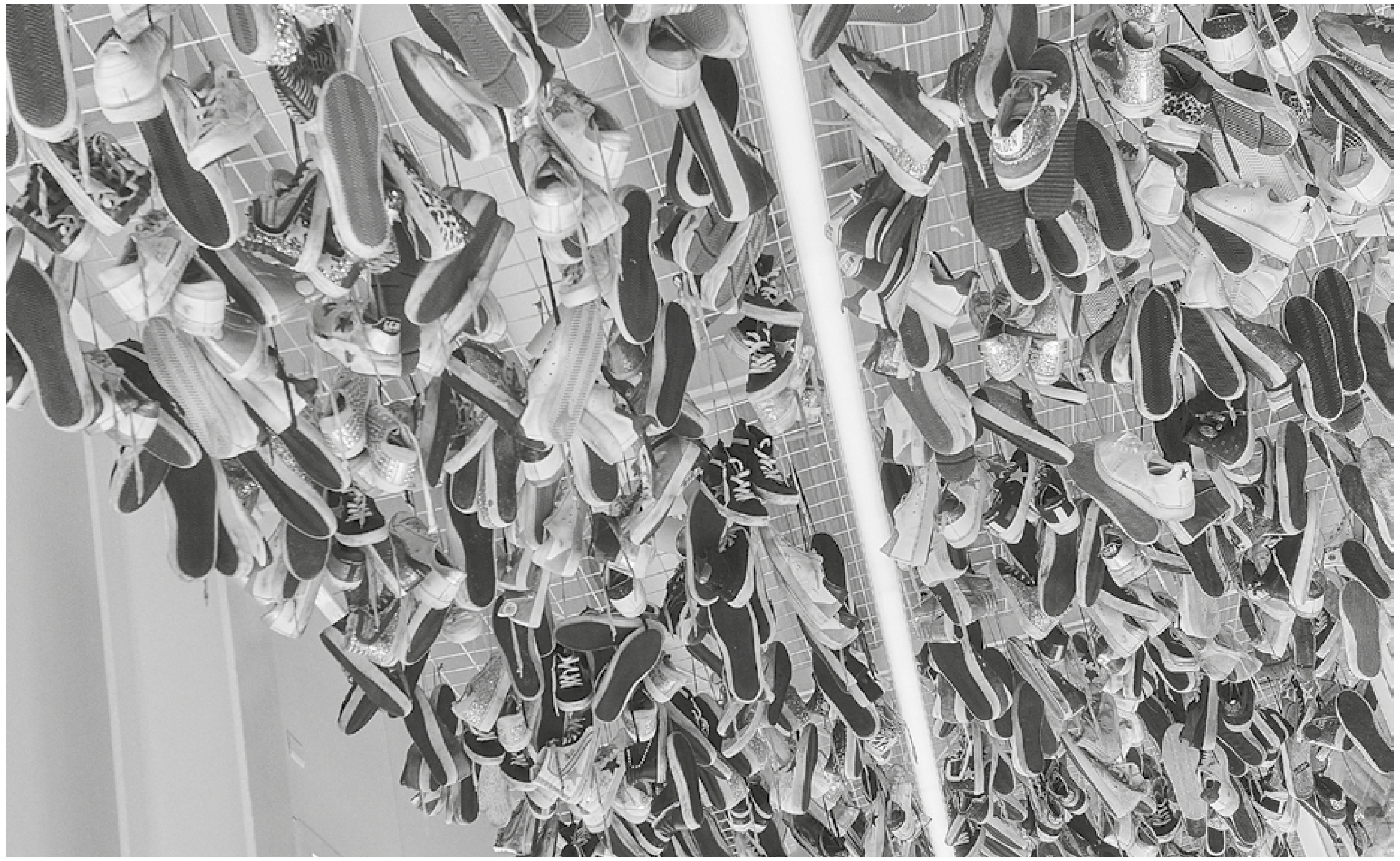
New contracts comprise Euro 33,597 thousand referring to contracts entered for stores opened during the year. Repayments for the year amounted to Euro 22,152 thousand. During the year, lessors granted to the Group rent relief in form of payment forgiveness for Euro 1,155 thousand, accounted for as a negative variable lease payment, according to the Amendment to IFRS 16. Write-backs refer mainly to two stores in Asia which had been written down in the previous year.

As of December 31, 2021, the net value of the Right of Use assets located in EMEA was Euro 45,280 thousand (of which Euro 29,129 thousand in Italy), in Americas Euro 59,461 thousand, in APAC Euro 15,021 thousand.

In the following table are disclosed the amounts included in the income statement:

(Euro thousand)	For the year ended December 31,		
	2023	2022	2021
Depreciation of right of use assets	30,710	27,503	22,565
Write-ups of the value of right-of-use assets	(763)	-	(2,212)
Write-downs of the value of right-of-use assets	-	307	-
Interest expense on leases	9,262	7,315	5,208
Rent relief accounted as negative variable lease payments	-	-	(1,155)
Rental costs - variable rents	16,603	14,300	11,307
Rental costs – short term leases and low value assets	3,715	2,831	2,531
Total effects recorded in the income statement	**59,527**	**52,256**	**38,244**

The total cash outflows associated with the Group's leases amounted to Euro 55,720 thousand for the year ended December 31, 2023, reflecting an increase of Euro 9,181 thousand compared to Euro 46,540 thousand in the prior year ended December 31, 2022, and an increase of Euro 10,550 thousand compared to Euro 35,990 thousand for the year ended December 31, 2021.



04.4. INVESTMENTS IN ASSOCIATES

Company	Country	% ownership	As of December 31,		
			2023	2022	2021
Sirio	Italy	30	3,542	2,711	-
Yatay	Italy	40	797	807	-
Total investments in Associates			**4,339**	**3,518**	**-**

The Sirio and Yatay investments are equity investments in associate companies accounted for using the equity method, and are included within the "Other non-current financial assets" (see Note 04.5 below).

04.4.1. SIRIO

In September 2022 Golden Goose completed the acquisition of a minority stake in Sirio (Calzaturificio Sirio S.r.l.), one of its suppliers. Golden Goose holds a 30% stake as of December 31, 2023 (unchanged compared December 31, 2022). The Sirio equity investment is accounted for in the financial statements using the equity method.

In November 2023, the parties signed a second agreement for Golden Goose S.p.A.'s total acquisition of Sirio, whose effects are effective from January 1, 2024 see note 3.20.1.

Based in Campania in southern Italy, Sirio specializes in the design, production, and marketing of high-end footwear for some of the most renowned luxury brands in Italy. With a production capacity of about 400,000 pairs per year and strong growth potential, Sirio aims to preserve the artisan heritage of the Campania footwear district, overseeing all key stages of the production chain to ensure the highest quality standards.

The following table summarizes the company's key financial information:

(Euro thousand)	As of December 31, 2023	As of December 31, 2022	As of September 30, 2022 (purchase date of the equity investment)
Cash and cash equivalents	1,011	937	192
Other Current Assets	5,601	5,191	5,019
Non-current assets	1,867	2,008	2,031
Current Liabilities	(4,258)	(6,182)	(5,946)
Non-current liabilities	(699)	(454)	(405)
Equity	**3,522**	**1,500**	**891**
Equity Share attributable to the Group (30%):	**1,057**	**450**	**267**
Reversal of unrealized gains (inventories still held by the Group) and other adjustment	(415)	(138)	(40)
First installment for the purchase of the residual 70% of the company	500	-	-
Goodwill	2,400	2,400	2,400
Carrying amount of the investment	**3,542**	**2,712**	**2,667**

(Euro thousand)	For the year ended December 31, 2023
Revenues	**19,658**
Cost of goods sold	(15,178)
Gross Margin	**4,481**
Selling and distribution expenses	(186)
General and administration expenses	(771)
Operating profit/(loss) (EBIT)	**3,524**
Financial income	-
Financial expenses	(279)
Earnings before taxes	**3,245**
Income taxes	(816)
Net profit/(loss)	**2,429**
Equity Share attributable to the Group (30%)	**729**

04.4.2. YATAY

The Group holds a 40.0% stake in Yatay S.r.l. (Yatay S.r.l. Benefit Company). The remaining 60.0% is held by Coronet S.p.A. This company was established in 2022 as a result of a framework agreement between Golden Goose S.p.A, Coronet S.p.A., a leading company in the field of design, production, offer, marketing and sale of fabrics, microfibers, and technical materials for footwear and leather goods, including circular/eco-sustainable materials alternative to leather of animal origin, and Veroverde S.r.l., active in the field of design, production, offer, marketing and sale of footwear made with circular/eco-sustainable materials alternative to leather of animal origin and owner of the "Yatay" brand.

The Company's main purpose is the research and development and subsequent sale of innovative and environmentally sustainable raw materials, materials, and products in the field of textiles and non-woven and similar products that have the purpose of being able to be used among other things to produce footwear, leather goods, furniture, clothing, and paper products. The Yatay equity investment is accounted for in the financial statements using the equity method.

The following table summarizes the company's key financial information:

(Euro thousand)	As of December 31, 2023	As of December 31, 2022
Cash and cash equivalents	0	643
Other Current assets	436	75
Non-current assets	1,347	142
Current Liabilities	(1,043)	(32)
Equity	**740**	**828**
Group shareholders' equity (40%)	**296**	**331**
Goodwill	476	476
Other adjustments	25	0
Carrying amount of the investment	**797**	**807**

(Euro thousand)	For the year ended December 31, 2023
Revenues	**165**
Cost of goods sold	(278)
Financial Income & Expenses	(1)
Earnings before taxes	**(114)**
Income taxes	30
Net profit/(loss)	**(84)**
Group shareholders' equity (40%)	**(34)**

04.5. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

The following is a reconciliation between the classes of financial assets and liabilities reported in the Group's consolidated statement of financial position and the categories used by IFRS 7 to identify financial assets and liabilities, for the three years presented:

(Euro thousand)	Derivatives designated as hedging instruments (assets)	Financial assets measured at amortized cost	Financial assets measured at fair value	Financial liabilities at fair value with changes recognized in the income statement	Derivatives designated as hedging instruments (liabilities)	Financial liabilities measured at amortized cost	Other	December 31, 2023
Other non-current financial assets	10,326	955					4,358	**15,639**
Trade receivables		35,507						**35,507**
Current financial assets	11,355	703	24,626					**36,684**
Non-current financial liabilities						(597,113)		**(597,113)**
Trade payables						(94,127)		**(94,127)**
Current financial liabilities				(10,562)		(44,613)		**(55,175)**
Total	**21,681**	**37,165**	**24,626**	**(10,562)**	**0**	**(735,853)**	**4,358**	**(658,585)**

Other mainly refers to investments in associates measured at the equity method. See Note 04.4.

(Euro thousand)	Derivatives designated as hedging instruments (assets)	Financial assets measured at amortized cost	Financial assets measured at fair value	Financial liabilities at fair value with changes recognized in the income statement	Derivatives designated as hedging instruments (liabilities)	Financial liabilities measured at amortized cost	Other	December 31, 2022
Other non-current financial assets	13,513	310					3,519	**17,342**
Trade receivables		34,632						**34,632**
Current financial assets	6,082	32,741	23,703					**62,525**
Non-current financial liabilities						(586,319)		**(586,319)**
Trade payables						(111,034)		**(111,034)**
Current financial liabilities				(2,486)	(737)	(48,262)		**(51,485)**
Total	**19,594**	**67,683**	**23,703**	**(2,486)**	**(737)**	**(745,615)**	**3,519**	**(634,339)**

(Euro thousand)	Derivatives designated as hedging instruments (assets)	Financial assets measured at amortized cost	Financial assets measured at fair value	Financial liabilities at fair value with changes recognized in the income statement	Derivatives designated as hedging instruments (liabilities)	Financial liabilities measured at amortized cost	Other	December 31, 2021
Other non-current financial assets		245						**245**
Trade receivables		36,642						**36,642**
Current financial assets	22	1,144	24,995					**26,161**
Non-current financial liabilities				(2,402)		(570,346)		**(572,748)**
Trade payables						(76,901)		**(76,901)**
Current financial liabilities				(1,000)	(2,780)	(35,214)		**(38,994)**
Total	**22**	**38,031**	**24,995**	**(3,402)**	**(2,780)**	**(682,461)**	**0**	**(625,595)**

The breakdown of financial instruments as of December 31, 2023, 2022 and 2021 are as follows.

FINANCIAL ASSETS			As of December 31,		
(Euro thousand)		**Note**	**2023**	**2022**	**2021**
Derivatives designated as hedging instruments	Forward foreign exchange contracts	04.5.1	15,230	9,335	22
	Forward contracts on interest rates	04.5.1	6,451	10,259	-
	Total derivatives designated as hedging instruments		**21,681**	**19,594**	**22**
Financial assets measured at amortized cost	Trade receivables	04.13	35,507	34,632	36,642
	Other current financial assets		703	32,741	1,144
	Other non-current financial assets		955	310	211
	Loans to employees		-	-	34
	Total financial assets measured at amortized cost		**37,165**	**67,683**	**38,031**
Financial assets measured at fair value	Investments in multi asset funds		24,626	23,703	24,995
	Total financial assets at fair value		**24,626**	**23,703**	**24,995**
	Total financial assets *		**83,472**	**110,980**	**63,048**
	* Financial assets other than cash and cash equivalents				
	Total current portion		**72,191**	**97,157**	**62,803**
	Total non-current portion		**11,281**	**13,823**	**245**

FINANCIAL LIABILITIES			As of December 31,		
(Euro thousand)		**Notes**	**2023**	**2022**	**2021**
Financial liabilities at fair value with changes recognized in the income statement	Contingent consideration from the business combination - current	04.8.1	10,562	2,486	1,000
	Contingent consideration from the business combination – non-current	04.8.1	0	0	2,402
	Total financial liabilities at fair value with changes recognized in the income statement		**10,562**	**2,486**	**3,402**
Derivatives designated as hedging instruments	Forward foreign exchange contracts	04.8.1	-	737	2,780
	Total derivatives designated as hedging instruments		**-**	**737**	**2,780**
Financial liabilities measured at amortized cost	Trade payables	04.21	94,127	111,034	76,901
	Reverse factoring liabilities	04.8.1	11,924	20,913	13,135
	Payables to banks - current	04.8.1	833	210	161
	Payables to banks -non - current	04.8.1	2,105	-	-
	Payables to bondholders - current	04.8.1	5,445	4,071	2,990
	Payables to bondholders – non-current	04.8.1	468,133	465,028	462,096
	Current lease liabilities	04.8.1	26,412	23,068	18,928
	Non-current lease liabilities	04.8.1	126,875	121,291	108,250
	Total financial liabilities measured at amortized cost		**735,853**	**745,615**	**682,461**
	Total financial liabilities		**746,415**	**748,838**	**688,643**
	Total current portion		**149,302**	**162,519**	**115,895**
	Total non-current portion		**597,113**	**586,319**	**572,748**

In accordance with IFRS 9, the classification of financial instruments is cross-cutting across various items in the consolidated statement of financial position. Total financial assets decreased by Euro 27,508 thousand to Euro 83,472 thousand as of December 31, 2023, from Euro 110,980 thousand as of December 31, 2022, and increased by Euro 47,932 thousand to Euro 110,980 thousand as of December 31, 2022, from Euro 63,048 thousand as of December 31, 2021.

Total financial liabilities decreased by Euro 2,423 thousand, to Euro 746,415 thousand as of December 31, 2023, from Euro 748,838 thousand as of December 31, 2022, and increased by Euro 60,915 thousand to Euro 748,838 thousand as of December 31, 2022, from Euro 688,643 thousand as of December 31, 2021.

04.5.1. FAIR VALUE ASSESSMENT AND RELATED HIERARCHICAL LEVELS OF VALUATION

Management believes that the book value for cash and cash equivalents, short-term deposits, receivables, trade payables, bank overdrafts, and other current liabilities approximates the fair value due to the short-term maturities of these instruments. Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(Euro thousand)	As of December 31,					
	2023		2022		2021	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Floating Rate Senior Secured Note	473,578	488,996	469,099	450,730	465,085	482,476

The main financial liability as of 31 December 2023, 2022, and 2021 is the bond loan having a nominal amount of Euro 480 million, issued in 2021. This bonds is traded on the LuxSE (Luxembourg Stock Exchange) and the MTF market of the Vienna Stock Exchange (with ISIN codes XS2342638033 and XS2342637498).

For fair value estimation, the following methods and assumptions have been employed:

- Long-term receivables and financing, both fixed and variable interest rates, are evaluated by the Group based on parameters such as interest rates, country-specific risk factors, individual creditworthiness of each customer, and the project-specific financial risk. Based on this assessment, provisions for estimated losses on these receivables are recognized in the accounts.

- The Group enters derivative financial instruments with various counterparts, mainly financial institutions with assigned credit ratings. Derivatives valued using market observable data primarily include interest rate swaps and currency forward contracts. Frequently applied valuation techniques include forward pricing and swaps models, utilizing present value calculation. Models consider various inputs, including counterparty credit quality, spot and forward foreign exchange rates, interest rate curves, and underlying commodity yield curves, as well as the basic spread between respective currencies.

- The fair value of the Group's interest-bearing borrowings is determined using the discounted cash flow method, applying a discount rate reflecting the issuer's interest rate at the end of the reporting period.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole. The following levels are distinguished:

- Level 1 — quoted prices in an active market for assets or liabilities being valued;

- Level 2 - inputs other than quoted prices in the above point that are directly observable (prices) or indirectly observable (derived from prices) in the market;

- Level 3 - inputs not based on observable market data.

The following tables provide the fair value measurement hierarchy of the Group's assets and liabilities:

(Euro thousand)		Note	December 31, 2023		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value	Investments in multi asset funds		24,626		
	Forward foreign exchange contracts	04.5.2		15,230	
	Forward contracts on interest rates			6,451	
Liabilities measured at fair value	Contingent consideration				(10,562)
Liabilities for which fair values are disclosed	Floating Rate Senior Secured Note		(488,996)		

(Euro thousand)		Note	December 31, 2022		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value	Investments in multi asset funds		23,703		
	Forward foreign exchange contracts	04.5.2		9,335	
	Forward contracts on interest rates			10,259	
Liabilities measured at fair value	Forward foreign exchange contracts	04.5.2		(737)	
	Contingent consideration				(2,486)
Liabilities for which fair values are disclosed	Floating Rate Senior Secured Note		(450,730)		

(Euro thousand)		Note	December 31, 2021		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value	Investments in multi asset funds		24,995		
	Forward foreign exchange contracts	04.5.2		22	
	Forward contracts on interest rates				
Liabilities measured at fair value	Forward foreign exchange contracts	04.5.2		(2,780)	
	Contingent consideration				(3,402)
Liabilities for which fair values are disclosed	Floating Rate Senior Secured Note		(482,476)		

Furthermore, during the three year presented, ending December 31, 2021, 2022 and 2023, there were no transfers from Level 1 to Level 2 or Level 3, and vice versa.

04.5.2. DERIVATIVE FINANCIAL INSTRUMENTS

Below is the breakdown of derivative financial instruments by category and maturity as of December 31, 2023, 2022 and 2021.

(Euro thousand)	Less than 3 months	3 to 6 months	6 to 9 months	9 to 12 months	1 to 5 years	Total
As of December 31, 2021						
Forward foreign exchange contracts (highly probable expected sales)						
Notional amount (in Euro thousand)	12,640	-	-	-	-	12,640
Average forward rate (EUR/USD)	1.187	-	-	-	-	1.187
Notional amount (in Euro thousand)	13,247	2,726	-	-	-	15,973
Average forward rate (EUR/KRW)	1.322	1.321	-	-	-	1.322
Notional amount (in Euro thousand)	13,706	-	-	-	-	13,706
Average forward rate (EUR/CNY)	7.879	-	-	-	-	7.879
As of December 31, 2022						
Forward foreign exchange contracts (highly probable expected sales)						
Notional amount (in Euro thousand)	18,671	28,861	28,894	28,525	207,547	312,499
Average forward rate (EUR/USD)	1.093	1.060	1.038	1.052	1.060	1.059
Notional amount (in Euro thousand)	3,978	2,605	1,934	1,853	-	10,370
Average forward rate (EUR/KRW)	1.357	1.382	1.396	1.403	-	1.379
Notional amount (in Euro thousand)	1,708	1,562	1,280	-	-	4,549
Average forward rate (EUR/CNY)	7.027	7.043	7.034	-	-	7.034
As of December 31, 2023						
Forward foreign exchange contracts (highly probable expected sales)						
Notional amount (in Euro thousand)	29,821	29,691	28,641	24,647	186,393	299,193
Average forward rate (EUR/USD)	1.056	1.061	1.065	1.075	1.073	1.070
Notional amount (in Euro thousand)	3,769	2,516	1,888	1,818	-	9,991
Average forward rate (EUR/KRW)	1.433	1.431	1.430	1.430	-	1.431
Notional amount (in Euro thousand)	1,549	1,422	1,166	779	-	4,917
Average forward rate (EUR/CNY)	7.747	7.734	7.717	7.704	-	7.729
Notional amount (in Euro thousand)	882	803	251	-	-	1,936
Average forward rate (EUR/TRY)	33.328	36.617	38.980	-	-	35.426
Notional amount (in Euro thousand)	1,274	1,269	1,264	1,258	-	5,066
Average forward rate (EUR/AED)	3.885	3.900	3.916	3.934	-	3.909

In 2022 the company entered into two interest rate hedging contracts (IRS) whose underlying is the bond loan amounting to Euro 480 million. The main details on the two hedging contracts are provided below:

Interest Rate Swap with no Floor								
Bank	Coverage Start Date	Expiry	Notional	Currency	Subscription Date			Reference interest rate %
Intesa	15-may-23	15-may-25	90,000	EUR	12-jul-22	Quarterly	3M EURIBOR	1.529%
GS	15-may-23	15-may-25	270,000	EUR	14-jul-22	Quarterly	3M EURIBOR	1.691%

The interest rate hedging contracts outstanding as of December 31, 2023, have a total positive Mark-to-Market value of Euro 6,414 thousand, of which Euro 4,679 thousand for the portion stipulated with Goldman Sachs and Euro 1,735 thousand for the portion stipulated with Banca Intesa, respectively (December 31, 2022: a total positive Mark-to-Market value of Euro 10,259 thousand, of which Euro 7,520 thousand for the portion stipulated with Goldman Sachs and Euro 2,739 thousand for the portion stipulated with Banca Intesa, respectively).

The Group's policy is not to carry out derivative transactions for speculative purposes. Derivatives designated as hedging instruments reflect the positive changes in the fair value of forward foreign exchange contracts designated as hedges contracts of highly probable cash flows.

As of the end of each year presented in this financial statement, the Group holds forward foreign exchange contracts to hedge sales which have been designated as hedging instruments for sales in future seasons.

These derivatives are represented by the forward sale of currency through which the Group undertakes to sell the underlying currency at a specific maturity and at a predetermined exchange rate.

Given the characteristics of the derivatives contracts, these instruments are closely related to the underlying element (specifically, the foreseen sales in the US, Korea and China, as well as in Turkey and in U.A.E. starting from 2024), they are accounted for on the basis of hedge accounting, with the fair value of the derivative accounted for, net of the tax effect, directly in equity. The statement of financial position items which include the fair value of derivatives outstanding as of December 31, 2023, 2022 and 2021, are "Other non-Current financial assets", "Current financial assets" and "Current financial liabilities" depending on whether the fair value at the end of the period is positive or negative.

The impact and classification of hedging instruments are represented as follows:

As of December 31, 2023	Notional amount	Book value (Euro thousand)	Statement of financial position item
Forward foreign exchange contracts	USD 320,000 / KRW 14,300,000 / CNY 38,000 / TRY 68,600 / AED 19,800	15,230	Other non-current financial assets/ Other current financial asset
As of December 31, 2022			
Forward foreign exchange contracts	USD 331,000 / KRW 14,300,000 / CNY 32,000	8,598	Other non-current financial assets/ Other current financial asset/ Current financial liabilities
As of December 31, 2021			
Forward foreign exchange contracts	USD 60,000 / KRW 6,300,000 / CNY 114,000	(2,758)	Other current financial assets/ Current financial liabilities

- Currency hedging contracts outstanding as of December 31, 2023, with positive mark to market value amount to Euro 15,230 thousand, while those with negative market to market have a value of Euro 0 thousand.

- Currency hedging contracts outstanding as of December 31, 2022, with positive mark to market value amount to Euro 9,334 thousand, while those with negative market to market have a value of Euro 737 thousand.

- Currency hedging contracts outstanding as of December 31, 2021, with positive mark to market value amount to Euro 22 thousand, while those with negative market to market have a value of Euro 2,780 thousand.

04.6. FINANCIAL ASSETS MEASURED AT AMORTIZED COST

Financial assets at amortized cost include trade receivables, receivables from related parties (loans to employees) and other current financial assets.

- As of December 31, 2023, Financial assets at amortized costs amounted Euro 37,165 thousand composed mainly of the a)Trade Receivable (Euro 35,507 thousand) and b) deposits paid for the establishment of new group companies for Euro 705 thousand as well as Euro 250 thousand registered as a joint venture to produce a film.

- As of December 31, 2022, Financial assets at amortized cost amounted Euro 67,683 thousand and mainly includes a) Trade Receivables (Euro 34,632 thousand), b) the balances of payment platforms used for retail collections, mainly e-commerce (i.e., PayPal accounts), for Euro 709 thousand, c) the escrow amount related to the acquisition in GGDB/IFT (Euro 31,544 thousand) and d) deposits paid for the establishment of new group companies for Euro 46 thousand as well as Euro 250 thousand registered as a joint venture to produce a film.

- As of December 31, 2021, Financial assets at amortized cost amounted Euro 38,031 Euro and includes: a) Trade Receivables (Euro 36,642 thousand), b) the balances of the PayPal and Adyen accounts, which are payment platforms used for retail collections, mainly e-commerce, for Euro 805 thousand, c) loans to employees for a total of Euro 34 thousand and d) deposits paid for the establishment of new group companies for Euro 14 thousand as well as Euro 200 thousand registered as a joint venture for the production of a film.

04.7. FINANCIAL ASSETS MEASURED AT FAIR VALUE

Financial assets at fair value include the investments made by Golden Goose Group in the beginning of 2021 for nominal Euro 25,000 thousand in a multi asset fund, MANAGER SELECT-PAM-NORMA A EUR-ACC (ISIN: LU2206354065). As of December 31, 2023, the fair value of the investment is Euro 24,626 thousand (was Euro 23,703 thousand as at December 31, 2022 and Euro 24,995 thousand as at December 31, 2021).

04.8. FINANCIAL LIABILITIES

04.8.1. LOANS AND FINANCING

IFRS 7.7 requires supplementary information that allows users of the financial statements to assess the relevance of the financial instruments with reference to the statement of financial position and profit/loss for the year. Detailed information is provided below to users of the financial statements on both the effective interest rate and the maturity of loans.

(Euro thousand)		As of December 31			As of December 31			As of December 31		
		2023			2022			2021		
		Effective interest rate	Maturity	Amount	Effective interest rate	Maturity	Amount	Effective interest rate	Maturity	Amount
Current loans and financing	Lease liabilities	3.42%-16.68%	2024	26,411	3.00%-16.63%	2023	23,068	3.00%-12.35%	2022	18,928
	Revolving facilities, accrued interests	EURIBOR 3M +2.50%	2024	-	EURIBOR 3M +2.50%	2023	210	EURIBOR 3M +3.50%	2022	161
	Floating Rate Senior Secured Note	EURIBOR 3M+4.875%	2024	5,445	EURIBOR 3M+4.875%	2023	4,071	EURIBOR 3M+4.875%	2022	2,990
	Reverse factoring financial liabilities		2024	11,924		2023	20,913		2022	13,135
	Contingent consideration from business combination current		2024	10,562		2023	2,486		2022	1,000
	Other current financial liabilities		2024	-		2023	737		2022	2,780
	Other current bank loans	EURIBOR +1.25% - 4.50%	2024	832			-			-
	Total current financial liabilities			**55,174**			**51,485**			**38,994**
Non-current loans and financing	Lease liabilities	3.42%-16.68%	2025-2039	126,875	3.00%-16.63%	2024- 2039	121,291	3.00%-12.35%	2022-2039	108,250
	Floating Rate Senior Secured Note	EURIBOR 3M+4.875%	2027	468,133	EURIBOR 3M+4.875%	2027	465,028	EURIBOR 3M+4.875%	2027	462,096
	Contingent consideration from business combination non-current			-			-		2023	2,402
	Other non-current bank loans	EURIBOR + 1.25%- 4.50%	2026-2029	2,106			-			-
	Total non-current financial liabilities			**597,114**			**586,319**			**572,748**
	Total financial liabilites			**652,288**			**637,804**			**611,742**

The total current and non-current loans and financing increased by Euro 14,484 thousand as of December 31, 2023, from Euro 637,804 thousand as of December 31, 2022, to Euro 652,288 and increased by Euro 26,062 thousand to Euro 637,804 thousand as of December 31, 2022, from Euro 611,742 thousand as of December 31, 2021.

The Floating Rate Senior Secured Note and the Revolving Facility are secured by first-ranking interests in all of the share capital of the subsidiary Golden Goose S.p.A..

As of December 31, 2023, the undrawn available credit facilities amounted to Euro 63,750 thousand (unchanged compared to December 31, 2022 and 2021).

04.8.2. OTHER FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST

The terms and conditions of financial liabilities as of December 31, 2023, 2022 and 2021 in trade payables usually are not interest bearing and are normally settled with maturity between 0 and 150 days (average 90 days).

04.9. RISK MANAGEMENT: OBJECTIVE & CRITERIA

The Group is exposed to risks associated with existing business activities:

04.9.1. FINANCIAL RISK

The main financial liabilities of the Group, other than derivatives, include the senior notes, bank loans and financing, and trade and other payables. The main objective of these liabilities is to finance the Group's operating activities. The Group has financial receivables and other trade and non-trade receivables, cash and cash equivalents and short-term deposits that directly originate from operating activities. The Group also holds hedging derivative contracts.

The Group is exposed to market risk, credit risk and liquidity risk. Group Management is responsible for managing these risks; in this activity, the Management is supported by the Financial Department, which provides information on financial risks and suggests an appropriate risk management policy at Group level. The Financial Department provide assurance to Group Management that the activities involving financial risks are governed with appropriate corporate policies and with appropriate procedures and that financial risks are identified, assessed, and managed in accordance with the requirements of the Group's policies and procedures. All risk management activities are directed and supervised by a team of specialists with adequate knowledge and experience. Group's policy does not allow trading derivatives for speculative purposes.

The Board of Directors reviews and approves the management policies for each of the risks set out below.

04.9.2. INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will change due to changes in market interest rates. The Group's exposure to the risk of changes in market interest rates is primarily related to long-term debt with variable interest rates. Following the issuance of the 2027 Notes in May 2021, the Group was exposed to interest rate risk in relation to the Euro 480,000 thousand aggregate principal amount that bear an interest equal to the three-month EURIBOR rate (with a 0% floor) plus 4.875%.In 2022 the Group stipulated two interest rate hedging contracts (IRS) to partially hedge the Floating Rate Senior Secured Note. Specifically, the derivatives took effect on May 15, 2023. The total notional amount is Euro 360 million (equal to 75% of the nominal value of the bond) applicable from May 15, 2023, until May 15, 2024, and Euro 240 million (equal to 50% of the value of the bond) from May 15, 2024, until May 15, 2025. During the periods under consideration, the Company will receive the 3-month EURIBOR rate and pay the fixed rate of 1.65%.

04.9.3. INTEREST RATE SENSITIVITY

The Group's exposure to the risk of changes in market rates is mainly connected to the Floating Rate Senior Secured Note and the Revolving Credit Facility Agreement (the latter is undrawn). Considering the existing hedges above described an increase or decrease of 200 basis points in EURIBOR would result in an increase or decrease of approximately Euro 3,9 million in financial expenses due in relation to the senior notes.

04.9.4. EXCHANGE RATE RISK

Exchange rate risk is the risk that the fair value or future cash flows of an exposure will change because of changes in exchange rates. The Group's exposure to the risk of exchange rate changes mainly refers to the Group's operating activities (when revenues or costs are denominated in a foreign currency) and to the Group's net investments in foreign subsidiaries. The Group manages its currency exchange risk by hedging the transactions that are expected to take place within a maximum period of 36 months for hedges of expected sales.

When derivatives are entered into for hedging purposes, the Group negotiates the terms of these derivatives to match them with the terms of the hedged exposure. As regards the hedging of expected transactions, derivatives cover the exposure period from the moment in which the cash flows of the transactions are expected to the time of payment of the resulting credit or debt denominated in foreign currency. The Group operations in countries outside the Euro area expose the Group to exchange rate risk.

The Group preliminarily defines the amount of the exchange risk based on the budget for the period and subsequently hedges this risk gradually, along the order acquisition process, to the extent that the orders correspond to the budget forecasts. In addition to the natural hedge provided by the operating expenses and other cash flows denominated in the foreign currencies, the Group hedging is carried out through specific forward currency sales contracts. The management believes that the risk management policies adopted by the Group are adequate. Forward foreign exchange contracts are designated as expected sales hedges in US dollars, Chinese renminbi, South Korean won, Turkish lira and Arab Emirates Diram for a share of highly probable sales expected to occur in the next 12 months following the reporting date, except for the US dollars, where the hedging covers 36 months following the reporting date.

The balance of forward currency contracts varies with the change in the volume of sales expected in foreign currency and with the change in the forward exchange rates. There is an economic relationship between the elements hedged and the hedging instruments since the terms of the exchange rate mirror of the terms of the highly probable future transactions (i.e., the notional amount and the expected collection date).

To test the effectiveness of the hedge, the Group compares the changes in the fair value of the hedging instruments to changes in the fair value of the hedged instruments deriving from the hedged risk. The ineffectiveness of the hedge mainly occurs due to differences in the timing or in the expected amounts of the cash flows generated by the underlying hedges and the hedging instruments.

04.9.5. EXCHANGE RATE SENSITIVITY

Exposure to the risk of changes in exchange rates derives from operations in currencies other than the currency in which the account is denominated.

The following table illustrates the sensitivity to a reasonably possible change in the exchange rate of the currencies to which the Company is exposed, with all other variables kept constant.

- As of December 31, 2023:

	Euro appreciation scenario			Euro depreciation scenario		
Currency (Euro thousand)	**Effect on pre-tax profit**	**Pre-tax effect on other shareholders' equity items**	**Total pre-tax effect on equity**	**Effect on pre-tax profit**	**Pre-tax effect on other shareholders' equity items**	**Total pre-tax effect on equity**
AED	(399)	177	**(222)**	399	(177)	**222**
AUD	(399)	-	**(399)**	399	-	**399**
CAD	(74)	-	**(74)**	74	-	**74**
CHF	(121)	-	**(121)**	121	-	**121**
CLP	(229)	-	**(229)**	229	-	**229**
CNY	(1,271)	283	**(988)**	1,271	(283)	**988**
GBP	(133)	-	**(133)**	133	-	**133**
HKD	(154)	-	**(154)**	154	-	**154**
ILS	(58)	-	**(58)**	58	-	**58**
MXN	(313)	-	**(313)**	313	-	**313**
JPY	(562)	-	**(562)**	562	-	**562**
KRW	(1,004)	531	**(473)**	1,004	(531)	**473**
MOP	(71)	-	**(71)**	71	-	**71**
NZD	(66)	-	**(66)**	66	-	**66**
SGD	(27)	-	**(27)**	27	-	**27**
TRY	(1,216)	532	**(684)**	1,216	(532)	**684**
TWD	(197)	-	**(197)**	197	-	**197**
USD	(4,756)	10,526	**5,769**	4,756	(10.526)	**(5,769)**

- As of December 31, 2022:

Currency (Euro thousand)	Euro appreciation scenario			Euro depreciation scenario		
	Effect on pre-tax profit	Pre-tax effect on other shareholders' equity items	Total pre-tax effect on equity	Effect on pre-tax profit	Pre-tax effect on other shareholders' equity items	Total pre-tax effect on equity
AED	(685)	-	**(685)**	685	-	**685**
AUD	(439)	-	**(439)**	439	-	**439**
CAD	(139)	-	**(139)**	139	-	**139**
CHF	(114)	-	**(114)**	114	-	**114**
CLP	(168)	-	**(168)**	168	-	**168**
CNY	(1,269)	240	**(1,029)**	1,269	(240)	**1,029**
GBP	(216)	-	**(216)**	216	-	**216**
HKD	(381)	-	**(381)**	381	-	**381**
JPY	(495)	-	**(495)**	495	-	**495**
KRW	(706)	459	**(247)**	706	(459)	**247**
MOP	(168)	-	**(168)**	168	-	**168**
NZD	(74)	-	**(74)**	74	-	**74**
SGD	(102)	-	**(102)**	102	-	**102**
TRY	(512)	-	**(512)**	512	-	**512**
TWD	(132)	-	**(132)**	132	-	**132**
USD	(8,332)	27,982	**19,649**	8,332	(27,982)	**(19,649)**

- As of December 31, 2021:

Currency (Euro thousand)	Euro appreciation scenario			Euro depreciation scenario		
	Effect on pre-tax profit	Pre-tax effect on other shareholders' equity items	Total pre-tax effect on equity	Effect on pre-tax profit	Pre-tax effect on other shareholders' equity items	Total pre-tax effect on equity
AED	(153)	-	**(153)**	153	-	**153**
AUD	(258)	-	**(258)**	258	-	**258**
CHF	(50)	-	**(50)**	50	-	**50**
CAD	(99)	-	**(99)**	99	-	**99**
CNY	(955)	836	**(118)**	955	(836)	**118**
GBP	(156)	-	**(156)**	156	-	**156**
HKD	(195)	-	**(195)**	195	-	**195**
JPY	(210)	-	**(210)**	210	-	**210**
KRW	(267)	352	**85**	267	(352)	**(85)**
MOP	(87)	-	**(87)**	87	-	**87**
RUB	(1)	-	**(1)**	1	-	**1**
TRY	(1,674)	-	**(1,674)**	1,674	-	**1,674**
TWD	(140)	-	**(140)**	140	-	**140**
USD	(2,544)	2,535	**(8)**	2,544	(2,535)	**8**
SGD	(12)	-	**(12)**	12	-	**12**

The effect on the Company profit/loss before taxes is due to changes in the fair value of monetary assets and liabilities, including any derivatives in foreign currency not designated as hedging instruments. The pre-tax impact on the other items of the Company's shareholders' equity is attributable to changes in the fair value of the forward exchange contracts designated as cash flow hedges. The Company's exposure to changes in exchange rates for all other foreign currencies is not material.

Below is the fluctuation range considered for each currency, determined on the basis of the minimum and maximum values reached during the year by the exchange rate in question:

(Euro thousand)	**For the year ended in December 31,**		
	2023	**2022**	**2021**
AED	+/-3.64%	+/-9.0%	+/-4.8%
AUD	+/-5.25%	+/-6.1%	+/-3.4%
CAD	+/-2.97%	+/-6.2%	+/-4.9%
CHF	+/-4.10%	+/-5.6%	+/-3.6%
CLP	+/-8.77%	+/-10.7%	n.a.
CNY	+/-5.85%	+/-5.5%	+/-5.3%
GBP	+/-2.43%	+/-4.6%	+/-3.9%
HKD	+/-3.50%	+/-8.6%	+/-4.5%
ILS	+/-8.34%	n.a.	n.a.
MXN	+/-7.25%	n.a.	n.a.
JPY	+/-8.59%	+/-8.0%	+/-3.4%
KRW	+/-5.33%	+/-4.3%	+/-2.6%
MOP	+/-3.50%	+/-8.6%	+/-4.5%
NZD	+/-4.89%	+/-5.3%	n.a.
SGD	+/-2.48%	+/-5.5%	+/-3.1%
TRY	+/-25.32%	+/-14.5%	+/-55.4%
TWD	+/-4.21%	+/-4.6%	+/-5.1%
USD	+/-3.63%	+/-9.0%	+/-4.8%
RUB	n.a.	n.a.	+/-6.7%

04.9.6. CREDIT RISK

Credit risk is the risk that a counterparty will not fulfill its obligations related to a financial instrument or to a commercial contract, thus leading to a financial loss. The Group is exposed to credit risk deriving from its operating activities (especially for trade receivables) and from its financing activities, including deposits with banks and financial institutions, operations in foreign currency and other financial instruments.

Credit Risk on Trade Receivables
Trade credit risk is managed by the policy established by the Group and according to the procedures and controls established for the management of credit risk. The credit quality of customers is assessed based on an analytical credit rating sheet; individual credit limits are also established for all customers based on this assessment.

The Group's credit management strategy applies conditions requiring customers to pay 30% on order confirmation and the remaining 70% upfront. These payment terms are maintained for the supply of at least two seasons and then move to an average deferred payment by 30-60 days. At each reporting date, an impairment analysis is carried out on trade receivables, using a matrix for measuring expected losses. The write-down percentages are determined based on the number of days past due and by grouping the receivables from customers which are characterized by similar causes of impairment (geographical area, presence of guarantees or other type of insurance). The calculation is based on the probability of credit recovery, and information on past events that are available on the reporting date, current conditions and expected market scenarios.

Generally, trade receivables are written-off if past due for more than 90 days and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed below.

As of December 31, 2023, the Group has 32 customers with a balance greater than Euro 200 thousand each (27 in 2022 and 23 in 2021), which together represent around 73% of all trade receivables (60% in 2022 and 49% in 2021). The Group makes use of insurance and credit factoring instruments, without advances and solely for the purpose of credit management and insurance. As regards the receivables deriving from the supply to the US market, the factoring company approves each individual order and manages its collection.

As of December 31, 2023, 47 % (49.0% in 2022 and 43.4% in 2021) of the Group's trade receivables are covered by forms of insurance. The Group believes that the risk associated with the concentration of trade receivables and contract activities is medium-low, as its customers are in different countries and operate in largely independent markets.

Below is the information on the exposure to credit risk on trade receivables and on the activities deriving from the Group contract, using a write-down matrix:

(Euro thousand)	As of December 31, 2023					Total
	Days past due					
	Current	<30 days	30–60 days	61–90 days	> 91 days	
Expected loss rate	1.54%	3.63%	1.18%	9.81%	78.21%	
Estimated gross book value at risk	28,147	3,916	2,622	850	3,035	**38,569**
Expected credit loss	(432)	(142)	(31)	(83)	(2,374)	**(3,062)**
Total Trade Receivables						**35,507**

(Euro thousand)	As of December 31, 2022					Total
	Days past due					
	Current	<30 days	30–60 days	61–90 days	> 91 days	
Expected loss rate	4.86%	5.28%	7.31%	13.16%	83.57%	
Estimated gross book value at risk	30,328	4,287	1,052	644	1,115	**37,426**
Expected credit loss	(1,474)	(226)	(77)	(85)	(932)	**(2,794)**
Total Trade Receivables						**34,632**

(Euro thousand)	As of December 31, 2021					Total
	Days past due					
	Current	<30 days	30–60 days	61–90 days	> 91 days	
Expected loss rate	2.90%	5.00%	9.20%	9.90%	88.40%	
Estimated gross book value at risk	32,750	3,213	507	1,236	1,789	**39,495**
Expected credit loss	(942)	(161)	(47)	(122)	(1,581)	**(2,853)**
Total Trade Receivables						**36,642**

Credit Risk on Financial Instruments and bank deposits
Credit risk relating to relations with banks and financial institutions is managed by the Group treasury in accordance with the Group's policy. The Group operates exclusively with leading banks and therefore considers the credit risk relating to balances to financial counterparties to be insignificant.

04.9.7. LIQUIDITY RISK

The Group monitors the risk of a liquidity shortage by using a liquidity planning tool. The Group's objective is to maintain a balance between continuity in the availability of funds and flexibility through instruments such as bank overdrafts, bank loans, bonds, and lease contracts. As of December 31, 2023, 21% of the Group's liabilities mature in less than one year, calculated on undiscounted liabilities as shown in the table below (as of December 31, 2022, it was 21%; as of December 31, 2021, it was 16%).

The reverse factoring liabilities refer to key suppliers of the company Golden Goose S.p.A. agreements made with prime financial institutions.

Most of these agreements provide for an additional payment term without explicit financial charges for the Group. On the maturity date of the original debt, the supplier receives payment from the financial institution; the supplier has the right to request an advance payment from the financial institution, assuming the related financial charges. Reverse factoring agreements are not encumbered by guarantees to financial institutions. Payables are classified as financial liabilities when the payable reaches the additional payment term.

The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual payments not discounted.

As of December 31, 2023	on demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Financing and loans	-	11,108	30,522	565,591	133	**607,355**
Interest rate hedging derivatives	-	(2,156)	(3,637)	(734)	-	**(6,527)**
Other financial liabilities	-	-	10,750	-	-	**10,750**
Reverse factoring financial liabilities	588	7,857	3,479	-	-	**11,924**
Trade payables	21,168	48,777	24,048	93	41	**94,127**
Total	**21,756**	**65,586**	**65,162**	**564,950**	**174**	**717,629**

As of December 31, 2023	Within one year	1 to 3 years	3 to 5 years	5 to 10 years	> 10 years	Total
Lease liabilities	34,760	57,085	42,209	51,253	3,076	**188,383**
Total	**34,760**	**57,085**	**42,209**	**51,253**	**3,076**	**188,383**

As of December 31, 2022	on demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Financing and loans	-	8,141	27,507	608,570	-	**644,219**
Interest rate hedging derivatives	-	-	(1,898)	(4,383)	-	**(6,285)**
Other financial liabilities	-	-	2,710	-	-	**2,710**
Reverse factoring financial liabilities	5,270	15,643	-	-	-	**20,913**
Trade payables	16,021	54,083	40,683	180	43	**111,010**
Total	**21,291**	**77,867**	**69,002**	**604,367**	**43**	**772,567**

As of December 31, 2022	Within one year	1 to 3 years	3 to 5 years	5 to 10 years	> 10 years	Total
Lease liabilities	30,221	50,249	38,899	52,220	4,552	**176,140**
Total	**30,221**	**50,249**	**38,899**	**52,220**	**4,552**	**176,140**

As of December 31, 2021	on demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Financing and loans	-	5,980	17,745	94,965	491,700	**610,390**
Interest rate hedging derivatives	-	-	-	-	-	**-**
Other financial liabilities	-	1,000	-	2,500	-	**3,500**
Reverse factoring financial liabilities	-	13,135	-	-	-	**13,135**
Trade payables	7,651	38,093	31,136	-	-	**76,880**
Total	**7,651**	**58,208**	**48,881**	**97,465**	**491,700**	**703,905**

As of December 31, 2021	Within one year	1 to 3 years	3 to 5 years	5 to 10 years	> 10 years	Total
Lease liabilities	24,798	41,766	33,438	46,966	6,709	**153,677**
Total	**24,798**	**41,766**	**33,438**	**46,966**	**6,709**	**153,677**

The total undiscounted financial liabilities other than lease liabilities decreased by Euro 54,938 thousand to Euro 717,629 thousand as of December 31, 2023, from Euro 772,567 thousand as of December 31, 2022, and increased by Euro 68,662 thousand to Euro 772,567 thousand as of December 31, 2022, from Euro 703,905 thousand as of December 31, 2021.

The undiscounted lease liabilities increased by Euro 12,243 thousand to Euro 188,383 thousand as of December 31, 2023, from Euro 176,140 thousand as of December 31, 2022, and increased by Euro 22,463 thousand to Euro 176,140 thousand as of December 31, 2022, from Euro 153,677 thousand as of December 31, 2021.

Guarantees

The Group does not hold restricted cash or cash guarantees.

Changes in liabilities deriving from financing activities

The changes in financial liabilities for the year ended December 31, 2023, are shown below.

(Euro thousand)		December 31, 2022	New loans	Business combination	Repayments	Change in exchange rates	Non-monetary IFRS16 changes	Fair value changes	Reclass.	Other	December 31, 2023
Current loans and financing	Lease liabilities	23,068	-	-	(26,140)	(575)	-	-	30,060	-	26,412
	Revolving credit facility	210	-	-	-	-	-	-	-	(210)	-
	Other current bank loans	-	-	1,636	(1,612)	-	-	-	811	-	835
	Senior notes	4,071	-	-	-	-	-	-	-	1,374	5,445
	Reverse factoring financial liabilities	20,913	-	-	(8,813)	-	-	-	-	(177)	11,923
	Contingent consideration from business combination	2,486	-	10,193	(2,500)	-	-	383	-	-	10,562
	Other current financial liabilities	737	-	-	-	-	-	(737)	-	(2)	(2)
	Total current financial liabilities	**51,485**	**-**	**11,829**	**(39,065)**	**(575)**	**-**	**(354)**	**30,871**	**987**	**55,175**
Non-current loans and financing	Lease liabilities	121,291	-	-	-	(3,026)	38,670	-	(30,060)	-	126,875
	Senior notes	465,028	-	-	-	-	-	-		3,105	468,133
	Other non-current bank loans	-	-	2,916	-	-	-	-	(811)	-	2,105
	Total non-current financial liabilities	**586,319**	**-**	**2,916**	**-**	**(3,026)**	**38,670**	**-**	**(30,871)**	**3,105**	**597,113**
	Total financial liabilities	**637,804**	**-**	**14,745**	**(39,065)**	**(3,601)**	**38,670**	**(354)**	**-**	**4,092**	**652,288**

The total financial liabilities as of December 31, 2023, amount to Euro 652,288 thousand, compared to a value of Euro 637,804 thousand as of December 31, 2022, reflecting an increase of Euro 14,484 thousand.

The column "Business combination" includes the effect of the GGDB/IFT acquisition (note 03.19.1), including the contingent consideration assumed by the Group, the fair value of which is Euro 10,562 thousand as of December 31, 2023. Following the acquisition, the subsidiary Golden Goose repaid the reverse factor liabilities (Euro 8,813 thousand) related to trade payables from IFT for transactions occurred in 2022 before the acquisition. The repayment is presented in the consolidated cash flow statements within the financing activities.

"Other current bank loans" and "Other non-current bank loans" refers to bank loans entered by GGDB/IFT before the acquisition by the Group, with Intesa Sanpaolo and Banca Popolare Pugliese.

The column "Reclassification" includes the effects of the reclassification from "non-current" to "current" of some of the financing and interest-bearing loans, including lease obligations, related to the passage of time.

The column "Other" includes interest accrued on lease liabilities and the reclassification from trade payables to reverse factoring financial liabilities recorded when the original payment term granted by the supplier elapsed from the invoice date, the date on which the supplier receives the payment (with the exception of the instances when the supplier received an advance on the invoice from the factor, in which case any financial charges are borne by the supplier). The column "Other" of reverse factoring payables also includes payments made by the Group to the financial intermediary.

The changes in financial liabilities for the year ended December 31, 2022, are shown below.

(Euro thousand)		As of December 31, 2021	New loans	Business Combination	Repayments	Change in exchange rates	Non-monetary IFRS16 changes	Fair value changes	Reclass.	Other	As of December 31, 2022
Current loans and financing	Lease liabilities	18,928	-	-	(22,094)	491	-	-	25,743	-	23,068
	Revolving credit facility	161	-	-	-	-	-	-	-	49	210
	Senior notes	2,990	-	-	-	-	-	-	-	1,081	4,071
	Reverse factoring financial liabilities	13,135	-	-	-	-	-	-	-	7,778	20,913
	Contingent consideration from business combination	1,000	-	-	(1,000)	-	-	-	2,402	84	2,486
	Other current financial liabilities	2,780	-	-	-	-	-	(2,043)	-	-	737
	Total current financial liabilities	**38,994**	**-**	**-**	**(23,094)**	**491**	**-**	**(2,043)**	**28,145**	**8,992**	**51,485**
Non-current loans and financing	Lease liabilities	108,250	-	-	-	2,805	35,979	-	(25,743)	-	121,291
	Senior notes	462,096	-	-	-	-	-	-	-	2,932	465,028
	Contingent consideration from business combination	2,402	-	-	-	-	-	-	(2,402)		-
	Total non-current financial liabilities	**572,748**	**-**	**-**	**-**	**2,805**	**35,979**	**-**	**(28,145)**	**2,932**	**586,319**
	Total financial liabilities	**611,742**	**-**	**-**	**(23,094)**	**3,296**	**35,979**	**(2,043)**	**-**	**11,924**	**637,804**

The total financial liabilities as of December 31, 2022, amount to Euro 637,804 thousand, compared to a value of Euro 611,742 thousand as of December 31, 2021, reflecting an increase of Euro 26,062 thousand.

The column "Reclassification" includes the effects of the reclassification from "non-current" to "current" of some of the financing and interest-bearing loans, including lease obligations, related to the passage of time.

The column "Other" includes interest accrued on lease liabilities and the reclassification from trade payables to reverse factoring financial liabilities recorded when the original payment term granted by the supplier elapsed from the invoice date, the date on which the supplier receives the payment (with the exception of the instances when the supplier received an advance on the invoice from the factor, in which case any financial charges are borne by the supplier). The column "Other" of reverse factoring payables also includes payments made by the Group to the financial intermediary.

The changes in financial liabilities for the year ended December 31, 2021, are shown below.

(Euro thousand)		As of December 31, 2020	New loans	Business Combination	Repayments	Change in exchange rates	Non-monetary IFRS16 changes	Fair value changes	Reclass.	Other	As of December 31, 2021
Current loans and financing	Lease liabilities	15,350	-	-	(16,944)	812	(1,155)	-	20,864	-	18,927
	Bridge facility agreement	1,101	-	-	(1,101)	-	-	-	-	-	-
	Revolving credit facility	25,035	-	-	(25,000)	-	-	-	129	(2)	162
	Senior notes	-	-	-	-	-	-	-	-	2,990	2,990
	Reverse factoring financial liabilities	13,172	-	-	-	-	-	-	-	(37)	13,135
	Contingent consideration from business combination	994	-	-	-	-	-	-	-	6	1,000
	Other current financial liabilities	128	-	-	-	-	-	2,780	(129)	1	2,780
	Total current financial liabilities	**55,780**	**-**	**-**	**(43,045)**	**812**	**(1,155)**	**2,780**	**20,864**	**2,958**	**38,994**
Non-current loans and financing	Lease liabilities	83,327	-	-	-	4,410	41,461	-	(20,864)	(84)	108,250
	Bridge facility agreement	458,757	-	-	(458,757)	-	-	-	-	-	-
	Senior notes	-	460,323	-	-	-	-	-	-	1,773	462,096
	Contingent consideration from business combination	2,321	-	-	-	-	-	-	-	81	2,402
	Total non-current financial liabilities	**544,405**	**460,323**	**-**	**(458,757)**	**4,410**	**41,461**	**-**	**(20,864)**	**1,770**	**572,748**
	Total financial liabilities	**600,185**	**460,323**	**-**	**(501,802)**	**5,222**	**40,306**	**2,780**	**-**	**4,728**	**611,742**

The total financial liabilities as of December 31, 2021, amount to Euro 611,742 thousand, compared to a value of Euro 600,185 thousand as of December 31, 2020, reflecting an increase of Euro 11,557 thousand.

During 2021, the company repaid the Bridge Facility in advance, with a nominal and repayment value of Euro 470 million, while at the same time issuing a Floating Rate Senior Secured Note bond loan for Euro 480 million. The amount of Euro 460,323 thousand represents the nominal amount net of the 2% discount and transaction charges.

The 2027 Notes will mature on May 14, 2027, and are secured by a first-ranking pledge on the shares of Golden Goose S.p.A. held by the Parent and the shares and material assets of Golden Goose USA, Inc. The Notes are also guaranteed by Golden Goose USA, Inc. The indenture governing the Notes (the "Indenture") provides for certain covenants restricting the additional indebtedness that Golden Goose S.p.A. and its subsidiaries can incur, which is allowed to the extent that the Fixed Charge Covenant Ratio (as defined in the Indenture) is at least 2:1.

The Indenture further includes customary additional indebtedness permissions, subject to other conditions, and further customary restrictions on the activities of Golden Goose S.p.A. and its subsidiaries, including on dividend distribution and investments. Additionally, in case of a Change of Control (as defined in the Indenture), Golden Goose S.p.A. has to offer to the holders of the 2027 Notes repurchase their 2027 Notes at a price equal to 101% of the principal amount plus the accrued interest.The column "Reclassification" includes the effects of the reclassification from "non-current" to "current" of some of the financing and interest-bearing loans, including lease obligations, related to the passage of time.

The column "Other" includes interest accrued on lease liabilities and the reclassification from trade payables to reverse factoring financial liabilities recorded when the original payment term granted by the supplier elapsed from the invoice date, the date on which the supplier receives the payment (with the exception of the instances when the supplier received an advance on the invoice from the factor, in which case any financial charges are borne by the supplier). The column "Other" of reverse factoring payables also includes payments made by the Group to the financial intermediary.

Below, there is the breakdown of reverse factoring liabilities as of December 31, 2023, 2022 and 2021.

(Euro thousand)		**31-dec-23**			**31-dec-22**			**31-dec-21**		
		Trade payables	**Financial liabilities**	**Payment Terms**	**Trade payables**	**Financial liabilities**	**Payment Terms**	**Trade payables**	**Financial liabilities**	**Payment Terms**
Payables for reverse factoring	210 For Golden - Intesa	18,685	2,623	240 days from the invoice date	27,903	5,317	240 days from the invoice date	19,013	3,399	240 days from the invoice date
	210 For Golden - Illimity	1,827	2,123	120 to 210 days from the invoice date	1,142	14,537	120 to 210 days from the invoice date	15,837	9,306	120 to 210 days from the invoice date
	Credit Agricole	1,267	7,178	60 days from the invoice data	-	-		-	-	
	Credem factor	-	-		239	1,059	120 days from the invoice date	196	430	120 days from the invoice date
	Total Payables for reverse factoring	**21,779**	**11,924**		**29,284**	**20,913**		**35,046**	**13,135**	

As of December 31, 2023, 2022 and 2021 the payment terms of most of the Trade Payables not covered by reverse factoring agreements provide for payment from 0 to 150 days from the invoice date.

The Group classifies interest paid as cash flows from operating activities.

04.10. DEFERRED TAX ASSETS AND LIABILITIES

The net balance is equal to Euro 138,149 thousand as of December 31, 2023 (Euro 143,406 thousand as of December 31, 2022, Euro 149,316 thousand as of December 31, 2021) and is as follows:

(Euro thousand)	As of December 31,		
	2023	2022	2021
Deferred tax assets	5,159	3,075	1,896
Deferred tax liabilities	(143,308)	(146,479)	(151,212)
Net balance of deferred taxes	**(138,149)**	**(143,406)**	**(149,316)**

Deferred taxes primarily consist of the deferred tax liability reserve, the overall balance of which amounted to Euro 138,149 thousand as of December 31, 2023 (was Euro 143,046 thousand as of December 31, 2022 and Euro 149,316 as of December 31, 2021). This is mainly related to the fair value assessment of the 'Golden Goose Deluxe Brand' trademark and the assets attributable to the customer relationship acquired in the 2020 business combination.

Deferred taxes have considered the cumulative amount of all temporary differences based on the average expected tax rates in effect at the time these temporary differences will reverse. Specifically, for differences related to Golden Goose S.p.A., the considered rate is 27.9% (comprising the 24.0% IRES rate plus the 3.9% IRAP rate). For foreign tax differences, the local tax rate is applied.

In the consolidated statement of financial position the deferred taxes are offset by tax authority and legal entity. The gross amount of the deferred tax assets and liabilities are as follow:

(Euro thousand)	As of December 31,		
	2023	2022	2021
Deferred tax assets	61,948	57,775	46,979
Deferred tax liabilities	(200,097)	(201,181)	(196,295)
Net balance of deferred taxes	**(138,149)**	**(143,406)**	**(149,316)**

The main temporary differences are summarized in the table below.

(Euro thousand)	As of December 31,		
	2023	2022	2021
Deferred tax assets			
Intercompany profit	21,095	19,832	8,820
Inventory write-down and other adjustments	9,808	8,168	6,978
Non-deductible interest expense	496	-	4,009
Temporary differences due to IFRS 16 accounting	3,273	2,433	1,385
Allowance for doubtful accounts	698	528	601
Refund liabilities	4,180	3,253	1,810
Provision for risk and charges	1,537	928	267
US tax losses	-	-	101
Exchange losses	293	911	524
Goodwill after merger (realigned)	16,578	17,683	18,788
Employee benefits	1,642	1,153	826
Amortization & Depreciation	1,061	518	-
Other	1,287	2,368	2,870
Total deferred tax assets	**61,948**	**57,775**	**46,979**
Deferred tax liabilities			
Brand value allocated following the 2020 acquisition	(149,138)	(148,138)	(147,139)
Customer relationship value allocated following 2020 acquisition	(38,936)	(42,325)	(45,714)
Derivative financial instruments	(8,288)	(7,187)	-
Amortization & Depreciation	(3,604)	(3,531)	(3,442)
Other	(131)	-	-
Total deferred tax liabilities	**(200,097)**	**(201,181)**	**(196,295)**
Net balance of deferred taxes	**(138,149)**	**(143,406)**	**(149,316)**

The Group has Euro 10,179 thousand of tax losses carried forward (was Euro 9,943 thousand as of December 31, 2022 and Euro 9,996 thousand as of December 31, 2021). These losses relate to subsidiaries that have a history of losses and may not be used to offset taxable income elsewhere in the Group. The majority of the tax losses of foreign companies can be carried forward in a period exceeding five years or indefinitely. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognize deferred tax assets on the tax losses carried forward.

If the Group had been able to recognize all unrecognized deferred tax assets, profit and equity would have increased by Euro 2,357 thousand (was Euro 2,265 thousand as of December 31, 2022 and Euro 2,284 thousand as of December 31, 2021).

The tax amounts of the temporary differences associated with investments in the Group's subsidiaries, for which a deferred tax liability has not been recognized in the periods presented, aggregate to Euro 6,271 thousand (was Euro 5,289 thousand as of December 31, 2022 and Euro 3,737 thousand as of December 31, 2021). Furthermore, the subsidiary Golden Goose S.p.A. holds untaxed reserves following the tax realignment carried out during the 2021 financial year, disclosed in the Note 2.5.8; in case of distribution of these reserves, the additional taxes payable by the subsidiary would amount to Euro 36,585 thousand as of December 2023, 2022 and 2021. The Group has determined that the undistributed profits of its subsidiaries will not be distributed in the foreseeable future.

04.11. OTHER NON-CURRENT ASSETS

Other non-current assets amounted Euro 5,914 thousand, Euro 8,806 thousand and Euro 7,147 thousand respectively as of December 31, 2023, 2022 and 2021 and mainly include guarantee deposits paid at the time of store openings, to guarantee the lease or its utilities. The most significant deposits include those relating to stores in the US, China, France, Hong Kong, Korea, and UAE.

04.12. INVENTORIES

The breakdown of inventories is as follows:

(Euro thousand)	As of December 31,		
	2023	2022	2021
Raw and ancillary materials and consumables	5,381	1,915	973
Finished products and goods	108,138	96,692	54,764
Total inventories	**113,519**	**98,607**	**55,737**

The total inventories increased by Euro 14,912 thousand to Euro 113,519 thousand as of December 31, 2023, from Euro 98,607 thousand as of December 31, 2022, and increased by Euro 42,870 thousand to Euro 98,607 thousand as of December 31, 2022, from Euro 55,737 thousand as of December 31, 2021. Inventories are net of a provision for inventory obsolescence for finished products from previous collections and unused raw materials.

As of December 31, 2023, the right of return assets, included in the Finished products and goods, amount to Euro 4,495 thousand (Euro 3,478 thousand as of December 31, 2022 and Euro 2,437 thousand as of December 31, 2021).

The changes in the inventory write-down provision are shown below:

(Euro thousand)	As of December 31,		
	2023	2022	2021
Opening balance of provision	**29,321**	**21,366**	**11,547**
Provisions	11,630	10,070	11,422
Utilization	(10,450)	(2,109)	(1,603)
Other	(14)	(6)	-
Closing balance of provisions	**30,487**	**29,321**	**21,366**

The balance of provisions increased by Euro 1,166 thousand to Euro 30,487 thousand as of December 31, 2023, from Euro 29,321 thousand as of December 31, 2022, and increased by Euro 7,955 thousand to Euro 29,321 thousand as of December 31, 2022, from Euro 21,366 thousand as of December 31, 2021.

04.13. TRADE RECEIVABLES

The breakdown of trade receivables is as follows:

(Euro thousand)	As of December 31,		
	2023	2022	2021
Trade receivables, gross	38,569	37,424	39,495
Allowance for doubtful accounts	(3,062)	(2,792)	(2,853)
Trade receivables	**35,507**	**34,632**	**36,642**

Trade receivables include:

- As of December 31, 2023: trade receivables for a total of Euro 38,569 thousand, presented in the financial statements net of the allowance for doubtful accounts, which amounts to Euro 3,062 thousand.
- As of December 31, 2022: trade receivables for a total of Euro 37,425 thousand, presented in the financial statements net of the allowance for doubtful accounts, which amounts to Euro 2,792 thousand.
- As of December 31, 2021, include trade receivables for a total of Euro 39,495 thousand, presented in the financial statements net of the allowance for doubtful accounts, which amounts to Euro 2,853 thousand.

The adjustment of the receivables to their realizable value is obtained by deducting a provision calculated based on the analysis of the recoverability of some specific receivables and, for all the remaining receivables, estimating the expected credit losses as required by IFRS 9. The estimation of the provision takes into account the receivables not covered by insurance, considering the credit cap and deductible of the receivables covered by insurance, and considering receivables related to litigation. The movement in provisions is shown below:

(Euro thousand)	As of December 31,		
	2023	2022	2021
Opening balance of provisions	**2,792**	**2,853**	**3,309**
Provisions	349	94	264
Utilization	(127)	(154)	(733)
Other	(48)	(1)	13
Closing balance of provisions	**3,062**	**2,792**	**2,853**

04.14. INCOME TAX RECEIVABLES

Income tax receivables increased by Euro 6,246 thousand, to Euro 6,246 thousand as of December 31, 2023, from Euro 0 thousand as of December 31, 2022, and decreased by Euro 120 thousand to Euro 0 thousand as of December 31, 2022, from Euro 120 thousand as of December 31, 2021.

04.15. OTHER CURRENT ASSETS

The breakdown of other current assets is as follows:

(Euro thousand)	As of December 31,		
	2023	2022	2021
Sundry receivables	8,828	7,686	2,700
VAT receivable	6,576	15,596	5,599
Prepaid expenses	5,666	8,649	4,208
Advances to suppliers	1,988	1,543	2,370
Other current assets	**23,059**	**33,474**	**14,877**

The total other current assets decreased by Euro 10,415 thousand to Euro 23,059 thousand as of December 31, 2023, from Euro 33,474 thousand as of December 31, 2022, and increased by Euro 18,597 thousand to Euro 33,474 thousand as of December 31, 2022, from Euro 14,877 thousand as of December 31, 2021.

“Sundry receivables” mainly include transitional accounts linked to collection through payment instruments such as PayPal, Adyen and credit cards and receivables from L'Ermitage for grants to renovate a building (Euro 472 thousand as of December 31, 2023).

The item “VAT receivables” mainly includes the credit balance of Golden Goose S.p.A. and Asian companies. The decrease of VAT receivables as of December 31, 2023 is mainly due the sale without recourse of Euro 7,045 thousand of Italian VAT receivables to some financial institutions.

04.16. CASH AND CASH EQUIVALENTS

The breakdown of cash and cash equivalents is as follows:

(Euro thousand)	As of December 31,		
	2023	2022	2021
Bank deposits	131,360	114,486	99,132
Cash in hand	1,051	1,100	843
Total cash and cash equivalents	**132,411**	**115,586**	**99,975**

The total cash and cash equivalents increased by Euro 16,825 thousand to Euro 132,411 thousand as of December 31, 2023, from Euro 115,586 thousand as of December 31, 2022, and increased by Euro 15,611 thousand to Euro 115,586 thousand as of December 31, 2022, from Euro 99,975 thousand as of December 31, 2021.

04.17. SHAREHOLDERS' EQUITY

Authorized, issued and fully released shares	As of December 31,		
	2023	2022	2021
(Number of shares)			
At the start of the year	500,000,000	500,000,000	500,000,000
At the end of the year	**500,000,000**	**500,000,000**	**500,000,000**

The number of shares did not change during the three-year period at Euro 500,000,000 thousand and the par value per share is Euro 0.01. During the three-year period, there was no treasury shares held by the Group.

In 2021, the sole shareholder of the Parent company made a capital contribution of Euro 25,000 thousand and the cash was invested in a multi asset fund, commented in note 4.7.

No dividends were paid during the three years ended December 31,2023.

As of December 31, 2023, the Group has no stock incentive plans. Moreover, the Group did not grant any stock options during the year and no stock options were bought back.

The table below summarizes the changes in the cash flow hedge reserve:

Cash flow hedge reserve	As of December 31,		
	2023	2022	2021
At the start of the year	**20,241**	**(1,758)**	**748**
Reclassification to revenue in income statement	(6,041)	7,310	(326)
Reclassification to finance expenses in income statement (interest rate differentials)	(3,499)	-	-
Forward currency contracts, other changes and taxes	12,109	6,893	(2,180)
Interest rate swap contracts, other changes and taxes	(270)	7,797	-
At the end of the year	**22,541**	**20,241**	**(1,758)**

04.18. PROVISION FOR PENSIONS

The movements in the provisions for pensions during the three years are as follows:

(Euro thousand)	As of December 31,		
	2023	2022	2021
Opening value	**2,623**	**2,175**	**1,710**
Service cost	482	792	614
Interest cost	130	20	5
Benefits paid	(547)	(225)	(268)
Business combination	1,150	-	-
Actuarial (Gains)/Losses from changing financial assumptions	144	(928)	37
Actuarial (Gains)/Losses from experience	(76)	789	77
Closing value	**3,096**	**2,623**	**2,175**

The provisions for pensions increased by Euro 1,283 thousand, to Euro 3,096 thousand as of December 31, 2023, from Euro 2,623 thousand as of December 31, 2022, and increased by Euro 448 thousand to Euro 2,623 thousand as of December 31, 2022, from Euro 2,175 thousand as of December 31, 2021.

Liabilities for defined benefit plans (provision for severance indemnities) were assessed with the support of actuarial experts and carried out based on the "accrued benefits" methodology through the Project Unit Credit Method as required by IAS 19. This method is substantiated in assessments that express the average present value of the pension obligations accrued based on the service that the worker has provided up to the time when the assessment itself is carried out, not projecting the employee's wages according to the regulatory changes introduced by the recent Social Security Reform.

The calculation methodology can be broken down into the following phases:

- projection for each employee in service on the valuation date, of the severance indemnities already set up to the random future time of payment.
- determination for each employee of the probable severance indemnity payments to be made by the company if the employee leaves the company because of dismissal, resignation, incapacity, death, and retirement as well as in relation to requests for advances.
- discounting, at the valuation date, of each probable payment.

The actuarial model for the valuation of the provision for severance indemnities is based on various hypotheses, both demographic and economic - financial. The hypotheses of the model are:

Technical economic assumptions	As of December 31,		
	2023	2022	2021
Annual discount rate	3.17%	3.77%	0.98%
Annual inflation rate	2.00%	2.30%	1.75%
Annual rate of TFR increase	3.00%	3.23%	2.81%
Annual rate of wage increase	0.50%	0.50%	0.50%

Technical demographic assumptions	
Death	RG48 tables published by the State General Accounting Office
Disability	INPS tables by age and gender
Retirement	100% upon reaching the AGO requirements adjusted to Decree no. 4/2020

Annual frequency of turnover and severance indemnity advances	
Frequency of advances	0.5%
Frequency of turnover	5.0%

The provision does not include the indemnities accrued since January 1, 2007, intended for supplementary pension schemes pursuant to Legislative Decree no. 252 of December 5, 2005 (or transferred to the INPS treasury). The following table highlights the effects that would have occurred on the defined benefit obligation following the reasonably possible changes in the actuarial assumptions relevant at the end of the year:

Sensitivity analysis of the main valuation parameters as of	As of December 31,		
	2023	2022	2021
Turnover rate + 1.00%	12	20	(39)
Turnover rate - 1.00%	(53)	(24)	47
Inflation rate + 0.25%	63	65	62
Inflation rate - 0.25%	(96)	(62)	(60)
Discount rate + 0.25%	(120)	(75)	(74)
Discount rate - 0.25%	88	79	78

04.19. PROVISIONS FOR RISKS AND CHARGES

The table below shows the changes in provisions for non-current risks and charges.

(Euro thousand)	As of December 31, 2022	Accruals	Release	Exchange rate differences	As of December 31, 2023
Agents' leaving indemnities	123	-	(123)	-	-
Other provisions for non-current risks	3,639	2,939	-	(176)	6,402
Total	**3,762**	**2,939**	**(123)**	**(176)**	**6,402**

(Euro thousand)	As of December 31, 2021	Accruals	Utilization	As of December 31, 2022
Agents' leaving indemnities	123	-	-	123
Other provisions for non-current risks	1,253	2,386	-	3,639
Total	**1,376**	**2,386**	**-**	**3,762**

(Euro thousand)	As of December 31, 2020	Accruals	Utilization	As of December 31, 2021
Agents' leaving indemnities	136	-	(13)	123
Other provisions for non-current risks	174	1,079	-	1,253
Total	**310**	**1,079**	**(13)**	**1,376**

The provisions for risks and charges, which include the estimate of future liabilities deemed probable and whose amount can be estimated increased by Euro 2,640 thousand, to Euro 6,402 thousand as of December 31, 2023, from Euro 3,762 thousand as of December 31, 2022, and increased by Euro 2,386 thousand to Euro 3,762 thousand as of December 31, 2022, from Euro 1,376 thousand as of December 31, 2021.

The provisions for risks and charges include the risk of higher payables for customs duties related to period ending on December 31, 2021, December 31, 2022 and December 31, 2023 connected to transfer pricing adjustments occurred between Golden Goose S.p.A. and Group subsidiaries located in United States.

Tax and legal claim contingencies

The Group is exposed to the following risks:

- In August 2023, New Balance filed a complaint against Golden Goose USA, alleging that their "Dad-Star" sneaker infringes on New Balance's trade dress rights for their 990 shoes. The complaint included claims of false designation of origin, trademark infringement, and dilution. Golden Goose USA subsequently filed a motion to dismiss, arguing that New Balance failed to meet legal requirements for pleading a protectable trade dress. However, the court rejected this motion in January 2024. Both parties then submitted a joint statement with a proposed pre-trial schedule, indicating that the case is progressing towards trial. Management believes that the risk for the Group is merely possible and, since New Balance did not quantify an amount for the purported damages, no reliable estimate can be provided. In relation to this litigation the Group set aside legal expenses expected to be incurred to continue the required activities.
- On September 19, 2022 Lílian Patrícia Bomtempo de Queiroz Calçados EPP ("Lilian Patricia") filed a complaint against Golden Goose S.p.A. and Iguatemi 365 claiming that Golden Goose's Super Star sneakers collection infringed her trademark registrations for the word-mark "SUPER-STAR" and promoted unfair competition, by creating confusion and undue association in the Brazilian market. Lilian Patricia obtained ai injunction against the Group, ordering it to stop any infringing practice and to terminate the sales of its Super Star sneakers on Iguatemi 365's platform and in its store. On December 19, 2022 Lilian Patricia and Golden Goose S.p.A. filed a joint brief

requesting the staying of the lawsuit and the negotiations are still ongoing between the parties.

- In 2023 the Italian Tax Police initiated a tax audit, which is still ongoing, with respect to the 2019 tax position of Sneakers Maker S.p.A. (now merged into Golden Goose S.p.A.). As part of the audit, the Tax Police requested information and documents concerning the 2019 distribution of reserves by Sneakers Maker S.p.A. to its shareholders. Golden Goose S.p.A. has responded to such requests and as of the Prospectus Date is awaiting further action by the Italian Tax Police and is not in a position to predict if this tax audit will eventually lead to a tax claim against the company. Based on the information currently available, the Group believes that any challenge to the tax regime it applied to these distributions of dividends would likely be unfounded.

- The Group has been subject to a class action and to an action brought under the Private Attorney General Act ("PAGA"), relating to the violation by its subsidiary Golden Goose USA Retail of certain provisions of labour laws of the State of California. These lawsuits involve around 170 current and past employees of the Group (the "Plaintiffs"). According to the Plaintiffs' claims, Golden Goose S.p.A. has allegedly (i) violated certain provisions regarding the prohibition to round time entries and converting them to the closest 5-10 minutes (a practice which was lawful in the State of California until February 2023 and prohibited with retroactive effects to 2019/2020); (ii) incorrectly classified five employees as non-eligible for overtime pay; and (iii) incorrectly applied timekeeping procedures, resulting in employees working off the clock or missing meal breaks. On December 5, 2023, Golden Goose S.p.A. and the Plaintiffs signed a memorandum of understanding (the "MOU") providing for the key terms of the settlement agreement to be entered into to settle the case after ratification by the Los Angeles Superior Court. Pursuant to the MOU Golden Goose S.p.A. agreed to pay to the Plaintiffs a non-reversionary settlement payment of $462,500.00 inclusive of all fees, costs of litigation and cost of administration, which has been accrued in the provisions for risk and charges as of December 31, 2023.

04.20. REFUND LIABILITIES

The refund liability is an estimate of the returns on products sold during the year, which could be returned by customers in the following years. The refund liabilities increased by Euro 4,414 thousand, to Euro 18,677 thousand as of December 31, 2023, from Euro 14,264 thousand as of December 31, 2022, and increased by Euro 6,003 thousand to Euro 14,264 thousand as of December 31, 2022, from Euro 8,261 thousand as of December 31, 2021.

04.21. TRADE PAYABLES

The breakdown of trade payables during the three-year period is as follows:

(Euro thousand)	As of December 31,		
	2023	2022	2021
Trade payables	94,127	111,034	76,901
Total trade payables	**94,127**	**111,034**	**76,901**

Trade payables decreased by Euro 16,907 thousand, to Euro 94,127 thousand as of December 31, 2023, from Euro 111,034 thousand as of December 31, 2022, and increased by Euro 34,133 thousand to Euro 111,034 thousand as of December 31, 2022, from Euro 76,901 thousand as of December 31, 2021.

04.22. OTHER CURRENT LIABILITIES

The breakdown of other current liabilities is as follows:

(Euro thousand)	As of December 31,		
	2023	2022	2021
Payables due to employees	12,690	8,966	6,184
Other tax liabilities	6,480	11,125	5,836
Advances from customers	3,416	3,958	3,064
Miscellaneous payables	2,950	3,292	2,388
Payables to social security institutions	2,468	2,329	1,712
Accrued liabilities and deferred income	4,017	1,701	1,721
Total Other current liabilities	**32,021**	**31,371**	**20,905**

Other current liabilities decreased by Euro 649 thousand, to Euro 32,020 thousand as of December 31, 2023, from Euro 31,371 thousand as of December 31, 2022, and increased by Euro 10,466 thousand to Euro 31,371 thousand as of December 31, 2022, from Euro 20,905 thousand as of December 31, 2021.

Payables due to employees include short-term benefits, such as wages and salaries, paid annual leave, and bonuses. Other tax liabilities include withholding taxes, VAT and sales tax as well as other indirect taxes. Advances from customers mainly refer to advances received from customers for goods and services not yet delivered; substantially all advances from customers received in the previous period were recognized as revenue during the year, when the control of the assets has been transferred to customers. The item "Miscellaneous payables" decreased by Euro 342 thousand, to Euro 2,950 thousand as of December 31, 2023, from Euro 3,292 thousand as of December 31, 2022, and increased by Euro 904 thousand to Euro 3,292 thousand as of December 31, 2022, from Euro 2,388 thousand as of December 31, 2021. In 2023, it mainly includes the 2023 installment to the former owner of GGDB/IFT as compensation for its work in the Group (Euro 1,500 thousand, presented as General and administrative expenses), as better described in note 2.3.19.1, that has been paid in January, 2024). In 2022, it primarily included the payable to Clarosa S.r.l. for the outstanding payment related to equity investments that has been paid in 2023 (Euro 1,350 thousand). In 2021, it primarily pertained to payables for the non-competition agreement (Euro 1,554 thousand).

Payables to social security institutions mainly refer to payables for social security contributions, both for the subsidiary Golden Goose S.p.A. and for the other companies of the Group.

04.23. INCOME TAX LIABILITIES

Income tax liabilities decreased by Euro 13,633 thousand, to Euro 3,361 thousand as of December 31, 2023, from Euro 16,994 thousand as of December 31, 2022, and decreased by Euro 1,339 thousand to Euro 16,994 thousand as of December 31, 2022, from Euro 15,655 thousand as of December 31, 2021.

04.24. COMMITMENTS AND GUARANTEES

The breakdown of commitments and guarantees is as follows:

Guarantees and securities given			
(Euro thousand)	As of December 31,		
	2023	2022	2021
Minimum purchase commitments from suppliers	34,400	75,000	48,600
First-ranking in shares of Golden Goose S.p.A.	480,000	480,000	480,000

The Floating Rate Senior Secured Note and the Revolving Facility are secured by a first-ranking pledge on the shares of Golden Goose S.p.A. held by the Parent and the shares and material assets of Golden Goose USA, Inc.

In the ordinary course of business, the Golden Goose S.p.A. entered some supply agreement with certain suppliers that provides minimum purchase commitment for Golden Goose, as summarized in the table above.

In July 2022 Golden Goose S.p.A. initiated a collaboration with Coronet S.p.A. and Veroverde S.r.l., aimed at developing sustainable materials for various products. This arrangement includes licensing and co-branding agreements granting Golden Goose exclusive rights to design and market footwear using the Yatay trademark, supply agreements for sustainable materials, and the creation of a joint venture, Yatay S.r.l., for sustainable material research. There are provisions (put options) for Golden Goose to sell its stake under specific conditions. The equity investment currently held by the Group is commented in Note 04.4.2.

The duration of the licensing and co-branding agreement is ten years, after which Golden Goose gains the option to purchase the Yatay trademark for a consideration equal to 40% of the net sales of the products realised in the tenth year in which the licensing and co-branding agreement is in place or ask for the renewal of the agreement. Opting out of renewal or trademark purchase entails a payment to Veroverde from Golden Goose. This sum equals the difference between Euro 2 million and the total royalties paid to Veroverde during the 10-year agreement period.

In relation to GGDB/IFT acquisition, in addition to the financial liability commented in Note 03.19.1, as of the Prospectus Date the Group is committed to pay to the former owner of the business Euro 4,550 thousand, according to the following schedule: Euro 1,500 thousand by January 1, 2025, Euro 1,500 thousand by January 1, 2026, Euro 1,550 thousand by January 1, 2027. The payment is contingent to the permanence of the former shareholder as the CEO of the company and for that reason each instalment will be accounted for personnel expenses.

In relation to Sirio acquisition, occurred in January 1, 2024 and described in Note 03.20.1, as of the Prospectus Date the Group is committed to pay to the former owner Euro 3,280 thousand, to be paid according to the following schedule: Euro 1,093 thousand by December 31, 2024, Euro 1,093 thousand by December 31, 2025, Euro 1,093 thousand by December 31, 2026. The payment is contingent to the permanence of the former shareholder as the CEO of the company and for that reason each instalment will be accounted for personnel expenses.

The subsidiary Golden Goose provides guarantees in favor to other group companies for the lease agreements for stores in the US, Italy and in other countries where the Group operates.

Other than these, the Group has no material agreements in place that are not reflected in the consolidated statement of financial position.

05 MAIN ITEMS OF THE CONSOLIDATED INCOME STATEMENT

05.1. NET REVENUES

Net Revenues increased by Euro 86,245 thousand, or 17.2%, to Euro 587,163 thousand for the year ended December 31, 2023, from Euro 500,918 thousand for the year ended December 31, 2022, and by Euro 115,317 thousand, or 29,9%, to Euro 500,918 thousand for the year ended December 31, 2022 from Euro 385,601 thousand for the year ended December 31, 2021.

The tables listed below show the net revenues for the three years ended December 31, 2023, 2022 and 2021 analyzed by distribution channel and by geographic area.

05.1.1. REVENUES BY DISTRIBUTION CHANNEL

(Euro thousand)	As of December 31,		
	2023	2022	2021
DTC	432,090	348,042	228,844
Wholesale	143,448	150,510	151,800
Other	11,626	2,366	4,957
Net Revenues	**587,164**	**500,918**	**385,601**

05.1.2. REVENUES BY GEOGRAPHICAL AREA

(Euro thousand)	As of December 31,		
	2023	2022	2021
Americas	243,581	223,913	148,865
EMEA	239,842	193,080	145,569
APAC	92,115	81,559	86,210
Other	11,626	2,366	4,957
Net Revenues	**587,164**	**500,918**	**385,601**

In all the three-years presented, the Group had no client that alone represent 10% or more of the consolidated revenue.

05.2. COST OF GOODS SOLD

Cost of goods sold increased by Euro 17,656 thousand, or 12.2%, to Euro 162,431 thousand for the year ended December 31, 2023, from Euro 144,775 thousand for the year ended December 31, 2022, and by Euro 13,585 thousand, or 10.4%, to Euro 144,775 thousand for the year ended December 31, 2022 from Euro 131,190 thousand for the year ended December 31, 2021. The inventory recognized as expense is Euro 108,788 thousand for the year ended December 31, 2023 (was Euro 110,626 thousand for the year ended December 31, 2022 and Euro 107,408 thousand for the year ended December 31, 2021).

05.3. SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses increased by Euro 21,393 thousand, or 14.6%, to Euro 168,329 thousand for the year ended December 31, 2023 (accounting for 28.7% of net revenues) from Euro 146,936 thousand for the year ended December 31, 2022 (accounting for 29.3% of net revenues) and by Euro 46,178 thousand, or 45.8%, to Euro 146,936 thousand for the year ended December 31, 2022 from Euro 100,758 thousand for the year ended December 31, 2021 (accounting for 26.1% of net revenues).

05.4. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses increased by Euro 12,210 thousand, or 17.6%, to Euro 81,477 thousand for the year ended December 31, 2023 (accounting for 13.9% of net revenues) from Euro 69,267 thousand for the year ended December 31, 2022.

General and administrative expenses increased by Euro 8,353 thousand, or 13.7%, to Euro 69,267 thousand for the year ended December 31, 2022 (accounting for 13.8% of net revenues) from Euro 60,914 thousand for the year ended December 31, 2021 (accounting for 15.8% of net revenues).

05.5. MARKETING EXPENSES

Marketing expenses increased by Euro 10,499 thousand, or 32.9%, to Euro 42,431 thousand for the year ended December 31, 2023 (accounting for 7.2% of net revenues) from Euro 31,932 thousand for the year ended December 31, 2022.

Marketing expenses increased by Euro 14,163 thousand, or 79.7%, to Euro 31,932 thousand for the year ended December 31, 2022 (accounting for 6.4%) of net revenues from Euro 17,769 thousand for the year ended December 31, 2021 (accounting for 4.6%).

05.6. SUMMARY OF COSTS BY NATURE

05.6.1. PERSONNEL COSTS

The following are details of the nature of the total of personnel costs with indication of the item in the income statement account of destination:

(Euro thousand)	For the year ended December 31,		
	2023	2022	2021
Included in the cost of goods sold	18,506	7,457	6,250
Included in general and administrative expenses	23,380	17,990	14,732
Included in marketing expenses	6,297	5,263	3,169
Included in selling and distribution expenses	54,194	42,393	29,532
Personnel costs	**102,377**	**73,103**	**53,683**

The item includes the entire expense for employees including raised based on merit, promotions, automatic cost-of-living increases, cost of unused vacation days, performance bonuses, provisions required by law and those relating to collective agreements. Details of the composition of personnel costs are given below:

(Euro thousand)	For the year ended December 31,		
	2023	2022	2021
Wages and salaries	80,386	57,723	43,769
Social security contributions	15,081	11,060	7,371
Other personnel costs	4,815	2,692	1,398
Employee severance indemnities	2,095	1,628	1,145
Personnel costs	**102,377**	**73,103**	**53,683**

05.6.2. AMORTIZATION, DEPRECIATION, AND WRITE-DOWNS

The following are details of the nature of the total of amortization, depreciation and write-downs with indication of the item in the income statement account of destination:

(Euro thousand)	For the year ended December 31,		
	2023	2022	2021
Included in the cost of goods sold:	**1,150**	**544**	**373**
Amortization of intangible assets	53	89	75
Depreciation of Right of Use	257	205	148
Depreciation of tangible assets	840	250	150
Included in general and administrative expenses:	**20,765**	**20,150**	**20,117**
Depreciation of tangible assets	1,815	1,178	1,357
Amortization of intangible assets	15,826	16,149	16,040
Depreciation of Right of Use	3,124	2,823	2,720
Included in selling and distribution expenses:	**40,195**	**36,597**	**28,509**
Depreciation of tangible assets	12,125	9,966	9,278
Amortization of intangible assets	2,098	1,947	1,835
Depreciation of Right of Use	27,238	24,377	19,656
Write-down/Write-back of tangible assets	(479)	-	(48)
Write-down/Write-back of intangible assets	(26)	-	-
Write-down/Write-back of right of use assets	(763)	307	(2,212)
Included in marketing expenses:	**304**	**261**	**65**
Depreciation of tangible assets	68	21	19
Amortization of intangible assets	146	142	5
Depreciation of Right of Use	90	98	41
Total amortization, depreciation, write-downs and write backs of assets, included in the income statement	**62,414**	**57,552**	**49,064**

Details of the composition of amortization, depreciation and write-downs are given below:

(Euro thousand)	For the year ended December 31,		
	2023	2022	2021
Amortization of intangible assets	18,098	18,327	17,955
Amortization & depreciation of tangible assets	14,369	11,415	10,756
Depreciation of Right of Use	29,946	27,810	20,353
Total amortization, depreciation, write-downs and write backs of assets, included in the income statement	**62,414**	**57,552**	**49,064**

05.7. FINANCIAL EXPENSES AND INCOME

Financial expenses increased by Euro 18,141 thousand, or 30.4%, to Euro 77,852 thousand for the year ended December 31, 2023 from Euro 59,711 thousand for the year ended December 31, 2022, and increased by Euro 10,374 thousand, or 21.0%, to Euro 59,711 thousand for the year ended December 31, 2022 from Euro 49,337 thousand for the year ended December 31, 2021.

Financial income increased by Euro 3,162 thousand, or 23.2%, to Euro 16,793 thousand for the year ended December 31, 2023 from Euro 13,631 thousand for the year ended December 31, 2022, and increased by Euro 3,773 thousand, or 38.3%, to Euro 13,631 thousand for the year ended December 31, 2022 from Euro 9,858 thousand for the year ended December 31, 2021.

The breakdown of financial expenses and income is as follows:

(Euro thousand)	**For the year ended December 31,**		
	2023	**2022**	**2021**
Interest expense and bank charges	(38,652)	(28,963)	(39,009)
Exchange losses	(28,736)	(21,649)	(5,062)
IFRS16 financial charges	(9,262)	(7,312)	(5,208)
Other charges	(806)	(411)	34
Share of losses of associates accounted for the equity method	(13)	-	-
Fair value changes of contingent consideration	(383)	(84)	(87)
Fair value changes of investments in multi asset funds	-	(1,292)	(5)
Total financial expenses	**(77,852)**	**(59,711)**	**(49,337)**
Exchange gains	13,507	13,426	9,292
Share of profit of associates accounted for the equity method	331	190	-
Fair value changes of investments in multiasset funds	923	-	-
Other financial income	2,032	15	566
Total financial income	**16,793**	**13,631**	**9,858**
Net financial expenses	**(61,059)**	**(46,080)**	**(39,479)**

In 2023 the net balance of financial charges and income had a net negative result of Euro 61,059 thousand of which: (i) Euro 38,652 thousand related to interest on financial debt, mainly attributable to the 2027 Notes in the amount of Euro 37,648 thousand (net of positive effect related to IRS) and the Existing RCF in the amount of Euro 761 thousand; (ii) Euro 9,262 thousand in financial interest in connection with lease payables; (iii) Euro 15,230 thousand in net foreign exchange losses; and (iv) Euro 2,956 thousand of other financial income and fair value changes of investments in multi asset funds (v) Euro 805 thousand in other charges.

In 2023, interest paid amount to Euro 50,661 thousand and are mainly due to the Interest expense and bank charges, IFRS 16 financial charges, net of the interest accrued under the amortized cost over the Notes. Interest collected amount to Euro 1,804 thousand. During the period no dividend income was recorded and no dividends were collected.

During the period no dividend income was recorded, and no dividends were collected.

In 2022 the net balance of financial charges had a net negative result of Euro 46,080 thousand of which:(i) Euro 28,963 thousand in interest on financial debt, mainly attributable to the RCF line in the amount of Euro 831 thousand and to the Senior Notes in the amount of Euro 28,131 thousand; (ii) Euro 7,312 thousand in financial interest connected with lease payables; (iii) Euro 8,223 thousand in net foreign exchange losses; (iv) Euro 205 thousand of other financial income.

In 2022, interest paid amount to Euro 33,451 thousand and are mainly due to the Interest expense and bank charges, IFRS 16 financial charges, net of the interest accrued under the amortized cost over the Notes. Interest collected amount to Euro 113 thousand. During the period no dividend income was recorded and no dividends were collected.

In 2021 the net balance of financial charges had a net positive result of Euro 39,479 thousand of which:(i) Euro 39,009 thousand in interest on financial debt, mainly attributable to the Bridge Facility of Euro 470 million outstanding up to May 2021, Senior Notes of Euro 480 million issued as part of the refinancing operation completed in May 2021 and the RCF; (ii) Euro 11,243 thousand in amortized cost following the cancellation of the Bridge Facility as part of the refinancing operation completed in May 2021; (iii) Euro 5,208 thousand in financial interest connected with lease payables; (iv) Euro 4,230 thousand in net exchange gains and (v) Euro 566 thousand in other financial income. In 2022, interest paid amount to Euro 39,164 thousand and are mainly due to the Interest expense and bank charges, IFRS 16 financial charges, net of the interest accrued under the amortized cost over the Notes. Interest collected amount to Euro 35 thousand. During the period no dividend income was recorded and no dividends were collected.

Net exchange losses for the year ended December 31, 2023 amount to Euro 15,230 thousand (in the year ended December 31, 2022 was a net exchange loss for Euro 8,223 thousand; in the year ended December 31, 2021 was a net exchange gain for Euro 4,230 thousand).

05.8. INCOME TAXES

Income taxes increased by Euro 6,874 thousand, or 44.2%, to Euro 22,432 thousand for the year ended December 31, 2023 from Euro 15,558 thousand for the year ended December 31, 2022, and decreased by Euro 67,746 thousand, major 100%, to Euro 15,558 thousand for the year ended December 31, 2022 from positive tax effect of Euro 52,188 thousand for the year ended December 31, 2021.

(Euro thousand)	For the year ended December 31		
	2023	2022	2021
Current year IRES and other foreign corporate income taxes	(22,107)	(26,987)	(13,557)
Current year IRAP	(6,322)	(6,005)	(3,632)
Taxes relating to prior years and other taxes	(160)	2,689	2,623
Deferred tax liabilities	6,157	14,745	78,069
Substitute tax for tax alignment	-	-	(11,315)
Income taxe	**(22,432)**	**(15,558)**	**52,188**

The reconciliation between the income taxes accounted for and the theoretical taxes resulting from the application of the rate in force in Italy to the pre-tax profit for the three years ended December 31, 2023, 2022 and 2021 is as follows:

(Euro thousand)	December 31, 2023	%	December 31, 2022	%	December 31, 2021	%
Earnings Before Taxes	71,436		61,928		35,491	
Theoretical Taxes	17,145	24.0%	14,863	24.0%	8,518	24.0%
Actual Taxes	(22,432)	31.4%	(15,558)	25.1%	52,188	n/a
Net profit for the year	**49,005**		**46,370**		**87,679**	
Deviation of the Tax Rate from the Effective Tax Rate	**5,287**	**7.4%**	**695**	**1.1%**	**(60,706)**	**n/a**
Differences Generating Deviation						
IRAP on income generated in Italy	5,944	8.3%	4,066	6.6%	2,803	7.9%
ACE Deductions	(3,386)	(4.7%)	(3,201)	(5.2%)	(972)	(2.7%)
Prior-year taxes	160	0.2%	(2,689)	(4.3%)	(2,623)	(7.4%)
Non-recognition of tax losses and write-downs of previous years	559	0.8%	2,995	4.8%	-	0.0%
Deferred taxes on tax realignment	-	0.0%	-	0.0%	(69,863)	n/a
Substitute Tax on tax realignment	-	0.0%	-	0.0%	11,315	31.9%
Effect of different rates in force in other countries	2,821	3.9%	335	0.5%	(1,373)	(3.9%)
Other Differences	(810)	(1.1%)	(811)	(1.3%)	7	0.0%
Total	**5,287**	**7.4%**	**695**	**1.1%**	**(60,706)**	**n/a**

In 2020, following the acquisition of Sneakers Maker S.p.A. by Astrum 3 S.p.A., whereby both companies were merged by reverse merger in 2020 into Golden Goose S.p.A., now a subsidiary of the Company, and a request for a private letter ruling was submitted for the purpose of confirming the non-application of the anti-avoidance rules provided for by the Aid to Economic Growth ("**ACE**") under Art. 10 of the Italian Ministerial Decree dated August 3, 2017, with respect to the cash contributions made in order to finalize the acquisition and received by Golden Goose S.p.A. both as the absorbing Company of the reverse merger and in its own right. In August 2022 the Italian Revenue Agency responded with a favorable opinion. The total IRES tax benefit amounted to Euro 3,389 thousand.

During 2021, Golden Goose S.p.A. now a subsidiary of the Company, decided to avail itself of the option afforded by Article 110 of Law Decree 104 / 2020, converted into Law 126 / 2020 to align the tax value of trademarks and goodwill to the higher statutory values. Specifically, Golden Goose S.p.A. submitted a specific request to benefit from this option as a part of its first-time adoption of IFRS for its 2020 stand-alone financial statements, and, in the event of a positive response, the confirmation of the method for calculating the realignment to be performed. The Agency's positive reply, which confirmed the ability to benefit from the realignment for the 2020 stand-alone financial statements in particular, to align the brand and goodwill values to those recorded on December 31, 2019, also confirmed that, for the purposes of the relevant laws concerned, the higher values of trademarks and goodwill arising because of the reverse merger in 2020 were not relevant. The application of that tax benefit resulted in recording substitute tax of 3% (Euro 11,315 thousand, the first installment of which was paid in 2021, while the remaining two installments were paid in 2022 and 2023, respectively) of the total aligned net value (Euro 377,166 thousand). The tax alignment of the net book value resulted in deferred taxes of Euro 69,863 thousand (Euro 60,097 related to IRES and Euro 9,766 thousand related to IRAP), of which Euro 49,970 thousand related to the trademark, and Euro 19,893 thousand related to goodwill.

The latter was recognized prudently considering only the first 18 years of the benefit because of the new tax deductibility over 50 years of the higher value recognized on alignment (Article 1, paragraph 622 of the 2022 Budget Law).

05.9. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share have been calculated by dividing the net result for the period attributable to owners of the parent by the average number of the Company's outstanding shares. Since there are no potential ordinary shares, the diluted Earnings per share is equal to the basic earnings per share.

(Euro thousand)	**For the year ended December 31,**		
	2023	**2022**	**2021**
Net profit/(loss) attributable to owners of the parent (Euro thousand)	49,005	46,370	87,630
Weighted average number of ordinary shares (thousand)	500,000	500,000	500,000
Basic and diluted earnings per share (Euro)	**0.10**	**0.09**	**0.18**

During the three-year period no dividends were declared.

05.10. SEGMENT INFORMATION

For purposes of IFRS 8 Operating segments, the Group's business is conducted as a single operating segment.

05.11. INFORMATION RELATING TO TRANSACTIONS CARRIED OUT WITH RELATED PARTIES

During 2021, 2022 and 2023 financial years, the Company did not enter into any related-party transaction which was of greater significance or which had a material impact on Group's capital or result for the year

Transactions and balances involving consolidated companies have been eliminated during the consolidation process and are consequently not discussed here.

Details of the Group's transactions and balances with related parties as of December 31, 2023 are as follows:

(Euro thousand)	Cost of good sold	Selling and distribution expenses	General and administrative expences	Marketing expences	Financial expences	Financial income	Trade receivables	Trade payables	Current financial assets	Other Non Current financial assets	Current financial liabilities	Non-current financial liabilities
Calzaturificio Sirio S.r.l.	18,337	-	-	-	-		-	5,728	-	-	-	-
Camefin S.r.l.	-	-	64	-	10	-	10	-	-	-	66	140
Yatay S.r.l.	-	-	-	-	-	-	-	-	220	-	-	-
Astrum S.a.p.A. di Astrum 4 S.r.l. & C	-	-	-	-	-	227	-	-	564	-	-	-
Senior Management Team	-		2,708			-						
Total related parties	**18,337**	**-**	**2,772**	**-**	**10**	**227**	**10**	**5,728**	**784**	**-**	**66**	**140**
Total consolidated financial statement	**162,431**	**168,329**	**81,477**	**42,431**	**77,852**	**16,793**	**35,507**	**94,127**	**36,684**	**15,639**	**55,175**	**597,113**

Details of the Group's transactions and balances with related parties as of December 31, 2022 are as follows:

(Euro thousand)	Cost of good sold	Selling and distribution expenses	General and administrative expences	Marketing expences	Financial expences	Trade receivables	Trade payables	Current financial assets	Other Non Current financial assets	Current financial liabilities	Non-current financial liabilities
Calzaturificio Sirio S.r.l.	15,490	-	-	-	-	-	6,866	-	-	-	-
Camefin S.r.l.	-	-	64	-	13	-	-	-	-	63	206
Yatay S.r.l.	-	-	-	-	-	-	-	-	-	-	-
Astrum S.a.p.A. di Astrum 4 S.r.l. & C	-	-	-	-	-	-	-	337	-	-	-
Senior Management Team	-	-	2,657	-	-	-	-		-	-	-
Total related parties	**-**	**-**	**2,721**	**-**	**13**	**-**	**6,866**	**337**	**-**	**63**	**206**
Total consolidated financial statement	**144,775**	**146,936**	**69,267**	**31,932**	**59,711**	**34,632**	**111,034**	**62,525**	**17,342**	**51,485**	**586,319**

Details of the Group's transactions and balances with related parties as of December 31, 2021 are as follows:

(Euro thousand)	Cost of good sold	Selling and distribution expenses	General and administrative expences	Marketing expences	Financial expences	Trade receivables	Trade payables	Current financial assets	Other Non Current financial assets	Current financial liabilities	Non-current financial liabilities
Camefin S.r.l.	-	-	64	-	16	-	-	-	-	60	268
Astrum S.a.p.A. di Astrum 4 S.r.l. & C	-	-	-	-	-	-	-	176	-	-	-
Senior Management Team	-	-	2,665	-	-	-	-		-	-	-
Total related parties	**-**	**-**	**2,729**	**-**	**16**	**-**	**-**	**176**	**-**	**60**	**268**
Total consolidated financial statement	**131,190**	**100,758**	**60,914**	**17,769**	**49,337**	**36,642**	**76,901**	**26,161**	**245**	**38,994**	**572,748**

Specifically:

- Calzaturificio Sirio S.r.l.: the Group holds a 30% stake in Calzaturificio Sirio S.r.l.. Golden Goose S.p.A. has trade relations with Calzaturificio Sirio S.r.l. concerning the purchase of finished products. Moreover, by virtue of the connection existing between Golden Goose S.p.A. and Calzaturificio Sirio S.r.l., the value of the interest is recognized under Non-Current financial assets as it is an associate company of Golden Goose S.p.A.. Any revaluation of the investment is accounted for financial income/expenses. The remaining 70% stake in the share capital of Calzaturificio Sirio S.r.l. (currently GGDB/Sirio S.r.l.) has been purchased by the Group on November 8, 2023 with effect from January 1, 2024

- Yatay S.r.l: the Group holds a 40% stake in Yatay S.r.l. (Yatay S.r.l. Benefit Company), a company established as a result of a framework agreement between Golden Goose S.p.A., Coronet S.p.A. and Veroverde S.r.l.. Golden Goose S.p.A. has trade relations with Coronet and Veroverde concerning the purchase of raw materials for production as well as the royalties for the usage of the Yatay brand. Moreover, by virtue of the connection existing between the Golden Goose S.p.A. and the Yatay S.r.l., the value of the equity interest is recognized under Non-Current financial assets as it is an associate company of the Group. Any revaluation of the equity investment is accounted for financial income/expenses.

- Camefin S.r.l.: a company wholly owned by CEO Silvio Campara. Transactions relate to the sublease of a property located in Milan to Golden Goose S.p.A. used for carry out research activities, shooting, and meetings. The sublease has been entered into on December 27, 2020 with a term of six years and will expire on December 31, 2026.

- Astrum S.a.p.A. di Astrum 4 S.r.l. & C: is the Selling Shareholder which, as of the Prospectus Date, holds 100% of the Issuer's share capital. The transaction relates to the purchase in 2021 and 2022 by Golden Goose S.p.A., a wholly owned subsidiary of the Issuer, of shares of the Selling Shareholder. In 2023, the Selling Shareholder purchased those shares from Golden Goose S.p.A..

- Directors and Executives with Strategic Responsibilities includes the remuneration paid to Executives with strategic responsibilities for the employment relationship as well as the emoluments for the position of Directors.

05.12. TRANSACTIONS WITH EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

The meaning of executives with strategic responsibilities is intended in a broad sense, and they include the senior management team and the directors of the company.

05.13. REMUNERATION OF SENIOR MANAGEMENT OF THE GROUP

The table below shows the total remuneration paid to senior management team for the years ended December 31, 2023, 2022 and 2021:

(Euro thousand)	**For the year ended December 31,**		
	2023	**2022**	**2021**
Short-term employee benefits	2,405	2.363	2.295
Post-employment benefits	211	197	280
Other long-term benefits	-	-	-
Employee termination benefits	92	97	89
Share-based payments	-	-	-
Remuneration of Senior Management Team	**2,708**	**2,657**	**2,665**

05.14. INFORMATION RELATING TO THE FEES DUE TO THE AUDIT COMPANY

Pursuant to law, the expenses for the three years ended December 31, 2023, 2022 and 2021 for the services rendered by the independent auditing firm and by entities belonging to its network amount respectively to a total of Euro 777 thousand; Euro 745 thousand; Euro 835 thousand.

(Euro thousand)	**For the year ended December 31,**		
	2023	**2022**	**2021**
Financial statement audit	578	499	323
Other services	199	246	512
Total	**777**	**745**	**835**

05.15. OTHER INFORMATION

Pursuant to law, please see in the following table the overall remuneration due to directors and statutory auditors (article 2427, first paragraph no. 16 of the Italian Civil Code) for the three years ended December 31, 2023, 2022 and 2021. The amounts are stated in thousands of Euro.

(Euro thousand)	**For the year ended December 31,**		
	2023	**2022**	**2021**
Directors	0	0	5
Board of Statutory Auditors	17	15	15

05.16. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

In 2023, a project to simplify the corporate structure in the US was initiated, resulting in the merger of retail companies into a single entity. The effects of the merger will be effective from January 1, 2024. There are no economic or financial effects on the Group consolidated financial statement. Moreover, in 2024 the Group completed the acquisition of Calzaturificio Sirio, as described in Note 03.20.1.

Subsequent to the close of FY 2023 there were no significant events impacting the Group's operations.

Chief Executive Officer

Dott. Silvio Campara

06 ATTACHMENT

Building a better working world

Golden Goose Group S.p.A.

(formerly Astrum 2 S.p.A.)

Consolidated financial statements at December 31, 2023, 2022 and 2021

Independent auditor's report

Building a better working world

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Independent auditor's report

To the Board of Directors of
Golden Goose Group S.p.A.
(formerly Astrum 2 S.p.A.)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Golden Goose Group S.p.A. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as of December 31, 2023, 2022 and 2021, and the consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated cash flow statements for the years then ended, and the explanatory notes to the consolidated financial statements, including material accounting principles information (collectively the "consolidated financial statements").

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2023, 2022 and 2021, and of its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

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 *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Golden Goose Group S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and, within the terms provided by the 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, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the parent Golden Goose Group S.p.A. or to cease operations, or have no realistic alternative but to do so.

The Board of Statutory Auditors ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

Auditor's 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 auditor's 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 International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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;
- we have obtained 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;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we have evaluated 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;
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities 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 have communicated with those charged with governance, identified at an appropriate level as 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.

Treviso, March 18, 2024

EY S.p.A.

Stefano Marchesin
(Auditor)


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