INDITEX

INDITEX
ANNUAL REPORT
2022

Index

STATEMENT BY THE DIRECTORS ABOUT THE CONTENTS OF THE FINANCIAL ANNUAL REPORT **3**
AUDITOR´S REPORT ON THE ANNUAL ACCOUNTS **5**
ANNUAL ACCOUNTS AND DIRECTORS´REPORT FOR THE YEAR ENDED 31 JANUARY 2023 .... **14**
Balance sheet at 31 January 2023 and 2022 15
Income statement for the years ended 31 January 2023 and 2022 17
Statement of changes in equity for the years ended 31 January 2023 and 2022 18
Statement of cash flows for the years ended 31 January 2023 and 2022 20
NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2023 .... **21**
1. Activity and description of the Company 22
2. Basis of presentation of the annual accounts 23
3. Distribution of profit 26
4. Accounting policies 27
5. Intangible assets 36
6. Property, plant and equipment 37
7. Investment property 39
8. Investments in Group companies and financial assets (current and non-current) 40
9. Cash and cash equivalents 43
10. Inventories 44
11. Equity 45
12. Long-term provisions 47
13. Non-current and current accruals and deferred income 48
14. Non-current and current liabilities 49
15. Balances and transactions with Group and related companies 50
16. Taxes 51
17. Guarantee commitments to third parties 54
18. Income and expenses 55
19. Information on the nature and level of risk 57
20. Other disclosures 60
21. Explanation added for translation to English 63
Annex I. List of Company of investments in Group companies at 31 January 2023 64
Annex II. Direct and indirect investments of the members of the Board of Directors in the share capital of the Company at 31 January 2023 80

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2023 .... **82**
Report on Internal Control Systems (ICFR) .... **##**
Annual Corporate Governance Report (ACGR) .... **##**
Annual Report on Remuneration (ARR) .... **##**

Statement by the Directors about the Contents of the Financial Annual Report

We, the members of the Board of Directors, hereby state that, to the best of our knowledge and belief, the separate annual accounts for fiscal year 2022 (1 February 2022 – 31 January 2023), stated by the Board of Directors in the meeting held on 14 March 2023, drafted pursuant to the applicable accounting principles, give the true and fair view of the assets, the financial situation and the results of Industria de Diseño Textil, S.A. (Inditex, S.A.) and that the individual financial report includes a true review of the evolution and the corporate results, as well as of the position of Industria de Diseño Textil, S.A. (Inditex, S.A.), together with the description of the main risks and uncertainties it faces up to.

In Arteixo (A Coruña), on 14 March 2023.

Ms Marta Ortega Pérez
Chair

Mr Amancio Ortega Gaona
Ordinary Member

Mr José Arnau Sierra
Deputy Chairman

Mr Oscar García Maceiras
CEO

Pontegadea Inversiones, S.L.
Ordinary Member
Ms Flora Pérez Marcote

Bns Denise Patricia Kingsmill
Ordinary Member

Ms Pilar López Álvarez
Ordinary Member

Ms Anne Lange
Ordinary Member

Mr José Luis Durán Schulz
Ordinary Member

Mr Rodrigo Echenique Gordillo
Ordinary Member

Mr Emilio Saracho Rodríguez de Torres
Ordinary Member

Auditor´s Report on the Annual Accounts

Ernst & Young, S.L.
Calle de Raimundo Fernández Villaverde, 65
28003 Madrid

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AUDIT REPORT ON FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (See Note 21)

To the shareholders of Industria de Diseño Textil, S.A.:

Report on the financial statements

Opinion

We have audited the financial statements of Industria de Diseño Textil, S.A. (the Company), which comprise the balance sheet as at January 31, 2023, the income statement, the statement of changes in equity, the statement of cash flows, and the notes thereto for the year then ended (year 2022).

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company as at January 31, 2023 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying financial statements) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Valuation of inventories

Description The Company has registered in the current assets of the accompanying balance sheet as of January 31, 2023, inventories for a net book value of 1,209 million euros, which represent 5% of total assets.

The centralized and integrated model of Inditex Group is characterized by managing a large number of references in the different markets in which it operates and by their high turnover levels.

Likewise, consumer behavior and other external factors significantly influence the valuation of inventories, requiring relevant estimates to determine the net realisable value of the references, which entails the application of judgments in the establishment of the hypotheses considered by Company Management in relation to said estimates.

We have considered this area as a key audit matter due to the significance of the amounts involved, the high number of points of sale and references and their high turnover, as well as the complexity of the judgments made by Company Management to determine the net realisable value of inventories.

The information related to the criteria applied and the corresponding disclosures is included in Notes 4.7 and 10 of the attached financial statements.

Our response In relation to this area, our audit procedures have included, among others, the following:

- Understanding of the process established by Company Management for the management and valuation of inventories, evaluation of the design and implementation of the relevant controls established in the aforementioned process and verification of the operational effectiveness of said controls, all in collaboration with our specialists in information systems.
- Evaluation of the consistency of the accounting principles and criteria applied by the Company's Management for the valuation of the inventory of inventories with the applicable financial information regulatory framework and with those applied in the previous year.
- Assessment of the reasonableness of the key assumptions considered by Company Management to determine the net realisable value of inventories and their consistency with Group policy and with other available information, such as historical sales from similar seasons and forecasts of future sale.
- Procedures for recalculation, in collaboration with our specialists in information systems, of the net realisable value of the Company's finished product inventories.
- Review of the disclosures included in the financial statements and assessment of its adequacy with the applicable financial reporting regulatory framework.

The result of the procedures carried out described in the preceding paragraphs has been satisfactory in relation to the audit objectives pursued.

Valuation of long-term investments in group companies and associates

Description

The Company has registered in the non-current assets of the accompanying balance sheet as of January 31, 2023 long-term investments in group companies and associates for a net book value of 14,693 million euros, which represent 62% of total assets.

Company's Management evaluates, at least at the end of the financial year, the impairment indicators and makes the necessary value corrections whenever there is objective evidence that the book value of an investment will not be recoverable, the amount of the correction being the difference between its book value and the recoverable amount.

The determination of the recoverable amount requires to carry out relevant estimates, which entails the application of judgments in the establishment of the hypotheses considered by Company's Management in relation to said estimates.

We have considered this area as a key audit matter due to the significance of the amounts involved and the complexity of the judgments made by Company's Management to determine the recoverable amount of long-term investments in group companies and associates.

The information related to the criteria applied and the corresponding disclosures is included in Notes 4.6 and 8 of the attached financial statements.

Our response

In relation to this area, our audit procedures have included, among others, the following:

- Understanding of the process established by Company's Management for the valuation of long-term investments in group companies and associates, and evaluation of the design and implementation of the relevant controls established in the aforementioned process.
- Evaluation of the consistency of the accounting principles and criteria applied by the Company for the valuation of long-term investments in group companies and associates with the applicable financial reporting regulatory framework and with those applied in the previous year.
- Evaluation of the analysis of impairment indicators of long-term investments in group companies and associates carried out by Company's Management.
- Review of the models used by Company's Management to determine the recoverable amount, in collaboration with our valuation specialists, covering, in particular, the mathematical consistency of the model, and the reasonableness of the projected cash flows and discount and growth rates. In conducting our review, we have held interviews with those responsible for developing the models and used recognized external sources and other available information for data contrast.
- Review of the sensitivity analyzes carried out by Company's Management regarding the estimates made to determine the recoverable amount in the event of changes in the relevant hypotheses considered.
- Review of the disclosures included in the financial statements and assessment of its adequacy with the applicable financial reporting regulatory framework.

The result of the procedures carried out described in the preceding paragraphs has been satisfactory in relation to the audit objectives pursued.

Information systems

Description	The high volume of operations, the high automation of business processes and the relevance of information technology systems (IT) in the processes of generating the Company's financial information, expose it to a high dependence on the correct functioning of their information systems. Consequently, to ensure the correct processing of financial information, it is key to maintain an adequate control environment over the information systems. In turn, the assessment and management of cybersecurity risks is becoming increasingly relevant, taking into account the aforementioned technological dependency, the volume of Company operations. In this context, it is critical to evaluate issues such as the organization of the Technology area, which must allow adequate coordination and homogenization of the management of technological risks that may affect information systems, physical and logical security, and operations, the development and maintenance of the systems, databases and applications used in the process of preparing financial information. For this reason, we have considered the risks associated with information technology as a key audit matter.
Our response	Our audit procedures, carried out with the involvement of our information systems specialists, have included, among others, the following: ▶ Understanding of the information flows and the internal control environment of the Company related to the information systems, databases and key applications involved in the process of preparing financial information. ▶ Evaluation of the design and implementation of general IT controls related to access control, configuration management and modifications, as well as the operations of those applications that we have considered relevant for the generation of financial information, as well as the key automatic controls that operate in certain significant business processes, including the sales process. ▶ Performance of operational effectiveness tests and extended control procedures on: • logical security and access controls to operating systems, databases and relevant applications. • controls of development, maintenance and operation of applications and systems. • automatisms used in the generation of financial information. ▶ Review of the cybersecurity risk management model in relation to the main IT systems and evaluation of security measures and related action plans. The result of the procedures carried out described in the preceding paragraphs has been satisfactory in relation to the audit objectives pursued.

Other matters

On March 16, 2022, other auditors issued their audit report on the financial statements for the year ended January 31, 2022, where they expressed an unmodified opinion.

Other information: directors report

Other information refers exclusively to the 2022 directors report, the preparation of which is the responsibility of the Company's directors and is not an integral part of the financial statements.

Our audit opinion on the financial statements does not cover the directors report. Our responsibility for the directors report, in conformity with prevailing audit regulations in Spain, entails:

a. Checking only that the non-financial statement and certain information included in the Corporate Governance Report and in the Board Remuneration Report, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.

b. Assessing and reporting on the consistency of the remaining information included in the directors report with the financial statements, based on the knowledge of the entity obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the directors report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the directors report is consistent with that provided in the 2022 financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the directors and the audit and compliance committee for the financial statements

The directors are responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity, financial position and results of the Company, in accordance with the regulatory framework for financial information applicable to the Company in Spain, identified in Note 2 to the accompanying financial statements, and 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.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit and compliance committee is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the director's 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 Company'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 modify 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit and compliance committee of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit and compliance committee of the Company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit and compliance committee of the Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.
We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital file of the European single electronic format (ESEF) of Industria de Diseño Textil, S.A. for the 2022 financial year, consisting of an XHTML file containing the financial statements for the year, which will form part of the annual financial report.

The directors of Industria de Diseño Textil, S.A. are responsible for submitting the annual financial report for the 2022 financial year, in accordance with the formatting requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation).

Our responsibility consists of examining the digital file prepared by the directors of the Company, in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the financial statements included in the aforementioned digital file correspond in their entirety to those of the financial statements that we have audited, and whether the financial statements and the aforementioned file have been formatted, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital file examined corresponds in its entirety to the audited financial statements, which are presented, in all material respects, in accordance with the ESEF Regulation.

Additional report to the audit and compliance committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit and compliance committee on March 15, 2023.

Term of engagement

The ordinary general shareholders' meeting held on July 12, 2022 appointed us as auditors for 3 years, commencing on the financial year ended on January 31, 2023.

ERNST & YOUNG, S.L.
(Registered in the Official Register of
Auditors under Nº S0530)

Hildur Eir Jónsdóttir

Hildur Eir Jónsdóttir
(Registered in the Official Register of
Auditors under Nº 18201)

March 15, 2023

INDITEX

Translation of annual accounts originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 21). In the event of a discrepancy, the Spanish-language version prevails..

ANNUAL ACCOUNTS 2022

For the year ended 31 January 2023

Balance sheet as at 31 January 2023 and 2022

(Amounts in millions of euros)	Notes	31/01/2023	31/01/2022
ASSETS			
NON-CURRENT ASSETS		16,370	16,951
Intangible assets	(5)	**348**	**250**
Patents and similar intangibles		4	4
Computer software		331	239
Intangible assets in progress and advances		13	7
Property, plant and equipment	(6)	**617**	**591**
Land and buildings		252	246
Plant and other items of property, plant and equipment		273	294
Property, plant and equipment in the course of construction and advances		92	51
Investment property	(7)	**485**	**503**
Land		104	104
Buildings		381	399
Non-current investments in Group companies, jointly controlled entities and associates	(8)	**14,693**	**15,342**
Equity instruments		14,693	11,218
Loans to companies	(15)	-	4,124
Non-current financial assets	(8)	**62**	**99**
Equity instruments		5	2
Other financial assets		57	97
Deferred tax assets	(16)	**160**	**163**
Non-current prepayments and accrued income		**5**	**3**
CURRENT ASSETS		7,271	7,796
Non-current assets held for sale	(8)	**183**	-
Inventories	(10)	**1,209**	**1,167**
Goods held for resale		1,022	1,007
Raw materials and other supplies		187	160
Trade and other receivables		**709**	**748**
Trade receivables for sales and services		144	150
Trade receivables from Group companies and associates	(15)	395	408
Personnel		10	-
Current tax assets		113	87
Other accounts receivable from public authorities		47	103
Current investments in Group companies, jointly controlled entities and associates	(8 & 15)	**1,667**	**1,298**
Loans to companies		1,667	1,298
Current financial assets	(8)	**6**	**7**
Loans to companies		4	-
Derivatives		2	7
Current prepayments and accrued income		**14**	**13**
Cash and cash equivalents	(9)	**3,483**	**4,563**
Cash		3,483	4,563
TOTAL ASSETS		23,642	24,747

The accompanying Notes 1 to 21 and Annex I and II are an integral part of the balance sheet as at 31 January 2023.

(Amounts in millions of euros)	Notes	31/01/2023	31/01/2022
EQUITY AND LIABILITIES			
EQUITY		**20,009**	**21,019**
SHAREHOLDERS' EQUITY	**(11)**	**20,012**	**21,016**
Share capital		**94**	**94**
Share capital		94	94
Share premium		**20**	**20**
Reserves		**18,122**	**19,552**
Legal and bylaw reserves		19	19
Other reserves		18,103	19,533
Treasury shares		**(130)**	**(122)**
Profit for the year		**1,906**	**1,472**
VALUATION ADJUSTMENTS		**(4)**	**2**
Hedges		(4)	2
GRANTS, DONATIONS AND BEQUESTS RECEIVED		**1**	**1**
NON-CURRENT LIABILITIES		**203**	**348**
Long-term provisions	**(12)**	**50**	**72**
Other provisions		50	72
Non-current payables	**(14)**	-	**1**
Obligations under finance leases		-	1
Non-current payables to Group companies, jointly controlled entities and associates	**(15)**	**18**	**16**
Deferred tax liabilities	**(16)**	**7**	**7**
Non-current accruals and deferred income	**(13)**	**128**	**252**
CURRENT LIABILITIES		**3,430**	**3,380**
Current payables	**(14)**	**70**	**37**
Obligations under finance leases		1	1
Derivatives	**(8)**	10	-
Other financial liabilities		59	36
Current payables to Group companies, jointly controlled entities and associates	**(15)**	**1,031**	**982**
Trade and other payables		**2,205**	**2,237**
Payable to suppliers		367	524
Payable to suppliers - Group companies and associates	(15)	1,430	1,332
Sundry accounts payable		242	241
Remuneration payable		151	131
Other accounts payable to public authorities		15	9
Current accruals and deferred income	**(13)**	**124**	**124**
TOTAL EQUITY AND LIABILITIES		**23,642**	**24,747**

The accompanying Notes 1 to 21 and Annex I and II are an integral part of the balance sheet as at 31 January 2023.

Income statement for the years ended 31 January 2023 and 2022

(Amounts in millions of euros)	Notes	2022	2021
CONTINUING OPERATIONS			
Revenue	**(18.1)**	**15,659**	**11,129**
Sales		11,638	9,566
Services		149	142
Dividends	(15)	3,872	1,421
In-house work on non-current assets		**13**	**12**
Procurements	**(18.2)**	**(8,719)**	**(7,290)**
Cost of goods held for resale sold		(7,852)	(6,567)
Cost of raw materials and other consumables used		(772)	(640)
Work performed by other companies		(95)	(83)
Other operating income		**239**	**222**
Non-core and other current operating income	(7, 13 & 15)	238	221
Income-related grants transferred to profit or loss		1	1
Personnel expenses		**(482)**	**(441)**
Wages, salaries and similar expenses		(428)	(398)
Employee benefits	(18.3)	(54)	(43)
Other operating expenses		**(2,424)**	**(2,078)**
Outsourced services	(18.4)	(2,351)	(2,003)
Taxes other than income tax		(4)	(4)
Losses, impairment and changes in provisions for commercial transactions		(1)	(4)
Other current operating expenses		(68)	(67)
Amortisation and depreciation of non-current assets and investment property	**(5, 6 & 7)**	**(123)**	**(125)**
Impairment and gains or losses on disposals of fixed assets		**-**	**(5)**
Impairment and gains or losses on disposals of Group investments		**(2,211)**	**49**
INCOME FROM OPERATIONS		**1,952**	**1,473**
Finance income		**52**	**24**
From marketable securities and other financial instruments		52	24
Group companies and associates	(15)	31	24
Third parties		21	-
Finance costs		**(2)**	**(16)**
On debts to Group companies and associates	(15)	(1)	(1)
Third parties		(1)	(15)
Exchange differences		**(24)**	**7**
FINANCIAL RESULTS		**26**	**15**
INCOME BEFORE TAXES		**1,978**	**1,488**
Income tax	(16)	(72)	(16)
INCOME FOR THE YEAR		**1,906**	**1,472**

The accompanying Notes 1 to 21 and Annex I and II are an integral part of the income statement for the year ended 31 January 2023.

Statement of changes in equity for the years ended 31 January 2023 and 2022

Statement of recognised income and expense

(Amounts in millions of euros)	2022	2021
PROFIT PER STATEMENT OF PROFIT OR LOSS (I)	**1,906**	**1,472**
Income and expense recognised directly in equity		
Cash flow hedges (Note 8)	(5)	3
Tax effect (Note 16)	1	(1)
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY (II)	**(4)**	**2**
Transfers to profit or loss		
Cash flow hedges (Note 8)	(3)	1
Tax effect (Note 16)	1	-
TOTAL TRANSFERS TO PROFIT OR LOSS (III)	**(2)**	**1**
TOTAL RECOGNISED INCOME AND EXPENSE (I+II+III)	**1,900**	**1,475**

The accompanying Notes 1 to 21 and Annex I and II are an integral part of the statement of recognised income and expense for the year ended 31 January 2023.

Statement of changes in total equity

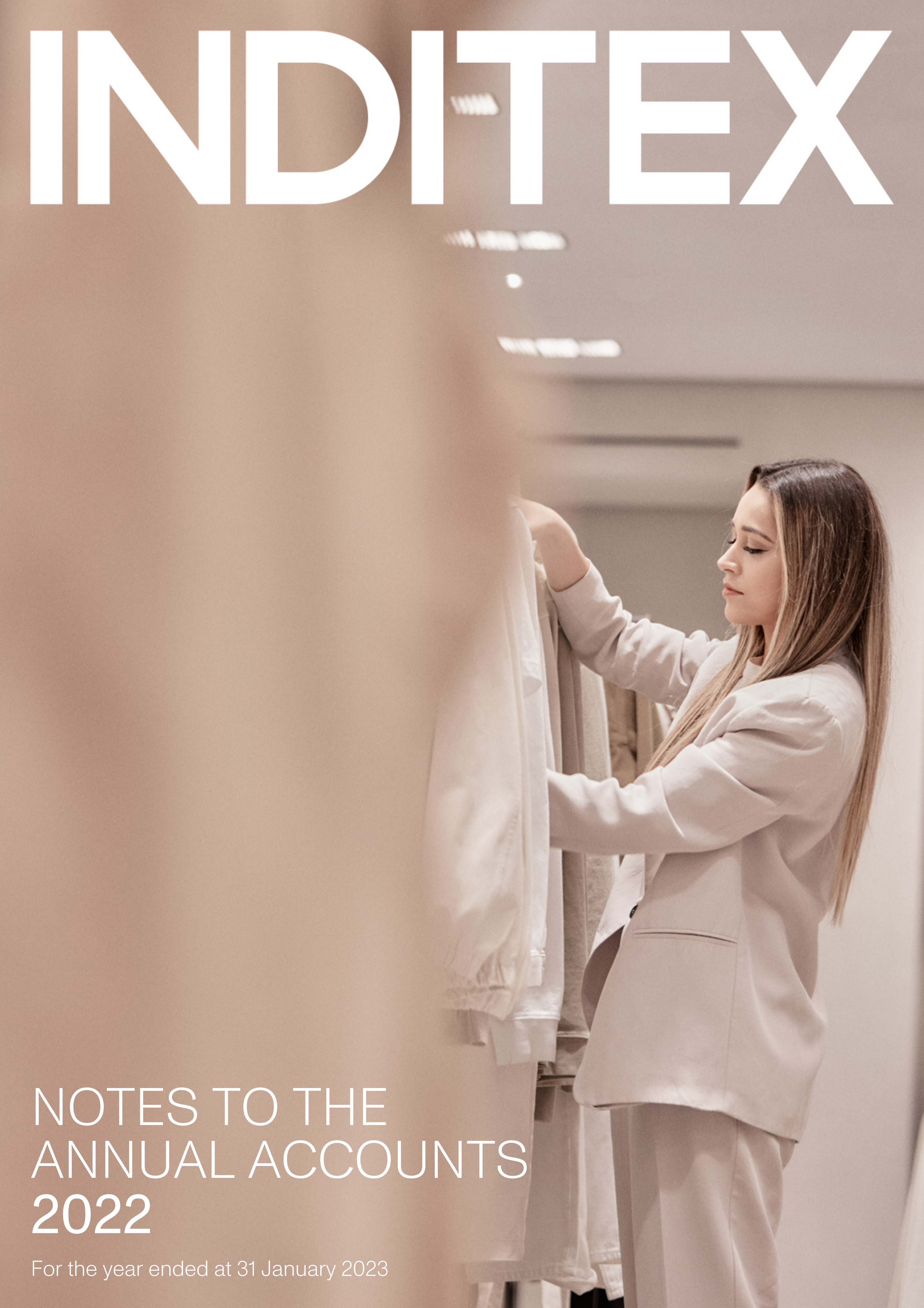
(Amounts in millions of euros)	Share capital	Share premium	Reserves	Treasury shares	Profit for the year	Valuation adjustments	Grants, donations and bequests received	Total
2021 OPENING BALANCE	**94**	**20**	**18,732**	**(51)**	**2,923**	**(1)**	**1**	**21,718**
Total recognised income and expense	**-**	**-**	**-**	**-**	**1,472**	**3**	**-**	**1,475**
Transactions with shareholders or owners								
Transfers	-	-	743	-	(743)	-	-	-
Dividends paid	-	-	-	-	(2,180)	-	-	(2,180)
Other changes	-	-	77	-	-	-	-	77
Treasury shares	-	-	-	(71)	-	-	-	(71)
2021 CLOSING BALANCE	**94**	**20**	**19,552**	**(122)**	**1,472**	**2**	**1**	**21,019**
2022 OPENING BALANCE	**94**	**20**	**19,552**	**(122)**	**1,472**	**2**	**1**	**21,019**
Total recognised income and expense	**-**	**-**	**-**	**-**	**1,906**	**(6)**	**-**	**1,900**
Transactions with shareholders or owners								
Transfers	-	-	24	-	(24)	-	-	-
Dividends paid	-	-	(1,447)	-	(1,448)	-	-	(2,895)
Other changes	-	-	(7)	-	-	-	-	(7)
Treasury shares	-	-	-	(8)	-	-	-	(8)
2022 CLOSING BALANCE	**94**	**20**	**18,122**	**(130)**	**1,906**	**(4)**	**1**	**20,009**

The accompanying Notes 1 to 21 and Annex I and II are an integral part of the statement of changes in total equity for the year ended 31 January 2023.

Statement of cash flows for the years ended 31 January 2023 and 2022

(Amounts in millions of euros)	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES (I)			
INCOME BEFORE TAXES		**1,978**	**1,488**
Adjustments to profit			
Amortisation and depreciation	(5, 6 & 7)	123	125
Impairment losses	(8)	2,206	(49)
Changes in provisions		40	37
Gains/Losses on derecognition and disposal of fixed assets	(5, 6 & 7)	-	5
Gains/Losses on derecognition and disposal of financial instruments		5	-
Finance income		(52)	(24)
Finance costs		2	16
Exchange differences		(36)	14
Other income and expenses		(98)	(87)
Dividends from investments in equity instruments of Group companies	(15)	(3,872)	(1,421)
Changes in working capital			
Inventories		(42)	(373)
Trade and other receivables		(112)	(423)
Trade and other payables		(53)	771
Other current liabilities		16	(7)
Other cash flows from operating activities			
Interest paid		(2)	(16)
Dividends received		3,985	1,519
Interest received		45	23
Income tax paid		(53)	(43)
Other collections (payments)		-	25
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		**4,080**	**1,580**
CASH FLOWS FROM INVESTING ACTIVITIES (II)			
Payments relating to investment			
Group companies and associates	(8)	(6,231)	(2,351)
Intangible assets	(5)	(131)	(104)
Property, plant and equipment	(6)	(60)	(91)
Investment property	(7)	(5)	(8)
Other financial assets		(6)	-
Collections relating to divestments			
Group companies and associates	(8)	4,186	2,264
Property, plant and equipment		-	1
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES		**(2,247)**	**(289)**
CASH FLOWS FROM FINANCING ACTIVITIES (III)			
Collections and payments relating to equity instruments			
Purchase of equity instruments		(61)	(71)
Collections and payments relating to financial liability instruments			
Repayment of borrowings from Group companies and associates		43	399
Dividends and returns on other equity instruments paid			
Dividends		(2,895)	(2,180)
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES		**(2,913)**	**(1,852)**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III)		**(1,080)**	**(561)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**4,563**	**5,124**
CASH AND CASH EQUIVALENTS AT END OF YEAR		**3,483**	**4,563**

The accompanying Notes 1 to 21 and Annex I and II are an integral part of the statement of cash flows for the year ended 31 January 2023.



INDITEX

NOTES TO THE ANNUAL ACCOUNTS 2022

For the year ended at 31 January 2023

1. Activity and description of the Company

Industria de Diseño Textil, S.A. ('Inditex' or 'the Company') was incorporated as a public limited liability company on 12 June 1985. Its current registered office is located at Avenida Diputación, s/n 'Edificio Inditex', Arteixo, A Coruña.

Industria de Diseño Textil, S.A. is the parent of a group of companies (the "Group), whose main activity is the distribution of fashion items, particularly clothing, footwear, accessories and household textile products. The Group carries out its activity through various retail concepts such as Zara, Pull & Bear, Massimo Dutti, Bershka, Stradivarius, Oysho, and Zara Home. Inditex is listed on all four Spanish stock exchanges and, together with its subsidiary companies, comprises the Inditex Group.

Each concept is carried out through a store and online integrated model, managed directly by companies over which Inditex exercises control through the ownership of all or the majority of the share capital and of the voting rights, with the exception of certain countries where, for various reasons, the activity is performed through franchises. Certain franchise agreements entered into by the Group include purchase options which, if exercised, would essentially enable the Group to have access to the lease rights over the premises in which the franchised stores operate and the assets associated with these stores. These options may be exercised after a certain period of time has elapsed since the signing of the franchise agreement.

The information relating to Inditex's ownership interests in Group companies and jointly controlled entities is detailed in Annex I hereto.

The Company engages mainly in:

- The purchase and procurement of fashion items, particularly clothing and accessories, and the distribution and sale thereof to the companies that market the ZARA concept. Part of this activity is carried out through a permanent establishment in the Netherlands.
- The provision of corporate services to the other Group companies.
- The management of the ownership interests in its subsidiaries, from which it receives income in the form of dividends.

Pursuant to corporate law, the Company's Directors prepared separately consolidated annual accounts in accordance with International Financial Reporting Standards as adopted by the European Union, which reflected a consolidated profit attributable to the Parent of 4,130 million euros (2021: 3,243 million euros) and consolidated equity attributable to the Parent of 17,008 million euros (2021: 15,733 million euros).

The Group's consolidated annual accounts for 2021 were prepared by the Directors of Industria de Diseño Textil, S.A. at the Board of Directors meeting held on 15 March 2022 and were filed at the A Coruña Mercantile Registry, while the consolidated annual accounts of the Inditex Group for 2022 were prepared on 14 March 2023.

As indicated in Note 15, a significant portion of the Company's operations are carried on with companies in the Group to which it belongs.

The Company, together with other companies, belongs to a group which, in turn, is controlled by the same individual, who has control over other companies. The company with the most assets in this group of companies, Pontegadea Inversiones, S.L., files its annual accounts at the A Coruña Mercantile Registry. Industria de Diseño Textil, S.A. and Pontegadea Inversiones, S.L. are managed independently.

2. Basis of presentation of the annual accounts

2.1. Regulatory financial reporting framework applicable to the Company

These annual accounts were formally prepared by the Directors in accordance with the regulatory financial reporting framework applicable to the Company, which consists of:

- The Spanish Commercial Code and all other Spanish Corporate Law.
- The Consolidated Spanish Companies Act.
- The General Accounting Plan (approved by Royal Decree 1514/2007, of 16 November) and its subsequent amendments.
- The mandatory rules approved by the Spanish Accounting and Auditing Institute in order to implement the General Accounting Plan and the relevant secondary legislation.
- All other applicable Spanish accounting legislation.

2.2. Fair presentation

The annual accounts for the year ended 31 January 2023 ('2022'), which were obtained from the Company's accounting records, are presented in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein (see Note 2.1), so that they present fairly the Company's equity, financial position, results of operations and cash flows for that year.

These annual accounts, which were formally prepared by the Company's Directors, will be submitted for approval by the Annual General Meeting, and it is considered that they will be approved without any changes. The annual accounts for the year ended 31 January 2022 (hereinafter, '2021') were approved by shareholders at the Annual General Meeting held on 12 July 2022.

Unless otherwise stated, the amounts shown in these annual accounts are expressed in millions of euros.

2.3. Accounting principles

The Company's Directors formally prepared these annual accounts taking into account all the obligatory accounting principles and standards. In particular, the annual accounts for 2022 were prepared on the basis of the 'going concern' accounting principle, in the absence of doubts as to the Company's ability to continue its operations. The assessment that there are no material uncertainties affecting the Company's capacity to continue with its operations was based on the following information:

- The performance of the Company, which has posted positive results in 2022.
- Performance forecasts for spring/summer 2023.
- The capacity to adapt the supply chain to changing conditions.
- The flexibility of the model based on sales channel integration.
- The capacity to manage the financial risks to which the Company is exposed (see Note 19).
- The positive net financial position and the existence of sufficient undrawn financing facilities to fund the Company's activities.

All obligatory accounting principles were applied.

2.4. Key issues in relation to the measurement and estimation of uncertainty

2.4.1. Impacts of COVID-19

The Covid-19 pandemic continued to affect business performance in 2022, albeit more moderately, as almost all restrictions have now been lifted and the situation in most of the Company's markets has normalised, boosting the economic recovery and reinvigorating consumer spending.

The comparison of financial year 2022 with the same period of the previous year is somewhat skewed by the pandemic, due to the latter's most significant impact in the first and fourth quarters of 2021 as a result of restrictions in important markets for the Company.

Some of the supply markets have continued to face sporadic disruptions as a result of the pandemic, including temporary factory closures, shipping delays, etc., but much less so than in previous years.

The flexibility of the business model has enabled to soften the impact of these disruptions. By leveraging its highly diverse supply sources, along with its technological infrastructure, digitalisation initiatives and integration of the physical and online store on which the Inditex Group's integrated strategy hinges, it was able to continue operating as normal in this context. Business model flexibility, efficient management of the integrated inventory, and control over operating expenses have been and continue to be crucial to the Company's operational and financial performance in the period.

The main judgements and estimates used to measure certain items of the financial statements were updated to take into account the impact of the pandemic. Moreover, the specific impacts associated with the pandemic were recognised, in accordance with their nature, in the income statement for the year, as part of operating income.

The long-term business plan is still in force, as the pandemic is considered to be a temporary situation that does not alter its long-term expectations. Accordingly, during the year, the Inditex Group has continued to implement the fully integrated store and online based on key strategic lines: product proposal, customer experience, sustainability and talent retention.

Section 6.3 Responsible risk management of the Statement on Non-Financial Information includes a more detailed analysis of the pandemic's impacts on the various risks identified within the Inditex Group.

2.4.2. Conflict in Ukraine

As a result of the conflict in Ukraine, which began on 24 February 2022, the Group temporarily suspended operations in both Ukraine (from that very moment) and the Russian Federation (from 5 March), as the conflict prevented normal operations throughout the region. The operations in Ukraine remain suspended to date and in the Russian Federation operations have been terminated (Note 8).

2.4.3. Macroeconomic environment

The uncertain and challenging macroeconomic and geopolitical environment were hallmarks of the year. Numerous markets have seen a widespread increase in interest rates, as well as a significant rise in inflation, affecting the cost of many of the goods and services in our value chain. In particular, commodity markets, especially energy and certain textile fibres, experienced a generalised uptick in the year. Energy costs, both in the sales markets and in supplying countries linked to the transformation processes in our value chain, have risen sharply.

The situation in the transportation market tended to normalise in the final months of the year, although it has not yet returned to pre-pandemic conditions. Restrictions on commercial traffic and rising fossil fuel prices, mainly as a result of geopolitical tensions, have added complexity to an already stressed environment.

In this very challenging context, once again the flexibility of our business model has come to the fore. Spending has been systematically and rigorously controlled. In addition, in anticipation of potential supply chain stress, and harnessing the flexibility of our business model, during the year the Company brought inventory inflows forward, a situation that normalised throughout the year.

2.4.4. Material estimates and measurement of uncertainty

In preparing the accompanying annual accounts estimates were occasionally made in order to quantify certain of the assets, liabilities, income, expenses and obligations reported herein. Below are the estimates and assumptions most exposed to uncertainty:

- The assessment of possible impairment losses on investments in Group companies. In determining the recoverable value of non-current assets (in accordance with the methodology described in note 4.4), estimates are made of the cash flows at cash-generating units for which purpose assumptions are made such as estimated sales growth, the performance of operating expenses and the gross margin of each of the CGUs. These estimates are based on the Company's prior experience and on macroeconomic indicators, and the costs incurred in relation to implementing the sustainability strategy are also considered. Accordingly, these estimates are affected by uncertainty to the extent that they depend on the future performance of each cash-generating unit and on the possibility of there being events outside the Company's control in relation to the Covid-19 pandemic (such as mandatory temporary closures of physical stores for health reasons), the evolution of the conflict in Ukraine itself or a general decline in the economic environment that worsens revenue forecasts, as well as the costs increase.
- The determination of inventory costs and its net realizable value. In establishing the recoverable value of inventories (in accordance with the methodology described in Note 4.7), estimates of net realisable value are used, based on assumptions linked primarily to the success of the collections, which determines sales performance, stock rotation, the volume of discounted units and the percentage discount. These estimates are affected by uncertainty to the extent that they depend on future events associated with the collections' commercial success.
- Assessment of counterparty credit risk of financial institutions in which the Company holds Cash and cash equivalents and Current financial investments.

The remaining estimates, judgements and assumptions considered in preparing these annual financial statements are as follows:

- The useful life of property, plant and equipment, intangible assets and investment property.
- The fair value of certain assets, mainly financial instruments.
- The assumptions used in the actuarial calculation of liabilities for pensions and other obligations with employees.

- The calculation of the provisions required for contingencies relating to litigation in progress and doubtful debts.
- The recovery of deferred tax assets on the basis of the existences of future taxable profits.

The estimates used took into account the risks deriving from climate change. The costs linked to the Sustainability Strategy are factored into the budgets and business plans which generally cover a 3-year period, and are used to test the impairment of the investments in Group companies (Note 4.4). However, given the nature of the assets and the mitigation measures that the Company is implementing as part of its Sustainability strategy, the risk deriving from climate change is not considered to have a material impact on the estimates of the useful lives of assets, the realisable value of inventories or the analyses in the impairment testing of non-financial assets.

Although these estimates were made using the best information available at the time of preparation of this annual accounts, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively, recognising the effects of the change in estimates in the income statements for the years affected.

2.5. Comparative information

The information relating to 2021 included in these notes to the annual accounts is presented solely for comparison purposes with that relating to 2022.

2.6. Grouping of items

Certain items in the balance sheet, income statement, statement of changes in equity and statement of cash flows are grouped together to facilitate their understanding; however, whenever the amounts involved are material, the information is broken down in the related notes to the annual accounts.

2.7. Correction of errors

In preparing these annual accounts no significant errors were detected that would have made it necessary to restate the amounts included in the annual accounts for 2021.

2.8. Changes in accounting policies

In the year ended 31 January 2023 there were no significant changes in accounting policies with respect to those applied in 2021.

2.9. Materiality

In preparing these annual accounts the Company omitted any information or disclosure which, not requiring disclosure due to their qualitative importance, was considered not to be material.

3. Distribution of profit

The proposed appropriation of the Company´s profit in 2022 in the amount of 1,906 million euros made by the Board of Directors consists of distributing dividends in a maximum amount of 1,870 million euros and allocate at least 36 million euros to voluntary reserves.

The Board of Directors will propose to shareholders at the Annual General Meeting to pay shares with a right to dividend, a dividend of 1.20 euros per share, being comprised of a 0.796 euros per share ordinary dividend and a 0.404 euros per share bonus dividend.

Out of the total amount of 1.20 euros per share, 0.60 euros per share will be paid on 2 May 2023 as ordinary dividend against 2022 results, and 0.60 euros per share will be distributed against the Company's unrestricted reserves, payable on 2 November 2023 as ordinary and bonus dividend.

The proposal covers a dividend distribution in the maximum amount of 3,740 million euros, corresponding to 1.20 (gross) euros per share for the entire stake of the Company (3,116,652,000 shares). Since the Company income in 2022 has reached 1,906 million euros, the difference between the interim dividend and the full dividend will be charged against the Company's unrestricted reserve.

At 31 January 2022 the restricted reserves amounted to 565 million euros (570 million euros in 2021).

4. Accounting policies

The principal accounting policies used by the Company in preparing these annual accounts for 2022 were as follows:

4.1. Intangible assets

Intangible assets are recognised initially at acquisition or production cost and this initial measurement is subsequently adjusted for any accumulated amortisation and any accumulated impairment losses on the assets. Whenever there are signs of impairment, the Company tests the intangible assets for impairment (see Note 4.4) to determine whether the recoverable amount of the assets has been reduced to below their carrying amount.

In-house work performed by the Company to develop certain items of computer software that is capitalised to intangible assets is measured at accumulated cost (external costs plus in-house costs and, as the case may be, in-house personnel costs incurred in the development of this software).

Intangible assets with finite useful lives are amortised systematically over the years of useful life of the assets, as follows:

	Useful life (years)
Patents and similar intangibles	10
Computer software	5 to 10

The Company reviews the residual values and useful lives of its intangible assets at each reporting date. Any change in the initially established estimates would be accounted for as a change in an accounting estimate.

4.2. Property, plant and equipment

Property, plant and equipment are initially recognised at acquisition or production cost revalued pursuant to various laws (including Law 16/2012, of 27 December) (see Notes 6, 7 and 11) and this initial measurement is subsequently adjusted for any accumulated depreciation and any accumulated impairment losses on the assets. Whenever there are signs of impairment, the Company tests the property, plant and equipment for impairment (see Note 4.4) to determine whether the recoverable amount of the assets has been reduced to below their carrying amount.

Periodic maintenance, upkeep and repair expenses are recognised in profit or loss as they are incurred. However, the costs of expansion, modernisation or improvements leading to a lengthening of the useful lives of the assets are capitalised. After initial recognition of an asset, only those costs that it is probable will give rise to future economic benefits and that can be measured reliably are capitalised.

The balances of assets retired as a result of modernisation or for any other reason are derecognised from the related cost, accumulated depreciation and, if appropriate, impairment loss accounts.

The Company transfers items of property, plant and equipment in the course of construction to property, plant and equipment in use when they are ready for their intended use, at which time they start to be depreciated.

The property, plant and equipment in use is depreciated using the straight-line method, on the basis of the acquisition or production cost (revalued, if appropriate) of the assets less their residual value; the land on which the buildings and other structures stand has an indefinite useful life and, accordingly, is not depreciated.

The annual depreciation charge on property, plant and equipment is recognised under 'Amortisation and depreciation of fixed assets and investment property' in the income statement, based on the years of estimated useful life of the assets, and corresponds to the following depreciation percentages:

	Useful life (years)
Buildings	25 to 50
Plant and machinery	8 to 20
Other fixtures, tools and furniture	10 to 20
Other items of property, plant and equipment	4 to 10

The Company reviews the residual values and useful lives of its property, plant and equipment at each financial year-end. Any change in the initially established estimates is accounted for as a change in an accounting estimate.

4.3. Investment property

The assets included under 'Investment property' in the balance sheet correspond to assets leased, mainly, to Group companies. This investment property is measured as described in Note 4.2 on 'Property, plant and equipment'.

4.4. Impairment of non-current assets

The Company periodically assesses whether there are any indications that its non-current assets might have become impaired, for the purpose of determining whether their recoverable amount is lower than their carrying amount (impairment loss).

In this regard, whenever there are signs of impairment, the Company tests these assets for impairment to determine whether the recoverable amount of the assets has been reduced to below their carrying amount. Recoverable amount is the higher of fair value less costs to sell and value in use.

Similarly, if there is an indication of a recovery in the value of an impaired item of property, plant and equipment (because the internal or external factors that initially led to the recognition of the impairment adjustments no longer exist or have been partially mitigated), the Company recognises the reversal of the impairment loss recognised in prior periods, with a credit to the income statement, and adjusts the future depreciation charges accordingly. In no circumstances the reversal of an impairment loss on an asset may raise its carrying amount above that which it would have if no impairment losses had been recognised in prior years.

Also, the Company has developed a general, systematic procedure for carrying out these impairment tests, based on the monitoring of certain events or circumstances which indicate that the value of an asset may not be recovered in full. This method is applied mainly to investments in Group companies and associates, non-current financial investments and other assets.

Calculation of the recoverable amount

The recoverable amount of assets is the higher of fair value less costs to sell and value in use. Value in use is established on the basis of the expected future cash flows for the period in which these assets are expected to generate revenue, expectations about possible variations in the amount or timing of those future cash flows, the time value of money, the price for bearing the uncertainty inherent in the asset, and other factors that market participants would consider in pricing the future cash flows to be derived from the asset.

Recoverable amount is determined for each individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In the case of assets that do not generate cash flows independently, the recoverable amount is determined for the CGU to which the asset belongs.

In the case of investments in Group companies, recoverable amount is the higher of fair value less costs to sell and the present value of the future cash flows from the investment. Unless there is better evidence, the recoverable amount of the investment is taken to be the value of the equity of the investee, adjusted by the amount of the unrealised gains existing at the date of measurement (including any goodwill). Impairment losses recognised and reversed are charged and credited, respectively, to the income statement.

The Company has defined each of the investees as basic cash-generating units. The cash flows were based on the budgets and business plans of the various companies, which generally cover a three-year period. The key assumptions on which the budgets and business plans are based are estimated sales growth and the evolution of the operating expenses and gross profit of the cash-generating units, based on experience and knowledge of the trends in each of the markets in which the investees operate and on the macroeconomic indicators that reflect the current and foreseeable economic situation for each market.

Estimated cash flows for the period not covered by the business plan are determined based on a long-term growth rate for the sector in each market that reflects the Company's best estimates regarding the business performance, based on its understanding of each market.

The discount rate applied is usually an after-tax measure based on the risk-free rate for 30-year bonds issued by the governments in the relevant markets (or similar bonds, if there are no 30-year bonds), adjusted by a risk premium to reflect the risk increase.

The average discount rate, resulting from those applied by the Company in the various markets, used for the purpose of calculating the present value of the estimated cash flows was as follows:

	2022 Average	2021 Average
Spain	8.41%	7.29%
Rest of Europe	8.95%	8.34%
Americas	12.29%	12.17%
Asia and rest of the world	7.47%	7.17%

The recoverable value of the assets calculated with pre-tax discount rates would not differ, as they are at an average of 8.55% for Spain, 9.06% for the rest of Europe, 12.51% for Americas and 7.58% for Asia and rest of the world.

Although the various subsidiaries' business and profits for the years 2021 and, to a lesser extent, 2022 have been affected by the pandemic, their long-term business plans remain in effect as the pandemic is considered to be a temporary situation that does not alter their long-term expectations.

In impairment testing, the key assumptions on which the budgets and business plans are built have been updated with the most recent information available, which factors in the uncertainty generated by the current macroeconomic and geopolitical environment, the Covid-19 pandemic, the demand for the products sold by the Company and other considerations affecting the estimated operating margin of each of the cash-generating units.

In addition, considering the current macroeconomic context and the upward trend in interest rates, the Company has performed a sensitivity analysis on the result of the impairment test in the light of the following assumptions:

- 200 basis point increase in the discount rate.
- 10% reduction on future flows.

These sensitivity analyses, performed separately for each of the aforementioned assumptions, did not disclose the potential existence of any additional significant impairment of the assets.

4.5. Leases

Leases are classified as 'finance leases' whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as 'operating leases'.

4.5.1. Finance leases

At the commencement of the lease term, the Company recognises an asset and a liability for the lower of the fair value of the leased asset or the present value of the minimum lease payments, including the price of the purchase option when it is reasonably certain that it will be exercised. The initial direct costs are added to the amount recognised as an asset. The minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

Contingent rents are recognised as an expense when it is probable that they will be incurred.

The accounting policies applied to the assets used by the Company under finance leases are the same as those described in Note 4.2 (Property, plant and equipment). However, if there is no reasonable certainty that the Company will obtain ownership of the assets at the end of the lease term, they are amortised over the shorter of their useful life and the lease term.

4.5.2. Operating leases

In operating leases, the ownership of the leased asset and substantially all the risks and rewards relating to the leased asset remain with the lessor.

Both when the Company acts as the lessor and when it acts as the lessee, lease income and expenses are recognised in the income statement in the year in which they accrue.

Fixed quotas derived from operating leases are recognised as an expense on a straight-line basis over the lease term. The effect of the difference between the recognition of the lease expense on a straight-line basis during the duration of the contracts and the lease payments made, is recognised in the balance in long-term and short-term accrual accounts.

4.6. Financial instruments

A 'financial instrument' is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

An 'equity instrument' is a contract that evidences a residual interest in the assets of the issuing entity after deducting all of its liabilities.

4.6.1. Financial assets

Classification

The financial assets held by the Company are classified in the following categories:

(a) Financial assets at amortised cost: includes financial assets for which the Company holds the investment with the aim of collecting contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Generally included in this category are:

i. Trade receivables: arising from the sale of goods or the provision of services in connection with transactions for which payment is deferred; and

ii. Non-trade receivables: derive from loans or credit operations granted by the Company for which collections are or may be determined.

(b) Financial assets at cost: includes the following investments: a) equity instruments of Group companies; and b) equity instruments whose fair value cannot be reliably measured.

Group companies are considered to be those linked to the Company by means of a controlling relationship.

Initial measurement

Financial assets are generally recognised initially at the fair value of the consideration given plus directly attributable transaction costs.

Likewise, in the case of equity investments in Group companies that grant control over the subsidiary, fees paid to legal advisors or other professionals in connection with the acquisition of the investment are taken directly to income.

Subsequent measurement

Financial assets at amortised cost are thus recognised, taking to income the interest accrued using the effective interest method.

Investments classified in category b) above are measured at acquisition cost, net, where appropriate, of any accumulated impairment losses. These losses are calculated as the difference between the carrying amount of the investments and their recoverable amount. The recoverable amount is the higher of fair value less costs to sell and the present value of the future cash flows from the investment. In the absence of better evidence of the recoverable amount of investments in equity instruments, the equity of the investee, adjusted for unrealised gains existing at the measurement date, net of tax, is taken into account.

Impairment losses

At least every year-end the Company performs an impairment test for financial assets. Objective evidence of impairment is considered to exist if the recoverable amount of the financial asset is less than its carrying amount.

The Company derecognises financial assets when the rights to the related cash flows expire or are transferred and substantially all the risks and rewards of ownership have been transferred.

Conversely, the Company does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained.

4.6.2. Financial liabilities

Financial liabilities assumed or incurred by the Company are classified as financial liabilities at amortised cost: they are debits and payables of the Company arising from the purchase of goods and services in the Company's ordinary course of business, or those that, while not commercial in origin and not being derivative instruments, arise from loans or credits received by the Company.

These liabilities are initially recognised at the fair value of the consideration received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortised cost.

The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

Assets and liabilities are presented separately from each other in the balance sheet and are only presented at their net amount when the Company has the enforceable right to offset the recognised amounts and, in addition, intends to settle the amounts on a net basis or to realise the asset and settle the liability simultaneously.

4.6.3. Equity instruments

Equity instruments issued by the Company are recognised in 'Equity' in the balance sheet at the proceeds received, net of issue costs.

Treasury shares acquired by the Company are presented separately at cost as a reduction of shareholders' equity in the balance sheet. No gain or loss is recognised in the income statement on treasury share transactions.

The related transaction costs are recognised as a reduction of reserves, after consideration of any tax effect.

4.6.4. Derivative financial instruments

Financial instruments acquired by the Company to hedge forecast transactions in foreign currencies are recognised at fair value.

Foreign currency hedges relating to forecast transactions are treated as cash flow hedges, and therefore any gains or losses derived from measuring the hedging instrument at fair value which correspond to the effective portion of the hedge are recognised in equity. The ineffective portion is charged to finance costs or credited to finance income, as appropriate.

Amounts recognised in equity are taken to income when the forecast transaction takes place with a charge or credit to the income statement in which it was recognised. Also, gains or losses recognised in equity are reclassified to finance income or costs when the forecast transaction is no longer expected to occur. The fair value of the hedges is recognised, depending on whether it is positive or negative, under 'Current financial assets' or 'Current payables' in the accompanying balance sheet.

In order for these financial instruments to qualify for hedge accounting, they are initially designated as hedging instruments and the hedging relationship is documented. Also, the Company verifies, both at inception and periodically over the term of the hedge, using 'effectiveness tests', that the hedging relationship is effective, i.e. that it is prospectively foreseeable that the changes in the fair value or cash flows of the hedged item (attributable to the hedged risk) will be almost fully offset by those of the hedging instrument. In addition, the ineffective portion of the hedging instrument is recognised immediately in the income statement.

Any gains or losses from changes in the fair value of financial instruments that are not considered to be accounting hedges are recognised directly in the income statement.

The fair value of the hedging instruments was calculated using valuation techniques based on the spot exchange rate and yield curves according to the fair value hierarchy shown below:

Level 1

Fair value is calculated on the basis of quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2

Fair value is calculated on the basis of inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

A fair value measurement in which some significant variable is based on unobservable inputs for the asset or liability.

The measurement methodology, based on the aforementioned hierarchy, is as follows:

Level 2 instruments

The Company assigns the assets and liabilities associated with its OTC derivative positions to this level and measures them using observable market inputs.

Level 3 instruments

The Company allocates assets and liabilities related to its derivative positions where there are no observable market inputs. They are estimated through implicit market forward curves and extrapolations of observable market data. In the case of options, pricing models based on Black & Scholes formulas are used.

The Company does not have financial instruments included in Level 1.

Accordingly, the fair value of the hedging instruments arranged by the Company is calculated as follows:

Foreign currency forwards

Fair value measurement:
Foreign currency forwards are basically measured by comparing the contract strike price (agreed delivery price) with the market forward rate for the maturity of the contract. Once the estimated future settlement of the contract has been obtained based on the aforementioned comparison (in euros), the settlement is discounted using the risk free zero coupon yield curve (or the interbank yield curve). This risk free valuation is subsequently adjusted to include each party's credit risk, both the risk corresponding to the counterparty (Credit Value Adjustment or 'CVA', or counterparty default risk) and own risk (Debit Value Adjustment or 'DVA', or own default risk).

The CVA and the DVA are calculated by multiplying the estimated exposure by the probability of default and the loss severity (which measures the loss given default). Where possible, the probability of default and the assumed recoverable amount in the event of default are obtained from quoted CDSs or from other observable market inputs. The CVA and the DVA calculations are netted for each counterparty with which the entity has an ISDA master agreement providing for the netting of the derivative positions in the event of default.

Options purchased

Fair value measurement:
The determination of the fair value of the (plain vanilla) options is based on a modified version of the Black-Scholes formula (Garman-Kohlhagen). Fair value is a function of the price of the underlying, the strike price, the time to maturity and the volatility of the underlying. The credit adjustment is carried out by direct discounting with credit spread method curves.

Options sold

Fair value measurement:
The determination of the fair value of the options is based on a modified version of the Black-Scholes formula (Black 76 Model). Fair value is a function of the price of the underlying, the strike price, the time to maturity and the volatility of the underlying.

4.7. Inventories

Inventories are measured at the lower of acquisition cost and net realisable value.

The cost of inventories comprises all costs of purchase and costs of conversion, as well as design, logistics and transport costs and any directly allocable costs incurred in bringing the inventories to their present location and condition.

Cost is calculated on a FIFO basis.

At each accounting close, the Company calculates the provision corresponding to the inventories that are estimated to be sold below their acquisition price. This provision is made for each campaign.

Net realisable value is understood to be:

- Raw materials and other supplies: replacement cost. However, raw materials and other supplies are not written down below cost if the finished goods in which they will be incorporated are expected to be disposed of at or above production cost.
- Finished goods for sale: estimated selling price in the normal course of business. In this regard, the Company sale goods of Zara concept to other Group companies and, to a very limited extent, goods not sold that are sold via third parties.

The Company does not have notable direct and specific cost linked to the sale of provisioned items. However, the Company has indirect selling costs such as staff that consider that should not be taken into account in the determination of the net realisable value provision, as they are not considered direct and specific costs.

The Company´s methodology for estimating the net realisable value is based on historical information and the actual performance, up to the date on which the aforementioned estimates are made, i.e. not only the performance of the different commercial variables of similar campaigns in previous years but also the actual data and forecasts of how the current campaign will develop in order to assess and consider the impacts associated with possible deviations from historical performance.

4.8. Grants, donations and bequests received

Grants, donations and bequests received are recognised as income in equity when they are officially granted, as the case may be, and when the conditions attached to them have been complied with and there is reasonable assurance that they will be received.

Grants related to assets are recognised in profit or loss in proportion to the depreciation taken on the assets financed with them or, where applicable, when the assets are disposed of, derecognised or an impairment loss is recognised.

4.9. Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal, contractual, constructive or tacit) as a result of 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 of the amount of the obligation.

Provisions are quantified on the basis of the best information available at the date of preparation of the annual accounts and are reviewed at the end of each reporting period.

If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, provisions are reversed.

There are no risks that might give rise to significant future contingencies affecting the Company that have not already been taken into account in these annual accounts.

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the Company's control. Unlike provisions, contingent liabilities are not recognised in the balance sheet, but are disclosed in the accompanying Notes to the annual accounts, unless the possibility of an outflow in settlement is considered to be remote.

4.10. Employee benefits

The provisions for long-term incentives are recognised at year-end at the present value of the estimated future payments to be made in order to meet the obligations acquired (see Note 20). The expense accrued during the year is determined based on the best estimate of the degree to which the conditions giving entitlement to payment have been met, with a charge to personnel costs and finance costs. Any change in the estimates made are recognised with a charge or credit to the income statement for the year, based on their nature.

4.11. Income tax

The Company files consolidated income tax returns as part of a tax group of which it is the parent.

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

The current income tax expense is the amount payable by the Company as a result of income tax settlements for a given year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carryforwards from prior years effectively offset in the current year reduce the current income tax expense. These tax benefits are measured at face value unless the period for recovery is more than one year, in which case they are measured at present value, provided that this differs significantly from face value.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carryforwards. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit (loss) nor taxable profit (tax loss).

Deferred tax assets are recognised to the extent that it is considered probable that the Company will have taxable profits in the future against which the deferred tax assets can be utilised, provided that they will be utilised within a maximum of ten years, unless there is clear evidence that they will be recovered within a period of more than ten years or there are deferred tax liabilities with an identical period of reversal.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised in equity.

The deferred tax assets recognised are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

As required by the Spanish Accounting and Auditing Institute, the Group’s policies establish that for each of the companies that belongs to the consolidated tax group, the income tax expense or benefit for the year is calculated on the basis of accounting profit before tax, increased or decreased, as appropriate, by the permanent differences from the taxable profit, net of the tax relief and tax credits corresponding to each company in the tax group under the consolidated tax regime.

4.12. Revenue and expense recognition

Revenue and expenses are recognised when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.

Revenue from sales is recognised when the commitment obligations with the customer have been satisfied, in general when control of the goods is transferred to the customer. Revenue is recognised for the value of the consideration received. Refunds of sales, whether actual or forecast, are considered part of the total price of each sales transaction.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period, provided the outcome of the transaction can be estimated reliably.

Interest income from financial assets is recognised using the effective interest method and dividend income, which is recognised under ‘Revenue’ since it forms part of the ordinary business of the Company, is recognised when the shareholders' right to receive payment has been established. Interest and dividends from financial assets accrued after the date of acquisition are recognised as income in the income statement.

4.13. Current / non-current classification

The Company classifies assets and liabilities as current and non-current items in the balance sheet based on the expected timing of collection or payment. Assets and liabilities are classified as current when they are expected to be realised or settled within twelve months of the balance sheet date, and are otherwise classified as non-current liabilities.

4.14. Foreign currency transactions

The Company's functional currency is the euro. Assets whose acquisition cost is denominated in a foreign currency are translated to euros at the exchange rate prevailing at the date of each acquisition or at the date on which the related items are included in assets.

Accounts receivable and payable denominated in foreign currency are translated to euros at the exchange rates prevailing at the transaction date and are subsequently translated at the end of the reporting period using the closing exchange rates. Any resulting gains or losses are recognised directly in profit or loss in the year in which they arise.

4.15. Related party transactions

The Company performs its transactions with Group companies and related parties on an arm's length basis. Also, the transfer pricings are adequately supported and, therefore, the Company's directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

4.16. Statement of cash flows

The following terms are used in the statement of cash flows:

- Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.
- Operating activities: the principal revenue-producing activities of the Company and other activities that are not investing or financing activities.
- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the size and composition of the equity and borrowings of the Company that are not operating activities.

4.17. Statement of changes in equity

The statement of changes in equity presented in these annual accounts shows the total changes in equity in the year. This information is in turn presented in two statements: the statement of recognised income and expense and the statement of changes in total equity. The main characteristics of the information contained in the two parts of the statement are explained below:

4.17.1. Statement of recognised income and expense

This part of the statement of changes in equity presents the income and expenses generated by the Company as a result of its business activity in the year, and a distinction is made between the income and expenses recognised in the income statement for the year and the other income and expenses recognised, in accordance with current regulations, directly in equity.

Accordingly, this statement presents:

- Profit for the year.
- The net amount of income and expenses recognised directly in equity (the income, net of the expenses arising during the year, recognised directly in equity, which remains under this line item even if in the same year it is transferred to profit or loss, to the initial carrying amount of other assets or liabilities, or is reclassified to another line item).
- The amount transferred to profit or loss from equity (the amount of the revaluation gains and losses and the asset-related grants previously recognise in equity, albeit in the same year, which are recognised in the income statement).
- The total recognised income and expense, calculated as the sum of above.

The amounts of these items are presented gross and the related tax effect is recognised under 'Tax effect' in this statement.

4.17.2. Statement of changes in total equity

This part of the statement of changes in equity presents all the changes in equity, including those arising from changes in accounting policies and from the correction of misstatements. Accordingly, this statement presents a reconciliation of the carrying amount at the beginning and end of the year of all the equity items, and the changes are grouped together on the basis of their nature into the following items:

- Adjustments due to changes in accounting policies and to errors: include the changes in equity arising as a result of the retrospective restatement of the balances in the annual accounts due to changes in accounting policies or to the correction of misstatements.
- Income and expense recognised in the year: includes, in aggregate form, the total of the aforementioned items recognised in the statement of recognised income and expense.
- Other changes in equity: includes the remaining items recognised in equity, including, inter alia, increases and decreases in the Company's share capital, distribution of profit, transactions involving own equity instruments, share-based payments, transfers between equity items and any other increases or decreases in equity.

4.18. Permanent establishment

As indicated in Note 1, the Company carries out procurement and distribution activity through a Permanent Establishment in the Netherlands.

The annual accounts include the effects of the integration of said Permanent Establishment, through the integration in the balance sheet and in the profit and loss account of the balances of the balance sheet items and the profit and loss account of the same.

Said integration has been carried out eliminating the transactions carried out between the Company and the Permanent Establishment, as well as the reciprocal asset and liability balances.

The main effect revealed in 2022 by the integration of the Permanent Establishment has been the integration of assets amounting to 193 million euros (178 million euros in 2021).

4.19. Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amount will be recovered mainly through their sale rather than through continuing use, and provided that the sale is considered highly probable because there is a plan to sell the asset that allows a reasonable expectation of completing the transaction in a period of less than one year.

These assets are measured upon their classification at the lower of the two following amounts: their carrying amount or their fair value deducting the necessary costs for sale, and are presented in the balance sheet under 'Non-current assets held for sale' in Current assets.

Non-current assets held for sale are not depreciated, but at each balance sheet date the corresponding impairment losses are recognised.

5. Intangible assets

The changes in 2022 and 2021 in the intangible asset accounts and in the related accumulated amortisation were as follows:

2022

	Opening balance	Additions (charge for the year)	Disposals	Transfers	Closing balance
Patents and similar items intangibles	17	1	-	-	18
Computer software	433	132	(1)	6	570
Intangible assets in progress and advances	7	12	-	(6)	13
Cost	**457**	**145**	**(1)**	**-**	**601**
Patents and similar items intangibles	(13)	(1)	-	-	(14)
Computer software	(194)	(45)	-	-	(239)
Accumulated amortisation	**(207)**	**(46)**	**-**	**-**	**(253)**
Net carrying amount	**250**				**348**

2021

	Opening balance	Additions (charge for the year)	Disposals	Transfers	Closing balance
Patents and similar items intangibles	16	1	-	-	17
Computer software	333	108	(9)	1	433
Intangible assets in progress and advances	1	7	-	(1)	7
Cost	**350**	**116**	**(9)**	**-**	**457**
Patents and similar items intangibles	(12)	(1)	-	-	(13)
Computer software	(154)	(48)	8	-	(194)
Accumulated amortisation	**(166)**	**(49)**	**8**	**-**	**(207)**
Net carrying amount	**184**				**250**

5.1. Additions

The main additions in 2022 and in 2021 relate to the amount paid for the investment in new IT developments, which was recognised under 'Computer software' and 'Assets in progress and advances'.

5.2. Fully amortised intangible assets

The Company's intangible assets include certain items which had been fully amortised at 31 January 2023 and 2022, the total cost and accumulated amortisation of which were as follows:

	31/01/2023	31/01/2022
Patents and similar items intangibles	10	9
Computer software	26	26
Total	**36**	**35**

6. Property, plant and equipment

The changes in 2022 and 2021 in the property, plant and equipment accounts and in the related accumulated depreciation were as follows:

2022

	Opening balance	Additions (charge for the year)	Disposals	Transfers (Note 7)	Closing balance
Land	27	-	-	4	31
Buildings	257	8	-	2	267
Plant and machinery	234	8	-	-	242
Other fixtures, tools and furniture	75	12	-	-	87
Other items of property, plant and equipment	231	4	(1)	2	236
Property, plant and equipment in the course of construction and advances	51	52	-	(11)	92
Cost	**875**	**84**	**(1)**	**(3)**	**955**
Buildings	(38)	(8)	-	-	(46)
Plant and machinery	(100)	(20)	-	-	(120)
Other fixtures, tools and furniture	(35)	(4)	-	-	(39)
Other items of property, plant and equipment	(111)	(22)	-	-	(133)
Accumulated depreciation	**(284)**	**(54)**	**-**	**-**	**(338)**
Net carrying amount	**591**				**617**

2021

	Opening balance	Additions (charge for the year)	Disposals	Transfers	Closing balance
Land	27	-	-	-	27
Buildings	206	13	-	38	257
Plant and machinery	174	-	-	60	234
Other fixtures, tools and furniture	55	19	(1)	2	75
Other items of property, plant and equipment	220	14	(4)	1	231
Property, plant and equipment in the course of construction and advances	125	27	-	(101)	51
Cost	**807**	**73**	**(5)**	**-**	**875**
Buildings	(32)	(6)	-	-	(38)
Plant and machinery	(83)	(17)	-	-	(100)
Other fixtures, tools and furniture	(32)	(3)	-	-	(35)
Other items of property, plant and equipment	(90)	(25)	4	-	(111)
Accumulated depreciation	**(237)**	**(51)**	**4**	**-**	**(284)**
Net carrying amount	**570**				**591**

6.1. Additions

The main additions in 2022 and 2021 relate to expansion projects carried out at the Company's head office in Arteixo (A Coruña).

6.2. Asset revaluation

On 1 February 2013, the items of property, plant and equipment were revalued pursuant to Law 16/2012, of 27 December; this had an effect on equity, net of tax, of 9 million euros. The impact of this update on the amortisation and depreciation allowance in 2022 and 2021 amounted to 0.1 million euros each year.

6.3. Fully depreciated property, plant and equipment

At 31 January 2023 and 2022, the property, plant and equipment and the investment property described in Note 6 included certain fully depreciated assets still in operation, the total cost and accumulated depreciation of which were as follows:

	31/01/2023	31/01/2022
Buildings	149	137
Plant and machinery	41	38
Other fixtures, tools and furniture	12	12
Other items of property, plant and equipment	39	24
Total	**241**	**211**

6.4. Property, plant and equipment acquired from the Group

The detail of the property, plant and equipment and investment property acquired from Group companies at 31 January 2023 and 2022 is as follows:

At 31 January 2023

	Cost	Accumulated depreciation	Total
Land and buildings	946	(373)	573
Plant and machinery	218	(99)	119
Other items of property, plant and equipment	9	(6)	3
Total	**1,173**	**(478)**	**695**

At 31 January 2022

	Cost	Accumulated depreciation	Total
Land and buildings	929	(354)	575
Plant and machinery	212	(82)	130
Other items of property, plant and equipment	8	(5)	3
Total	**1,149**	**(441)**	**708**

6.5. Insurance

The Company takes out insurance policies to cover the possible risks to which its property, plant and equipment are exposed. The Company's Directors consider that the policies arranged at 31 January 2023 are sufficient to cover the risks inherent to its business activities.

7. Investment property

The changes in 2022 and 2021 in 'Investment property' were as follows:

2022

	Opening balance	Additions (charge for the year)	Transfers (Note 6)	Closing balance
Land	104	-	-	104
Buildings	774	2	3	779
Cost	**878**	**2**	**3**	**883**
Buildings	(375)	(23)	-	(398)
Accumulated depreciation	**(375)**	**(23)**	**-**	**(398)**
Net carrying amount	**503**			**485**

2021

	Opening balance	Additions (charge for the year)	Disposals	Closing balance
Land	104	-	-	104
Buildings	777	8	(11)	774
Cost	**881**	**8**	**(11)**	**878**
Buildings	(358)	(25)	8	(375)
Accumulated depreciation	**(358)**	**(25)**	**8**	**(375)**
Net carrying amount	**523**			**503**

Investment property relates mainly to land and buildings leased by the Company to Group companies whose corporate purpose is the provision of logistics services.

Revenues from leasing the Company's property investments for the financial year 2022 amounted to 39 million euros (38 million euros in 2021) and are recorded under the heading 'Other operating income - Non-core and other current operating income' in the attached income statement (see Note 15).

Operating expenses related to the investment properties owned by the Company amounted to 4 million euros in 2022 (3 million euros in 2021).

7.1. Additions

The additions for the year 2022 correspond mainly to several expansion and improvement projects carried out in the different logistics centres that the Company has in Tordera (Barcelona), A Laracha (A Coruña), Arteixo (A Coruña) and Zaragoza.

7.2. Asset revaluation

On 1 February 2013, the items of property, plant and equipment were revalued pursuant to Law 16/2012, of 27 December; this had an effect on equity, net of tax, of 35 million euros. The impact of this revaluation on the depreciation charge for 2022 and 2021 was 1 million euros each year.

7.3. Insurance

The Company takes out insurance policies to cover the possible risks to which its investment property is exposed. The Company's Directors consider that the insurance coverage arranged is adequate.

8. Investments in Group companies and financial assets (current and non-current)

The detail of these headings at 31 January 2023 and 2022 is as follows:

	31/01/2023	31/01/2022
Non-current investments in Group companies, jointly controlled entities and associates		
Equity investments	16,088	11,249
Impairment losses	(1,395)	(31)
Loans to companies (Note 15)	-	4,124
Total	**14,693**	**15,342**
Non-current financial assets		
Equity instruments		
Cost	17	14
Impairment losses	(12)	(12)
Other financial assets	57	97
Total	**62**	**99**
Non-current assets held for sale	183	-
Total	**183**	**-**
Current investments in Group companies, jointly controlled entities and associates (Note 15)		
Loans to companies	1,667	1,298
Total	**1,667**	**1,298**
Current financial assets		
Loans to companies	4	-
Derivatives	2	7
Total	**6**	**7**

8.1. Non-current investments in Group companies, jointly controlled entities and associates. Equity instruments and Non-current assets held for sale

The most significant information in relation to Group companies, jointly controlled entities and associates at 31 January 2023 is detailed in Annex I.

The changes in 2022 and 2021 in Investments in Group companies and financial assets were as follows:

2022

	Opening balance	Additions / charge for the year	Decreases / Reversals	Reclassification to Non-current assets held for sale	Closing balance
Equity investments	11,249	6,056	(194)	(1,023)	16,088
Impairment losses	(31)	(2,208)	4	840	(1,395)
Net carrying amount	**11,218**	**3,848**	**(190)**	**(183)**	**14,693**

2021

	Opening balance	Additions / charge for the year	Decreases / Reversals	Closing balance
Equity investments	9,203	2,052	(6)	11,249
Impairment losses	(82)	(10)	61	(31)
Net carrying amount	**9,121**	**2,042**	**55**	**11,218**

Investments and variations in Investments in Group companies are due to the simplification process of the corporate structure that the Inditex Group has been carrying out in recent years.

New items for the 2022 financial year correspond to cash contributions amounting to 225 million euros and intragroup acquisitions of equity interests amounting to 5,831 million euros (4 million euros and 2,048 million euros, respectively in 2021). Acquisitions are measured at fair value as determined by an independent expert.

Decreases for the 2022 financial year correspond to liquidations of companies amounting to 45 million euros, which were provisioned for 2 million euros (liquidations in 2021 amounted to 5 million euros and were provisioned for 2 million euros), capital reductions amounting to 24 million euros and investment reductions amounting to 125 million euros, as a result of dividends from profit generated prior to the date of acquisition of the investees by the Company (1 million euros in 2021).

Based on the criteria detailed in Note 4.4, the Company recognised impairment losses for a net charge of 2,206 million euros (a net reversal of 49 million euros in 2021) under "Impairment and gains/losses on disposal of financial instruments of group companies and associates" in the income statement, without any impact on the consolidated income statement.

On 25 October 2022, Inditex reached a preliminary agreement to sell the business in the Russian Federation to the Daher Group. At the date of preparation of these annual accounts, negotiations are being finalised, estimating that the conditions of the final agreement will not differ substantially from the agreement signed on 25 October 2022.

The agreement considers, through the sale of all of the shares of the company Joint Stock Company New Fashion (previously known as JSC Zara CIS), the transfer of the assets and rights associated with 245 stores of the 514 that the Group had in Russia. Once the sales agreement is completed, the transferred premises will house points of sale of brands belonging to the Daher Group, totally unrelated to the Inditex Group. The agreement therefore considers Inditex Group's right to provide a franchise agreement to the Daher Group if new circumstances arise which, in Inditex's opinion, allowed the return of the Group's brands to this market. The transaction is subject to the obtaining of the relevant administrative authorisations from the Russian authorities, which at the date are in progress.

The amount of the net assets classified as held for sale have been adjusted to their realisable value.

None of the investees of Industria de Diseño Textil, S.A. are listed on the stock exchange.

8.2. Current investments in Group companies, jointly controlled entities and associates. Loans to companies

At the close of 2021 the loans to Group companies recognized under non-current assets in the balance sheet relate to the financing of their activities and the purchase of property, plant and equipment. These loans bear interest at a market rate which is settled on a quarterly basis and they have been reimbursed during 2022.

In order to optimise the financial resources generated, the Company has implemented a centralised cash system among certain Group companies by setting up current accounts, the balances of which can be receivable or payable, depending on the particular circumstances of each company and which, in practice, are settled depending on each company's needs. These balances bear interest at a market rate which is settled on an annual basis. In this connection, the balances receivable included under "Current investments in Group companies, jointly controlled entities and associates" correspond to these current accounts. When the related balances are payable, they are recognised under "Current payables to Group companies, jointly controlled entities and associates" (see Note 15). The balances arising on tax consolidation are also recognised under this heading (see Notes 15 and 16).

8.3. Non-current financial assets

At 31 January 2023, the balance of 'Non-current financial assets - other financial assets' included mainly advances made as a result of future payment obligations.

8.4. Derivative financial instruments

At 31 January 2023 and 2022, the Company had open derivative positions (basically forward US dollar purchases), which are shown under 'Current financial assets' or 'Current payables' in the accompanying balance sheet, depending on their balance.

On 16 January 2023, the Company entered into a VPPA (Virtual Power Purchase Agreement) for the supply of 100%-renewable electricity over a period of 10 years. The related projects are in the development phase, pending final approval, and will come on stream in 2025. This contract has been booked as a Level 3 financial instrument for which changes in the fair value of the option sold are recognised in the income statement.

The detail of the fair value of these hedging instruments for 2022 and 2021 is as follows:

2022

CURRENT FINANCIAL ASSETS					
Description	**Level**	**Fair value at beginning of year**	**Amount taken to profit or loss**	**Amount transferred to profit or loss from equity**	**Fair value at end of year**
Foreign currency forwards	2	7	(2)	(3)	2
Energy options	3	-	-	-	-
Total		**7**	**(2)**	**(3)**	**2**

CURRENT PAYABLES					
Description	**Level**	**Fair value at beginning of year**	**Amount taken to profit or loss**	**Gain or loss recognised directly in equity**	**Fair value at end of year**
Foreign currency forwards	2	-	5	5	10
Energy options	3	-	-	-	-
Total		**-**	**5**	**5**	**10**

2021

CURRENT FINANCIAL ASSETS					
Description	**Level**	**Fair value at beginning of year**	**Amount taken to profit or loss**	**Gain or loss recognised directly in equity**	**Fair value at end of year**
Foreign currency forwards	2	-	4	3	7
Total		**-**	**4**	**3**	**7**

CURRENT PAYABLES					
Description	**Level**	**Fair value at beginning of year**	**Amount taken to profit or loss**	**Amount transferred to profit or loss from equity**	**Fair value at end of year**
Foreign currency forwards	2	5	(4)	(1)	-
Total		**5**	**(4)**	**(1)**	**-**

There have been no transfers between the different levels.

9. Cash and cash equivalents

The cash balances include cash in hand and demand deposits at banks.

All the balances under these line are unrestricted as to their use and there are no guarantees or pledges attached to them.

10. Inventories

The detail of this line item at 31 January 2023 and 2022 is as follows:

	31/01/2023	31/01/2022
Goods held for resale	1,022	1,007
Raw materials and other supplies	187	160
Total	**1,209**	**1,167**

The Company takes out insurance policies to cover the possible risks to which its inventories are exposed. The Company's Directors consider that the insurance coverage arranged is adequate.

11. Equity

11.1. Shareholders' equity

11.1.1. Share capital

At 31 January 2023 and 2022, the Company's share capital was represented by 3,116,652,000 fully subscribed and paid-up shares of a single class and series, each with a par value of 0.03 euros, which confer the same economic and voting rights upon their holders.

Inditex shares are listed on the four Spanish stock exchanges. Although its shares are represented by book entries, pursuant to Section 497 of the Spanish Companies Act, Inditex has a engaged the services of Sociedad de Gestión de Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear) to provide the daily share ownership notification service.

As per the Company's Shareholder Register, the Company's significant shareholders at 31 January 2023 and 2022 were as follows:

	31/01/2023		31/01/2022	
Shareholder	**Number of shares**	**Ownership %**	**Number of shares**	**Ownership %**
Pontegadea Inversiones, S.L.	1,558,637,990	50.010%	1,558,637,990	50.010%
Partler Participaciones, S.L.U.	289,362,325	9.284%	289,362,325	9.284%
Rosp Corunna Participaciones Empresariales, S.L.	157,474,030	5.053%	157,474,030	5.053%
Total	**2,005,474,345**	**64.347%**	**2,005,474,345**	**64.347%**

At 31 January 2023 and 2022, the members of the Board of Directors or their related companies controlled 59.298% and 59.375%, respectively, of the Company's share capital, as detailed in Annex II.

11.1.2. Legal reserve

Under the Spanish Companies Act, the Company must transfer 10% of net profit for each year to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. At 31 January 2023 and 2022, the legal reserve had reached the legally required minimum.

Any amount of reserves over and above the required 10% of the share capital, as already increased can be used to further increase the capital. Otherwise, as long as the legal reserve does not exceed 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

11.1.3. Revaluation reserve

Pursuant to Act 16/2012, of 27 December, in 2013 the Company revalued its property, plant and equipment and investment property assets. The amount of the revaluation, net of the 5% tax charge, was 44 million euros (see Notes 6 and 7).

11.1.4. Capitalisation reserve

In accordance with the provisions of article 25.1.b) of Law 27/2014, at 31/01/2023 the Company has recorded a reserve amounting to 440 million euros.

11.1.5. Dividends

The dividends paid by the Company in 2022 and 2021 amounted to 2,895 million euros and 2,180 million euros, respectively. These amounts correspond to payments of 0.93 euros per share and 0.70 euros per share, respectively.

The distribution of profit for 2022 proposed by the Board of Directors is shown in Note 3.

11.1.6. Treasury shares

The Annual General Meeting held on 16 July 2019 approved the 2019-2023 Long-Term Incentive Plan (see Note 20) and authorised the Board of Directors to derivatively acquire treasury shares to cater for this Plan. Likewise, the Annual General Meeting held on 13 July 2021 approved a new 2021-2025 Long-Term Incentive Plan (see Note 20).

As at 31 January 2022, the Company owned a total of 4,226,305 treasury shares, representing 0.136% of the share capital.

During the first half of 2022, the first cycle (2019-2022) of the 2019-2023 Long Term Incentive Plan was settled. The part of the incentive in shares was delivered to the beneficiaries of the Plan charged to treasury shares already owned by the Company on the delivery date. 1,793,791 shares, representing 0.058% of the share capital were delivered.

On 12 July 2022, pursuant to a new Temporary Share Buy-back Programme and under the authorisation in force granted by the Annual General Meeting, 2,500,000 treasury shares were acquired, in order to enable the Company to fulfil the requirements of shares delivery to the beneficiaries of the second cycle of the 2019-2023 Long-Term Incentive Plan as well as to the beneficiaries of the first cycle, and as the case may be, the second cycle of the 2021-2025 Long-Term Incentive Plan.

Consequently, at 31 January 2023, the Company owned a total of 4,932,514 treasury shares, representing 0.158% of the share capital.

12. Long-term provisions

The detail of 'Long-term provisions' at 31 January 2023 and 2022 and of the changes therein in 2022 is as follows:

	Balances at 31/01/2022	Charge for the year and transfers to short term	Balances at 31/01/2023
Long-term provisions			
Other provisions			
Provisions for third-party liability	57	(36)	21
Provision for pensions and similar obligations to personnel	15	14	29
Total	**72**	**(22)**	**50**

12.1. Provisions for third-party liability

The balances of this line item relate to provisions recognised to cover any risks that might arise for the Company in the performance of its ordinary activities. An analysis is performed each year of the portion that will foreseeably have to be settled the following year, and the related amount is reclassified to current liabilities.

In estimating the amounts provisioned at year-end, the Company used the following hypotheses and assumptions:

- Maximum amount of the contingency
- Foreseeable evolution and factors on which the contingency depends

As a result of the extraordinary circumstances unleashed by the Covid-19 pandemic, in the year 2020 the Company received a trade discount from a supplier, which may be reversed within three years if certain conditions apply. Consequently, the Company allocated a provision in 2020 for liabilities in this regard. In 2022 and 2021 part of this provision was reversed in each of the years as the agreed conditions were met.

The Company's directors consider that the provisions recognised in the balance sheet adequately cover the risks relating to litigation, arbitration and other contingencies and do not expect any liabilities additional to those recognised to arise therefrom.

12.2. Provision for pensions and similar obligations to personnel

The Company has undertaken to settle specific obligations to personnel. The Company has recorded a provision to cover the liability corresponding to the estimated vested portion of these obligations at 31 January 2023.

13. Non-current and current accruals and deferred income

These line items include mainly the amount not yet recognised in profit or loss of the income arising from transfers of assets between Group companies, which were paid in full in 2013. The amount transferred to profit or loss in 2022 and 2021 in this connection was 123 million euros, which was recognised under 'Other operating income - Non-core and other current operating income' (See Note 15).

14. Non-current and current liabilities

The breakdown of the balances of 'Non-current payables' and 'Current payables' in the accompanying balance sheets as at 31 January 2023 and 2022 is as follows:

	31/01/2023			31/01/2022		
	Current liabilities	**Non-current liabilities**	**Total**	**Current liabilities**	**Non-current liabilities**	**Total**
Obligations under finance leases	1	-	1	1	1	2
Derivatives (Note 8)	10	-	10	-	-	-
Other financial liabilities						
Payable to non-current asset suppliers	17	-	17	15	-	15
Other payables	42	-	42	21	-	21
Total	**70**	**-**	**70**	**37**	**1**	**38**

The heading 'Other payables' includes mainly deposits received from franchises and other counterparties to secure the payment for the supply of finished goods and other transactions. Also included are payables deriving from cross call and put options between the Company and the owners of part of the shares of certain subsidiaries, as they are considered to be a deferred acquisition of the shares constituting the underlying. At the end of the year, Inditex holds a call option on 20% of the share capital of Zara Retail Korea, Ltd. This shareholding belongs to Lotte Shopping Co., Ltd., which in turn has a put option to sell the entire holding to Industria de Diseño Textil, S.A. The strike price is set on the basis of the non-controlling shareholder's share of the equity of the investee when the call option is exercised.

The Company had been granted credit facilities with a limit of 520 million euros at 31 January 2023 (617 million euros at 31 January 2022). At 31 January 2023 and 2022, no balances had been drawn down.

15. Balances and transactions with Group and related companies

15.1. Balances

The detail of the Company´s balances with Group companies, jointly controlled entities and related companies at 31 January 2023 and 2022 is as follows:

	31/01/2023			31/01/2022		
	Short term	Long term	Total	Short term	Long term	Total
Trade receivables for sales and services	395	-	395	408	-	408
Loans to companies (Note 8)	1,481	-	1,481	1,140	4,124	5,264
Receivables arising from filing of consolidated tax returns (Notes 8 & 16)	186	-	186	158	-	158
Total	**2,063**	**-**	**2,063**	**1,706**	**4,124**	**5,830**
Suppliers and creditors	1,430	-	1,430	1,332	-	1,332
Payables to companies	1,029	18	1,047	978	16	994
Payables arising from filing of consolidated tax returns (Note 16)	2	-	2	4	-	4
Total	**2,461**	**18**	**2,478**	**2,314**	**16**	**2,330**

15.2. Transactions

The detail of the transactions with Group and related companies in 2022 and 2021 is as follows:

2022

	Group Companies	Jointly controlled entities	Total
Purchases	5,718	2	5,720
Other expenses	1,534	-	1,534
Finance costs	1	-	1
Total Expenses	**7,253**	**2**	**7,255**
Net Sales	9,031	-	9,031
Dividends	3,845	27	3,872
Operating lease income (Note 7)	39	-	39
Other income	187	1	188
Finance income	30	1	31
Total Income	**13,132**	**29**	**13,161**

2021

	Group Companies	Jointly controlled entities	Total
Purchases	5,727	2	5,729
Other expenses	1,406	-	1,406
Finance costs	1	-	1
Total Expenses	**7,134**	**2**	**7,136**
Net Sales	8,503	-	8,503
Dividends	1,396	25	1,421
Operating lease income (Note 7)	38	-	38
Other income	175	1	176
Finance income	23	1	24
Total Income	**10,135**	**27**	**10,162**

The main transactions relate to the sales of products to subsidiaries worldwide and the services provided thereto, such as those relating to franchise fees or rentals and the transfer of assets (see Note 13) -all of which are performed through the agreements entered into by the Company with the companies in its Group in order to carry on the activities described in Note 1, as well as the dividends received from subsidiaries. ‘Other expenses’ includes mainly logistics and design services provided by Group companies. The finance costs and finance income arise from the financial balances held by the Company with the Group companies described above.

16. Taxes

16.1. Income tax

Industria de Diseño Textil, S.A. files consolidated tax returns as the parent of a tax group formed by the following subsidiaries:

Bershka BSK España, S.A.	Inditex, S.A.	Plataforma Logística Meco, S.A.	Zara Home Logística, S.A.
Bershka Diseño, S.L.	Inditex Logística, S.A.	Pull & Bear Diseño, S.L.	Zara Logística, S.A.
Bershka Logística, S.A.	Lefties España, S.A.	Pull & Bear España, S.A.	Zara, S.A.
Choolet, S.A.	Massimo Dutti Diseño, S.L.	Pull & Bear Logística, S.A.	Zintura, S.A.
Comditel, S.A.	Massimo Dutti Logística, S.A.	Inditex Renovables S.L.	Born S.A. (*)
Confecciones Fíos, S.A.	Massimo Dutti, S.A.	Stear, S.A.	Hampton S.A. (*)
Confecciones Goa, S.A.	Nikole, S.A.	Stradivarius Diseño, S.L.	Kiddys Class España S.A. (*)
Denllo, S.A.	Nikole Diseño, S.L.	Stradivarius España, S.A.	Lefties Logística S.A. (*)
Fashion Logistics Forwarders, S.A.	Oysho Diseño, S.L.	Stradivarius Logística, S.A.	Zara Home España, S.A.
Fashion Retail, S.A.	Oysho España, S.A.	Trisko, S.A.	Plataforma Logística León, S.A.
Glencare, S.A.	Oysho Logística, S.A.	Zara Diseño, S.L.	Indipunt, S.L.
Goa-Invest, S.A.	Plataforma Cabanillas, S.A.	Zara España, S.A.	
Grupo Massimo Dutti, S.A.	Plataforma Europa, S.A.	Zara Home Diseño, S.L.	

(*) Liquidated or merged companies during the exercise.

The reconciliation of the accounting profit for 2022 and 2021 to the taxable profit for income tax purposes is as follows:

2022

	Increase	Decrease	Total
Income and expense for the year			1,906
Income tax			72
Profit before taxes			1,978
Permanent differences			-
Individual company	2,516	(3,829)	(1,313)
Temporary differences			
Of the individual company arising in the year	83	-	83
Of the individual company arising in prior years	-	(93)	(93)
Taxable profit			**656**

2021

	Increase	Decrease	Total
Income and expense for the year			1,472
Income tax			16
Profit before taxes			1,488
Permanent differences			
Individual company	246	(1,282)	(1,036)
Temporary differences			
Of the individual company arising in the year	79	-	79
Of the individual company arising in prior years	-	(47)	(47)
Taxable profit			**484**

The most significant permanent differences of the Company correspond to expenses which are not considered as tax deductible amounting to 229 million euros (105 million euros in 2021), 3,051 million euros due to the application of the exemption from international double taxation on dividends and capital gains (547 million euros in 2021), 581 million euros due to the application of the exemption from internal double taxation on dividends, including that relating to dividends of companies in the tax group (530 million euros in 2021), 2,208 million euros due to impairment of group companies portfolio (12 million euros in 2021), 139 million euros due to the application of the capitalisation reserve (129 million euros in 2021) and 79 million euros due to the inclusion in the Spanish taxable income of the foreign corporate income taxes corresponding to the profits which give rise to certain dividends distributed by the subsidiaries (141 million euros in 2021).

16.2. Income tax expense

The calculation of the income tax expense for 2022 and 2021 is as follows:

2022

	Profit or loss
Income and expense for the year before income tax	1,978
Tax charge at 25%	495
Non-deductible expenses	559
Exemption from double taxation on dividends and capital gains	(924)
Other reductions in taxable income	(35)
Tax relief and tax credits in the current year	(8)
Other adjustments	(15)
Income tax expense	72

2021

	Profit or loss
Income and expense for the year before income tax	1,488
Tax charge at 25%	372
Non-deductible expenses	13
Exemption from double taxation on dividends and capital gains	(344)
Other reductions in taxable income	(32)
Tax relief and tax credits in the current year	(22)
Other adjustments	29
Income tax expense	16

16.3. Deferred taxes

The detail of deferred tax assets and of the changes therein at 31 January 2023 and 31 January 2022 is as follows:

2022

	31/01/2022	Profit or loss	Equity	31/01/2023
Foreign currency hedges	-	-	1	1
Other provisions	15	(3)	-	12
Provisions for obligations to personnel	19	-	-	19
Limitation on deductibility of depreciation and amortisation - Law 16/2012	2	-	-	2
Tax credits pending to be applied	80	(30)	-	50
Provisions for long-term assets	3	-	-	3
Assets tax group	43	29	-	72
Unused tax credits relating to the reversal of temporary measures - Law 16/2012	1	-	-	1
Total	**163**	**(4)**	**1**	**160**

2021

	31/01/2021	Profit or loss	Equity	31/01/2022
Other provisions	21	(6)	-	15
Provisions for obligations to personnel	5	14	-	19
Limitation on deductibility of depreciation and amortisation - Law 16/2012	2	-	-	2
Tax credits pending to be applied	59	21	-	80
Provisions for long-term assets	3	-	-	3
Assets tax group	76	(33)	-	43
Unused tax credits relating to the reversal of temporary measures - Law 16/2012	1	-	-	1
Total	**167**	**(4)**	**-**	**163**

The detail of deferred tax liabilities and of the changes therein at 31 January 2023 and 2022 is as follows:

2022

	31/01/2022	Profit or loss	Equity	31/01/2023
Non current assets of the tax group	(2)	-	-	(2)
Foreign currency hedges	(1)	-	1	-
Inventories of companies in the tax group	(4)	(1)	-	(5)
Total	**(7)**	**(1)**	**1**	**(7)**

2021

	31/01/2021	Profit or loss	Equity	31/01/2022
Non current assets of the tax group	(2)	-	-	(2)
Foreign currency hedges	-	-	(1)	(1)
Inventories of companies in the tax group	(5)	1	-	(4)
Total	**(7)**	**1**	**(1)**	**(7)**

The balance of deferred tax assets includes accrued tax deductions resulting from Group investments in Group companies.

The deferred tax liabilities include those corresponding to intra-group transactions, as a result of the application of the consolidated tax regime.

Of the change in the net balance of deferred tax assets and liabilities, 5 million euros were recognised and charged to income statement (3 million euros charged to income statement in 2021).

The income tax expense for the year includes withholdings borne abroad and not deducted in the Spanish taxable income relating to income received from foreign subsidiaries, amounting to 12 million euros (9 million euros in 2021). The income tax expense also includes the application of Spanish tax credits arising from juridical and economic double taxation on dividends repatriated from abroad, amounting respectively to 8 million euros and 109 million euros (10 million euros and 105 million euros in 2021).

As a result of the transactions described, the breakdown of the income tax expense for 2022 and 2021 is as follows:

	2022	2021
Current tax	67	13
Deferred tax	5	3
Total income tax expense	**72**	**16**

16.4. Other tax disclosures

At the date of preparation of the annual accounts of financial year 2022, the tax audit on the tax group of which Industria de Diseño Textil, SA is the parent company, in relation to corporate income tax for the financial years 2017 through 2021, has concluded. The result of such tax audit is included in the annual accounts of financial year 2022 and its impact is not relevant for the company.

With respect to the rest of tax obligations, at the date of preparation of the annual accounts, the statute of limitations corresponding to settlement periods 2019 and onwards had not expired.

The company does not expect that significant additional tax liabilities may arise as a result of future tax audits it has to face in the future.

17. Guarantee commitments to third parties

At 31 January 2023 and 2022, the Company had provided third parties with certain guarantees to various public authorities and entities, for the following amounts drawn down:

	31/01/2023	31/01/2022
Customs authorities	30	30
Other public administrations	-	19
Other entities	2	5
Total	**32**	**54**

The Company's directors consider that any losses or liabilities not foreseen at 31 January 2023 that might arise from the aforementioned guarantees provided would not in any event be material.

18. Income and expenses

18.1. Revenue

The breakdown, by geographical markets, of the Company's revenue for 2022 and 2021 is as follows:

	2022	2021
Revenue from the sale of goods		
Spain	2,008	1,528
Rest of Europe	5,601	4,589
Americas	1,932	1,521
Asia and Rest of the world	2,097	1,928
Revenue from the rendering of services		
Spain	117	114
Rest of Europe	30	27
Americas	2	1
Dividends and other income		
Spain	581	530
Rest of Europe	3,041	668
Americas	225	204
Asia and Rest of the world	25	19
Total	**15,659**	**11,129**

18.2. Procurements

The detail of 'Procurements' in the accompanying income statements for 2022 and 2021 is as follows:

	2022	2021
Purchases of goods held for resale, raw materials and other supplies	8,668	7,571
Changes in inventories of raw materials, goods held for resale and other supplies	(51)	(369)
Changes in provisions	7	5
Work performed by other companies	95	83
Total	**8,719**	**7,290**

The detail of the purchases made by the Company in 2022 and 2021 based on the geographical location of suppliers, is as follows:

	2022	2021
Purchases of goods held for resale		
Spain	2,375	2,137
Rest of Europe	5,314	4,535
Rest of the world	156	172
Purchases of raw materials		
Spain	244	218
Rest of Europe	410	402
Rest of the world	169	107
Total	**8,668**	**7,571**

18.3. Employee benefits

The detail of 'Employee benefits' in the income statements for 2022 and 2021 is as follows:

	2022	2021
Employer social security costs	42	36
Other employee benefit costs	12	7
Total	**54**	**43**

The number of employees at 31 January 2023 and 2022, by professional category and gender, was as follows:

2022

	Gender		
	Men	Women	Total
Corporate central services	767	583	1,350
Commercial central services	568	1,049	1,617
Total	**1,335**	**1,632**	**2,967**

2021

	Gender		
	Men	Women	Total
Corporate central services	533	672	1,205
Commercial central services	657	828	1,485
Total	**1,190**	**1,500**	**2,690**

In 2022 the average number of employees at the Company was 1,293 in corporate central services and 1,561 in commercial central services. In 2021 the average number of employees was 1,122 in corporate central services and 1,414 in commercial central services.

At 31 January 2023 there were 36 employees with a disability greater than or equal to thirty three percent (2021: 20 such employees). The average number of such employees in 2022 was 29 (2021: 19 such employees).

For its part, the Board of Directors has been formed in 2022 and 2021, and at 31 January 2023 and 2022, by 6 men and 5 women (7 men and 4 women in the 2021 financial year and at 31 January 2022).

18.4. Outsourced services

'Other operating expenses - Outsourced services' includes mainly logistics and design services provided by other Group companies amounting to 984 million euros (2021: 863 million euros), other indirect selling costs amounting to 975 million euros (2021: 847 million euros) and donations amounting to 29 million euros (2021: 26 million euros). This line item also includes software licenses and all the audit and consultancy services received, insurance premiums, travel expenses and utilities.

18.5. Foreign currency balances and transactions

The Company's revenue includes 4,757 million euros (2021: 4,321 million euros) relating mainly to sales made in currencies other than the euro, including US dollars for the amount of 1,222 million euros (2021: 1,279 million euros), British pounds for the amount of 640 million euros (2021: 547 million euros), Turkish lira for the amount of 427 million euros (2021: 219 million euros), Mexican pesos for the amount of 290 million euros (2021: 216 million euros), Japanese yen for the amount of 255 million euros (2021: 270 million euros), and other currencies.

"Procurements" includes purchases made mainly in US dollars amounting to 2,975 million euros (2021: 2,185 million euros).

As a result of these transactions, the Company's balance sheet includes accounts receivable in currencies other than the euro, mainly in US dollars, amounting to 144 million euros at 31 January 2023 (31 January 2022: 150 million euros), and accounts payable amounting to 486 million euros at 31 January 2023, mainly in US dollars (31 January 2022: 606 million euros).

19. Information on the nature and level of risk

The Company's activities are exposed to various financial risks: market risk (foreign currency risk, raw materials risk and interest rate risk) and other risks (credit risk, liquidity risk and country risk. The Company's risk management focuses on uncertainty in the financial markets and aims to minimise the potential adverse effects on the profitability of its business.

This Note provides information on the Company's exposure to each of the aforementioned risks, the Company's objectives, policies and processes for managing risk, the methods used to measure these risks, any changes from the previous year and the financial instruments used to mitigate the risks.

Foreign currency risk

The Company operates in an international environment and, accordingly, is exposed to foreign currency risk on transactions in currencies, in particular the US dollar. Foreign currency risk arises on future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

Foreign currency risk is managed in line with the corporate risk management model guidelines, which establish the ongoing monitoring of exchange rate fluctuations and other measures designed to mitigate this risk, mainly through the optimisation of the Company's operations, including centralisation, in order to minimise the impact, using natural hedges, the benefits of diversification and the arrangement of financial hedges.

Merchandise and goods for resale are acquired partly through orders placed with foreign suppliers in US dollars. In accordance with prevailing foreign currency risk management policies, the Company's management arranges derivatives, mainly foreign currency forwards (see Note 8), to hedge fluctuations in cash flows relating to the EUR-USD exchange rate. The Company also uses non-derivative financial instruments as hedges (e.g. deposits held in currencies other than the euro).

The Company supplies its subsidiaries with finished goods for sale to the end customers. With a view to reducing the fluctuations in value of the expected foreign currency cash flows arising from these intercompany transactions (denominated in currencies other than the euro), the Company occasionally uses financial derivatives such as purchased options and foreign currency forwards.

As described in Note 4.6, the Company applies hedge accounting to mitigate the volatility that would arise in the income statement as a result of the existence of significant foreign currency transactions. Hedge accounting has been used because the Company complies with the requirements detailed in Note 4.6 on accounting policies in order to be able to classify financial instruments as hedges for accounting purposes.

The Company applies the hedge accounting rules established in the applicable accounting standards. As a result, certain financial instruments were formally designated as hedging instruments and the Company verified that the hedges are highly effective. The maturity dates of the hedging instruments were negotiated so that they coincide with those of the hedged items. In 2022, using hedge accounting, no significant amounts were recognised in profit or loss either as a result of transactions that ultimately did not occur or as a result of the ineffectiveness of the hedges. Approximately 71% of the cash flows associated with hedges in US dollars are expected to occur in the six months subsequent to the year-end, while the remaining 29% are expected to fall due between six months and one year. Also, the impact on the income statement will foreseeably occur in those periods. The derivatives hedging the cash flows from intra-Group transactions to supply finished goods for sale to end customers have short-term time horizons aligned with the expected cash flows.

The fair value of the hedging instruments was calculated as described in Note 4.6.

Raw Material Risk

As a result of its business model, the Company is also exposed to potential cost volatility and inflation related to the impact resulting from price increases of the many raw materials (both textile and non-textile) consumed directly and indirectly in its operation and its procurement of goods (garments, footwear and accessories), and services, especially in terms of supply and distribution transport, as well as energy consumption. This risk is measured using 'at risk' methodologies from a portfolio of exposures standpoint.

Risk quantification methodology

The Company uses the Cash-Flow-at-Risk (CFaR) methodology in order to estimate the potential impact of exchange rate and raw material price changes on profit before tax and, if applicable, determine the relevant mitigation strategies. CFaR is a methodology widely used in risk management. It is an evolution of the Value-at-Risk (VaR) method focused on the possible loss related to future cash flows. Given a portfolio, exposed to one or more risks, the CFaR represents the maximum expected loss for a defined time horizon with a given confidence interval. The CFaR measures risk in aggregate terms, considering the potential diversification benefit resulting from the correlations between the components of the portfolio of exposures.

The underlying portfolio used in the CFaR calculation is composed of future flows denominated in the currency and/or raw material in which the underlying risk is expressed for up to one year. It is estimated that this portfolio represents substantially all of the Company's exposure to foreign currency and raw material risks and that the possible adverse changes in exchange rates and raw material price would affect the following year's profit. The main parameters and assumptions used in the CFaR calculation relate to the horizon of the estimated flows, the scenario simulation technique and the selected confidence interval. The cash flows considered have a duration of up to one year, taking as a time horizon the maturity date of each cash flow. Distributions are simulated using the Monte Carlo method by generating random scenarios based on market changes over the previous three years. A 95% confidence interval is selected. In addition, using the same methodology, the portfolio performance is analysed periodically and repeatedly under highly stressed scenarios based on market movements during historical periods of high volatility.

As regards the limitations of the calculation, it should be noted that the actual maximum loss could be higher than the estimated loss, since when opting for a 95% confidence level there are 5% of scenarios in which the expected loss is higher. In addition, future market changes do not necessarily coincide with the behaviour of the previous three years. It may also be the case that the estimated flows, i.e. the portfolio used for the calculation, differ from the actual flows. In addition, the Company uses the Value-at-Risk (VaR) method to manage foreign exchange risk in relation to the most relevant accounting items.

In accordance with the risk management framework, risk appetite and tolerance levels are set and residual risk is quantified. Furthermore, limits are set and monitored to ensure that residual risk is within the risk appetite and is also compliant with the established risk tolerance level.

It is estimated that the resulting negative impact on the 12-month expected cash flows, attributable to an adverse change in the exchange rate and raw material prices resulting from the CFaR calculation, could be 389 million euros at 31 January 2023 (262 million euros at 31 January 2022).

This figure represents 65% of the Group's total CFaR.

Credit risk

The Company´s main financial assets are trade and other receivables and loans to Group companies, which represent the Company's principal exposure to credit risk.

At 31 January 2023, the accounts receivable from franchises were secured by deposits and by guarantees provided by banks of recognised solvency of which Industria de Diseño Textil, S.A. is the beneficiary.

The Financial Risk Management Policy ensures the measurement, assessment, quantification and mitigation of the credit risk of investment products and the counterparty risk of financial institutions by establishing very detailed analysis criteria and Value-at-Risk (VaR) methodologies.

The VaR methodology implemented takes into account the counterparty's probability of default as estimated by the market, the time horizon of the investments, and the percentage of risk exposure that is not expected to be recovered in the event of default (loss given default). VaR represents the maximum expected loss for a defined time horizon with a given confidence interval. The exposures used are up to one year. Distributions are simulated using the Monte Carlo method by generating random scenarios based on market changes over the previous year. A 95% confidence interval is selected.

As regards the limitations of the calculation, it should be noted that the actual maximum loss could be higher than the estimated loss, since when opting for a 95% confidence level there are 5% of scenarios in which the expected loss is higher. In addition, future market changes do not necessarily coincide with the behaviour of the previous year.

In accordance with the risk management framework, risk appetite and target risk are set and residual risk is quantified. In addition, limits are set and monitored to ensure that residual risk is within the risk appetite and is also compliant with target risk.

Although credit risk increased as a result of the market conditions initially caused by Covid-19, credit risk in the market has since moderated. This, together with active management, allowed for its mitigation, thus returning the Company's residual risk to pre-pandemic levels.

The credit risk resulting from the arrangement of financial derivatives is mitigated by the requirement that such instruments be subject to an ISDA master agreement.

Occasionally, where deemed necessary, the Company requests that additional security be provided in the form of pledged collateral.

In relation to credit risk arising from commercial transactions, impairment losses are recognised for trade receivables when objective evidence exists that the Company will be unable to recover all the outstanding amounts in accordance with the original contractual conditions of the receivables. The amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement. During 2022 and 2021 were no significant additions to or applications in this connection.

Liquidity risk

The Company is not exposed to significant liquidity risk, as it maintains sufficient cash and cash equivalents to meet the outflows required in its normal operations. If the Company has a specific financing requirement, either in euros or in other currencies, it resorts to loans, credit facilities or other types of financial instruments (see Note 14).

Note 14 contains a detail of the financial liabilities, along with their scheduled maturities.

Interest rate risk

The Company's exposure to interest rate risk, which in no case is significant, arises principally in relation to the following items:

- Cash and cash equivalents: given the Company's investment policy in the negative interest rate environment in the Euro zone, with the Euro as the main currency, there is a risk of negative returns on the financial position.
- Financial debt: given the amount of the Company's external financing, any change in interest rates at year-end would not significantly affect profits.
- Discount rates: used in the calculation of the impairment losses on non-current assets (property, plant and equipment, intangible assets and equity instruments) (see Note 4.4).
- Derivatives: given the type of hedging instruments arranged, the interest rate risk is not material.

The Company does not have any financial assets or liabilities designated as at fair value through profit or loss. A potential change in fair value would not imply significant impact.

Country risk

The international presence of the Company's subsidiaries and permanent establishment exposes it to the country risk of multiple geographical regions, in both its supply and its sales and distribution activities. The Company adapts its administrative and business processes in order to minimise country risk and take advantage of the benefits of geographical diversification.

The conflict in Ukraine has forced the suspension of the Inditex Group´s operations in Ukraine and in the Russian Federation. Operations in Ukraine remain temporarily suspended. The Company continues to track the unfolding conflict and its complex repercussions closely, and to put in place plans to mitigate its impact.

One of the most significant manifestations of country risk is foreign currency risk and the possibility of exposure to limits or controls on the free circulation of cash flows due to a lack of currency convertibility, in current or capital account terms, or to unexpected restrictions on the movement of capital. The Company manages cash at corporate level based on a highly active repatriation policy aimed at reducing the aforementioned risks to a minimum.

At 31 January 2023, there was no significant risk in relation to the repatriation of funds or any material cash surpluses not available for use by the Company or its subsidiaries. Similarly, there are no significant restrictions on the Company's ability to access the assets and settle the liabilities of its subsidiaries.

At 31 January 2023, the Company was not operating in markets in which there was more than one exchange rate.

Capital management

The Company's capital management objectives are to safeguard its ability to continue operating as a going concern, so that it can continue to generate returns for shareholders and benefit other stakeholders, and to maintain an optimum capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments thereto in response to changes in economic conditions. The current capital management policy is based on self-financing through funds generated by operations.

There were no significant changes to capital management in the year.

20. Other disclosures

2019-2023 Long-Term Incentive Plan

The Annual General Meeting held on 16 July 2019 approved the 2019-2023 Long-Term Incentive Plan for members of the management team and other personnel of Inditex and its Group of Companies (hereinafter referred to as the ('2019-2023 Plan'). Under this Plan, each of the beneficiaries will be entitled, provided the terms and conditions established therein are fulfilled, to receive up to a maximum amount of the incentive allocated.

The 2019-2023 Plan combined a multi-year cash bonus and a promise to deliver shares which, after a specified period of time has elapsed and the achievement of the specific objectives has been verified, would be paid to the Plan beneficiaries, either in full or at the percentage applicable in each case.

The 2019-2023 Plan had a total duration of four years and was structured into two mutually independent time cycles. The first cycle (2019-2022) of the 2019-2023 Plan ran from February 1, 2019 to January 31, 2022 and was settled in the first quarter of 2022. The second cycle runs from 1 february 2020 to 31 January 2023, and is scheduled to be settled in the first quarter of 2023.

The 2019-2023 Plan was linked to critical business targets and the creation of shareholder value. Furthermore, also linked long-term variable remuneration to objectives related to sustainability and the environment, with this index having a maximum weight of 10% over the whole.

The 2019-2023 Plan did not expose the Company to any material risks.

To cater for this 2019-2023 Plan, the Company has, as a plan asset, a sufficient number of treasury shares to be able to settle the future obligations (see Note 11).

The incentive to be received will be calculated as provided for in the resolution ninth of the Annual General Meeting held on 16 July 2019.

2021-2025 Long-Term Incentive Plan

The Annual General Meeting held on 13 July 2021 approved the 2021-2025 Long-Term Incentive Plan for members of the management team and other personnel of Inditex and its Group of Companies (hereinafter referred to as the '2021-2025 Plan'). Under this Plan, each of the beneficiaries will be entitled, provided the terms and conditions established therein are fulfilled, to receive up to a maximum amount of the incentive allocated.

The 2021-2025 Plan combines a multi-year cash bonus and a promise to deliver shares which, after a specified period of time and verified compliance with the specific objectives, will be paid to the Plan beneficiaries, either in full or at the percentage applicable in each case.

The 2021-2025 Plan has a total duration of four years and is structured into two mutually independent time cycles. The first cycle of the 2021-2024 Plan runs from 1 February 2021 to 31 January 2024. The second cycle (2022-2025) spans the period from 1 February 2022 to 31 January 2025.

The 2021-2025 Plan is linked to critical business, sustainability and shareholder value creation targets. The most significant development is that the share of sustainability- and environment-linked goals has increased to 25% of the overall Plan, with respect to the 2019-2023 Plan.

The 2021-2025 Plan does not expose the Company to any material risks.

The liability related to the plans in cash is shown registered in the 'Long-Term Provisions' and 'Remuneration Payable' items of the balance sheet, and its annual allocation is included in the 'Personnel expenses' item of the income account.

The amount relating to the equity-settled component of the plans is recognised under 'Net Equity' in the balance sheet and the related period charge is reflected under 'Personnel expenses' in the income statement.

The impact of these obligations on the income statement and the balance sheet is not significant.

Remuneration and other benefits paid to the Company's Directors and Senior Management

The amounts included in the following tables and paragraphs are expressed in thousands of euros.

The total remuneration earned by the Directors and Senior Management of Inditex in 2022 was as follows:

	Thousands of euros	
	Directors	**Senior Management**
Remuneration	15,708	58,464
Termination benefits	22,990	12,761
Total	**38,698**	**71,225**

The aforementioned remuneration for 2022 includes fixed remuneration and short-term and long-term variable remuneration accrued by members of Inditex Senior Management in office at 31 January 2023, as well as by those who have performed duties as senior managers at any time during the reporting period, including the corresponding compensation.

The directors' remuneration for the 2022 financial year includes the fixed terms of the remuneration paid to Directors in their status as such and the fixed remuneration and the short-term and long-term variable remuneration earned by the CEO, Mr Óscar García Maceiras, and by the former Executive Chairman, Mr Pablo Isla Álvarez Tejera, for the performance of their executive functions. In particular, it includes:

The amount of the remuneration earned by: (i) Mr García as director and for the performance of executive functions from 1 February 2022 through 31 January 2023 and by (ii) Mr Isla, in his capacity as director, and the part of his fixed remuneration (wage) earned for the performance of executive functions, both of them for the period running from 1 February 2022 through 31 March 2022, date of economic effects of his resignation.

Also included in the above referred global remuneration are the amounts accrued and paid in 2022 to the former Executive Chairman itemized as follows:

(i) The following amounts as early settlement of current incentives and other items of fixed remuneration:

- Of the incentive for the second cycle (2020-2023) of the 2019-2023 Plan: the incentive - determined by the board of directors to be for a level of achievement on target -, prorated for the time between the cycle commencement and the date of his departure, amounted to 980 thousand euros and 46,859 shares.

- Of the incentive for the first cycle (2021-2024) of the 2021-2025 Plan: the incentive - determined by the board of directors to be for a level of achievement on target -, prorated for the time between the cycle commencement and the date of his departure, amounted to 421 thousand euros and 24,418 shares.

- Of the annual variable remuneration for the financial year 2022: the incentive prorated for the time between the beginning of the year and the date of his departure - estimated by the Board of Directors at maximum level of achievement -, amounted to 788 thousand euros.

- Of the portion of the fixed remuneration for financial year 2022 (February and March 2022) he had earned as extra wage payments (July and December) the amount of 132 thousand euros.

(ii) As severance pay:

- Severance pay for termination amounted to 3,250 thousand euros, and

- The consideration for his post-contractual non-compete obligation amounted to 19,740 thousand euros.

With regard to the long-term variable remuneration, included therein is the amount accrued for the second cycle (2020-2023) of the 2019-2023 LTIP. The incentive accrued in 2022 in this regard has amounted to 2,483 thousand euros for the CEO and 24,194 thousand euros for Senior Manages, which has materialized as follows:

- CEO: (i) an incentive in cash in the aggregate gross amount of 1,035 thousand euros and (ii) incentive in shares equivalent to a total number of 49,477 shares corresponding to the gross amount of 1,448 thousand euros.

- Senior Managers: (i) an incentive in cash in the aggregate gross amount of 11,173 thousand euros and (ii) incentive in shares equivalent to a total number of 444,841 shares corresponding to the gross amount of 13,020 thousand euros.

It bears mention that for the purposes of quantifying the part of such incentive to be delivered in shares, the closing price of Inditex share on the last business day of the week before the board meeting when the board of directors assessed and approved the level of target achievement for the second cycle of the 2019-2023 Plan (i.e. 10 March 2023) was considered.

The incentive in cash and in shares will be delivered within the month following the publication of the annual accounts for 2022.

The total remuneration earned by the Directors and Senior Management of Inditex in 2021 was as follows:

	Thousands of euros	
	Directors	**Senior Management**
Remuneration	21,232	36,821
Termination benefits	-	10,083
Total	**21,232**	**46,904**

The remuneration for 2021 includes fixed remuneration and short-term and long-term variable remuneration accrued by members of Inditex Senior Management in office at 31 January 2022, as well as by those who have performed duties as senior managers at any time during the reporting period, including the corresponding compensation.

The directors' remuneration for the 2021 financial year includes fixed items of remuneration of directors in their capacity as such, as well as the short- and long-term fixed and variable remuneration accrued by the former Executive Chairman, Mr Pablo Isla Álvarez Tejera, the new CEO, Mr Óscar García Maceiras, and the outgoing CEO, Mr Carlos Crespo González, for the performance of their executive duties. In particular, it includes:

The amounts corresponding to the remunerations accrued by: (i) Mr Pablo Isla Álvarez Tejera, as a director and for the performance of his executive duties, from 1 February 2021 through 31 January 2022; (ii) Mr Óscar García Maceiras, as a director and for the performance of his executive duties, from 1 December 2021, the date of economic effects of his appointment, through 31 January 2022; and (iii) Mr Carlos Crespo González, as a director and for the performance of his executive duties, from 1 February 2021 through 30 November 2021, the date of economic effects of his resignation.

With regard to the long-term variable remuneration, included therein is the amount accrued for the first cycle (2019-2022) of the 2019-2023 Long-Term Incentive Plan. The incentive accrued in 2021 by the executive directors in terms of this incentive was 6,921 thousand euros. In turn, the sum of 17,181 thousand euros was accrued by the Senior Managers. This incentive materialised as follows:

- Executive directors: (i) an incentive in cash in the aggregate gross amount of 1,760 thousand euros for the former Executive Chairman, 36 thousand euros for the incoming CEO, and 1,099 thousand euros for the outgoing CEO; and, (ii) an incentive in shares equivalent to a total of 112,953 shares for the former Executive Chairman, corresponding to the gross amount of 2,458 thousand euros, 1,552 shares for the incoming CEO, corresponding to the gross amount of 34 thousand euros, and 70,499 shares for the outgoing CEO, corresponding to a gross amount of 1,534 thousand euros.
- Senior Managers: (i) an incentive in cash in the aggregate gross amount of 8,046 thousand euros, and (ii) an incentive in shares equivalent to 419,792 shares, equivalent to the gross amount of 9,135 thousand euros.

It bears mention that for the purposes of quantifying the part of such incentive to be delivered in shares, the closing price of Inditex share on the last business day of the week before the board meeting when the board of directors assessed and approved the level of target achievement for the first cycle of the 2019-2023 Plan was assessed and approved (i.e. 11 March 2022).

The incentive in cash and in shares was delivered within the month following the publication of the annual accounts for 2021.

During 2022 and in 2021 no contributions were made to the Pension Scheme Plan.

The Company has taken out a third-party civil liability insurance that covers its Directors, Senior Management and other Officers and employees. The insurance premium for 2022 and 2021 amounted to 698 and 753 thousand euros, respectively.

In 2022 and 2021 the Company did not pay any remuneration to natural persons representing it on the governing bodies of any other companies.

Disclosures required pursuant to Article 229 of Legislative Royal Decree 1/2010, of 2 July, approving the Consolidated Text of the Spanish Companies Act

Pursuant to section 229 of the Spanish Companies Act, amended by Act 31/2014, of 3 December, it is hereby disclosed that none of the Directors of Inditex has communicated any situation that, directly and/or indirectly, through persons related to them, could place them in a potential conflict of interest with the Parent.

Notwithstanding the foregoing, Mr Rodrigo Echenique Gordillo and Ms Pilar López Álvarez, hold positions on the Boards of Directors of Grupo Santander and Microsoft Western Europe, respectively, and perform their duties as independent directors of the Parent, without prejudice to the commercial relationships that Inditex has maintained with these companies for years. In any case, the Board of Directors ensures, through the Audit and Compliance Committee that the transactions with significant directors, significant shareholders and/or Senior Management, or with their respective related persons, are carried out under market conditions and respecting the principle of equal treatment to shareholders.

Furthermore, when the Board of Directors deliberated on the appointment and re-election of one position, the compensation or any other agreement referred to a director or to a person or company related to a director, the affected party was absent from the Company meeting during the deliberation and voting of the corresponding resolution.

Disclosures on the average period of payment to suppliers

Set out below are the disclosures required by Additional Provision Three of Act 15/2010, of 5 July (as amended by 2nd Final Provision of Act 31/2014, of 3 December), prepared in accordance with the Spanish Accounting and Auditing Institute (ICAC) Resolution of 29 January 2016 on the disclosures to be included in notes to annual accounts in relation to the average period of payment to suppliers in commercial transactions.

	2022	**2021**
	Days	
Average period of payment to suppliers	49.18	48.08
Ratio of transactions settled	50.17	49.29
Ratio of transactions not yet settled	40.50	37.39
	Amount (Millions of euros)	
Total payments made	1,679	1,461
Total payments outstanding	192	166

	2022	**2021**
No. of invoices paid within the legal term	56	53
% of total subject invoices	97 %	97 %
Amount of invoices paid within the legal term (Millions of euros)	1,653	1,433
% of total subject invoices	98 %	98 %

These balances relate to suppliers that qualify as trade creditors for the supply of goods and services and, therefore, they include the numbers relating to 'Payable to suppliers', 'Payable to suppliers – Group companies and associates' and 'Sundry accounts payable' under 'Current liabilities' in the accompanying balance sheet at 31 January 2023 and 2022.

'Average period of payment to suppliers' is taken to be the period that elapses from the delivery of the goods or the provision of the services by the supplier to the effective payment of the transaction.

In addition, if for any reason the quality of the goods or services once received is lower than expected or agreed upon, it is the Company's policy not to make payments until the situation is rectified.

Fees paid to auditors

In 2022 and 2021, the fees for financial audit services provided by the auditor of the Company's annual accounts, Ernst & Young in 2022 and Deloitte in 2021, or by any firms related to these auditors as a result of a relationship of control, common ownership or common management, amounted to 0.3 million euros for each year.

Additionally, Ernst & Young has invoiced the Company for other services amounting to 0.2 million euros during 2022 (0.3 million euros invoiced by Deloitte in 2021).

Information on environmental activities

Inditex has developed a flexible and integrated business model, with a strong customer focus and a clear approach in sustainability. In this regard, the bases of Inditex's sustainability strategy (which includes both the environmental and social areas) is outlined in its Sustainability Policy, which sets out, among other aspects, the environmental principles, which are applied transversally across all its business areas and throughout its entire value chain.

These principles are embodied by three environmental strategies: Global Energy Strategy, Global Water Strategy and Biodiversity Strategy, as well as the commitments in respect of forest products, set forth in the Forest Product Policy.

Inditex has diverse sustainability objectives such as the use of 100% renewable electricity at its own facilities, the use of preferred fibres in its products (100% cotton and cellulosic fibres in 2023 and 100% polyester and linen in 2025) and a 25% reduction in water consumption in the supply chain by 2025, among others.

At the year-end, Inditex has no environmental liabilities, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position and profits (losses). Climate change has been assessed as part of the estimates and judgements made in the preparation of the annual accounts (Note 2) and is not considered to have a material impact thereupon.

The Non-Financial Information Statement of the Group includes information on Inditex's Commitment to Sustainability mainly in the following sections: 5.3 Our products, 5.5 Environment, 5.6 Suppliers, y 5.7 Communities, as well as information on the risks and opportunities of climate change in section 6.3.4 Climate Change: risks and opportunities.

Events after the reporting period

Turkey is under the effects of the catastrophic earthquakes that have been occurring since February 6, 2023. Despite the fact that some of the factories of the Turkish supplier cluster are concentrated in the area affected by the earthquakes, the impact on the Company's global supply chain is not relevant, and both our and our supplier´s operations in the affected area tend to normalize.

21. Explanation added for translation to English

These annual accounts are presented on the basis of the regulatory financial reporting framework applicable to the Company in Spain (see Note 2.1). Certain accounting practices applied by the Company that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

Annex I. List of Company of investments in Group companies at 31 January 2023

Company		Effective % of ownership	Types of holding	Location	Reporting date	Line of business	Shareholders' equity	Investment	Impairment	Dividends
Bershka Bsk España, S.A.		100.00%	Direct	Barcelona - Spain	31-jan	Retail sales	165	47	-	30
Bershka Cis Limited Liability Company	(*)	100.00%	Direct	Moscow - Russia	31-dec	Retail sales	-	263	(263)	-
Bershka Commercial (Beijing) Co. Ltd.		100.00%	Direct	Beijing - China	31-dec	Retail sales	2	-	-	-
Bershka Commercial (Shanghai) Co., Ltd.		100.00%	Direct	Shanghai - China	31-dec	Retail sales	1	-	-	-
Bershka Diseño, S.L.		100.00%	Direct	Barcelona - Spain	31-jan	Design	32	359	-	14
Bershka France, S.A.R.L.		100.00%	Direct	Paris - France	31-jan	Retail sales	69	-	-	-
Bershka Hong Kong, Ltd.		100.00%	Direct	Hong Kong SAR	31-jan	Retail sales	(4)	-	-	-
Bershka Korea, Ltd.		100.00%	Direct	Seoul - South Korea	31-jan	Retail sales	(7)	-	-	-
Bershka Logística, S.A.		100.00%	Direct	Barcelona - Spain	31-jan	Logistics	5	4	-	-
Bershka Polska, Sp. Z O.O.		100.00%	Direct	Warsaw - Poland	31-jan	Retail sales	2	94	-	2
Bershka Usa, Inc		100.00%	Direct	New York - USA	31-jan	Retail sales	-	-	-	-
Best Retail Kazakhstan, Llp		100.00%	Direct	Almaty - Kazakhstan	31-dec	Retail sales	2	-	-	-
Bske, Gmbh		100.00%	Direct	Hamburg - Germany	31-jan	Holding company	17	97	-	-
Itx Taiwan B.V. Bershka Taiwan Branch		100.00%	Direct	Taipei - Taiwan	31-jan	Dormant	-	-	-	-
Kg Bershka Deutschland, B.V. & Co.		100.00%	Direct	Hamburg - Germany	31-jan	Retail sales	14	-	-	-
Limited Liability Company "Bk Garments Blr"		100.00%	Direct	Minsk - Belarus	31-dec	Retail sales	3	-	-	-
Grupo Massimo Dutti, S.A.		100.00%	Inditect	Barcelona - Spain	31-jan	Retail sales	141	127	-	17
Itx Taiwan B.V. Massimo Dutti Taiwan Branch		100.00%	Direct	Taipei - Taiwan	31-jan	Dormant	-	-	-	-
Kg Massimo Dutti Deutschland, B.V. & Co.		100.00%	Inditect	Hamburg - Germany	31-jan	Retail sales	13	-	-	-
Limited Liability Company "Massimo Dutti Blr"		100.00%	Inditect	Minsk - Belarus	31-dec	Retail sales	3	-	-	-
Massimo Dutti Belux, S.A.		100.00%	Inditect	Bruges - Belgium	31-jan	Retail sales	8	32	-	-
Massimo Dutti Commercial (Beijing) Co. Ltd.		100.00%	Direct	Beijing - China	31-dec	Retail sales	5	-	-	-
Massimo Dutti Commercial (Shanghai) Co. Ltd.		100.00%	Inditect	Shanghai - China	31-dec	Retail sales	13	-	-	-
Massimo Dutti Deutschland, Gmbh		100.00%	Direct	Hamburg - Germany	31-jan	Holding company	11	65	-	-
Massimo Dutti Diseño, S.L.		100.00%	Direct	Barcelona - Spain	31-jan	Design	31	199	-	5
Massimo Dutti France, S.A.R.L.		100.00%	Direct	Paris - France	31-jan	Retail sales	33	-	-	-
Massimo Dutti Hong Kong, Ltd.		100.00%	Direct	Hong Kong SAR	31-jan	Retail sales	-	-	-	-
Massimo Dutti India Private Limited		51.00%	Direct	Gurgaon - India	31-mar.	Retail sales	6	-	-	-
Massimo Dutti Korea, Ltd.		100.00%	Direct	Seoul - South Korea	31-jan	Retail sales	20	-	-	-
Massimo Dutti Limited Liability Company	(*)	100.00%	Direct	Moscow - Russia	31-dec	Retail sales	(3)	483	(483)	-
Massimo Dutti Logística, S.A.		100.00%	Inditect	Barcelona - Spain	31-jan	Logistics	1	1	-	-

Company		Effective % of ownership	Types of holding	Location	Reporting date	Line of business	Shareholders' equity	Investment	Impairment	Dividends
Massimo Dutti Macau Limitada		100.00%	Direct	Macao SAR	31-dec	Retail sales	4	-	-	-
Massimo Dutti Polska, Sp. Z O.O.		100.00%	Direct	Warsaw - Poland	31-jan	Retail sales	4	56	-	2
Massimo Dutti Uk, Ltd.		100.00%	Inditect	London - UK	31-jan	Dormant	-	-	-	-
Massimo Dutti Usa, Inc.		100.00%	Inditect	New York - USA	31-jan	Retail sales	12	-	-	-
Massimo Dutti, S.A.		100.00%	Direct	A Coruña - Spain	31-jan	Dormant	1	-	-	-
Master Retail Kazakhstan, Llp		100.00%	Direct	Almaty - Kazakhstan	31-dec	Retail sales	10	-	-	-
"Itx Albania" Shpk		100.00%	Direct	Tirana - Albania	31-dec	Retail sales	11	-	-	-
"Itx Kosovo" L.L.C.		100.00%	Direct	Pristina	31-dec	Retail sales	6	-	-	-
Cdc Trading (Shanghai) Co. Ltd.		100.00%	Direct	Shanghai - China	31-dec	Buyer	2	-	-	-
Corporacion De Servicios Xxi, S.A. De C.V.		100.00%	Direct	Mexico City - Mexico	31-dec	Services	9	-	-	-
Fashion Logistics Forwarders, S.A.		100.00%	Direct	A Coruña - Spain	31-jan	Logistics	2	-	-	-
Fashion Retail, S.A.		100.00%	Direct	A Coruña - Spain	31-jan	Retail sales	38	-	-	29
Fgi Gestión Mex, S.A. De C.V.		100.00%	Direct	Mexico City - Mexico	31-dec	Construction	8	-	-	-
G.Zara Uruguay, S.A.	(*)	100.00%	Direct	Montevideo - Uruguay	31-jan	Retail sales	17	18	-	6
Goa-Invest Deutschland, Gmbh		100.00%	Direct	Hamburg - Germany	31-jan	Construction	2	-	-	-
Goa-Invest, S.A.		100.00%	Direct	A Coruña - Spain	31-jan	Construction	17	3	-	3
Indipunt, S.L.		100.00%	Direct	A Coruña - Spain	31-jan	Logistics	7	26	(17)	-
Inditex Belgique S.A.		100.00%	Inditect	Brussels - Belgium	31-jan	Retail sales	68	66	-	-
Inditex Ceská Republika, S.R.O.		100.00%	Direct	Prague - Czech Republic	31-jan	Retail sales	10	52	-	6
Inditex Danmark A/S		100.00%	Inditect	Copenhaguen - Denmark	31-jan	Retail sales	7	35	-	7
Inditex France, S.A.R.L.		100.00%	Direct	Paris - France	31-jan	Dormant	-	-	-	-
Inditex Montenegro, D.O.O. Podgorica		100.00%	Direct	Podgorica - Montenegro	31-dec	Retail sales	3	-	-	-
Inditex Norge As		100.00%	Direct	Oslo - Norway	31-jan	Retail sales	19	12	-	-
Inditex Österreich Gmbh	(*)	100.00%	Direct	Vienna - Austria	31-jan	Retail sales	31	18	-	-
Inditex Renovables, S.L.	(*)	100.00%	Inditect	A Coruña - Spain	31-jan	Services	-	1	-	-
Inditex Romania, S.R.L.		100.00%	Inditect	Bucharest - Romania	31-dec	Retail sales	105	446	-	29
Inditex Slovakia, S.R.O.		100.00%		Bratislava - Slovakia	31-jan	Retail sales	6	40	-	4
Inditex Ukraine Llc		100.00%	Inditect	Kiev - Ukraine	31-dec	Retail sales	2	-	-	-
Inditex Usa, Llc	(*)	100.00%	Inditect	New York - USA	31-jan	Holding company	445	418	-	119
Itx Asia Pacific Enterprise Management, Co., Ltd.		100.00%	Inditect	Shanghai - China	31-dec	Buyer	39	-	-	-
Itx Bh D.O.O.		100.00%	Direct	Sarajevo - Bosnia Herzegovina	31-dec	Retail sales	10	43	-	7
Itx Bulgaria Eood	(*)	100.00%	Inditect	Sofia - Bulgaria	31-dec	Retail sales	10	98	-	5
Itx Canada, Ltd		100.00%	Inditect	Montreal - Canada	31-jan	Retail sales	49	-	-	-
Itx Croatia, Ltd.		100.00%	Inditect	Zagreb - Croatia	31-jan	Retail sales	14	104	-	13
Itx E-Commerce (Shanghai) Co., Ltd.		100.00%	Direct	Shanghai - China	31-dec	Retail sales	9	-	-	-
Itx Financien III, B.V.		100.00%	Direct	Amsterdam - Netherlands	31-jan	Financial services	460	-	-	-
Itx Financiën, B.V.	(*)	100.00%	Direct	Amsterdam - Netherlands	31-jan	Financial services	2,562	5,831	-	-

Company		Effective % of ownership	Types of holding	Location	Reporting date	Line of business	Shareholders' equity	Investment	Impairment	Dividends
Itx Finland Oy		100.00%	Inditect	Helsinki - Finland	31-jan	Retail sales	2	-	-	-
Itx Global Solutions Limited		100.00%	Direct	Hong Kong SAR	31-jan	Services	11	-	-	-
Itx Hellas Single Member S.A.		100.00%	Direct	Athens - Greece	31-jan	Retail sales	95	-	-	-
Itx Italia Srl		100.00%	Direct	Milan - Italy	31-jan	Retail sales	434	-	-	-
Itx Japan Corporation		100.00%	Inditect	Tokyo - Japan	31-jan	Retail sales	140	-	-	-
Itx Korea Limited		100.00%	Inditect	Seoul - South Korea	31-jan	Retail sales	20	-	-	-
Itx Luxembourg S.A.		100.00%	Inditect	Luxembourg - Luxembourg	31-jan	Retail sales	13	32	-	-
Itx Magyarország Kft.	(*)	100.00%	Inditect	Budapest - Hungary	31-jan	Retail sales	13	117	-	5
Itx Merken, B.V.		100.00%	Inditect	Amsterdam - Netherlands	31-jan	Services	1,295	-	-	-
Itx Nederland Bv		100.00%	Direct	Amsterdam - Netherlands	31-jan	Retail sales	37	232	-	10
Itx Portugal - Confecções, S.A.		100.00%	Inditect	Lisbon - Portugal	31-jan	Retail sales	613	-	-	-
Itx Re Designated Activity Company		100.00%	Direct	Dublin - Ireland	31-jan	Insurance	136	-	-	-
Itx Retail Ireland Limited		100.00%	Direct	Dublin - Ireland	31-jan	Retail sales	38	66	-	17
Itx Retail Mexico, S.A. De C.V.		100.00%	Direct	Mexico City - Mexico	31-dec	Retail sales	143	-	-	-
Itx Retail Suisse Sarl	(*)	100.00%	Inditect	Fribourg - Switzerland	31-jan	Retail sales	109	99	-	12
Itx Rs Doo Beograd		100.00%	Direct	Belgrade - Serbia	31-jan	Retail sales	19	52	-	-
Itx S, D.O.O		100.00%	Direct	Ljubljana - Slovenia	31-jan	Retail sales	4	-	-	-
Itx Services India Private Limited		100.00%	Direct	Gurgaon - India	31-mar	Buyer	1	-	-	-
Itx Sverige Ab		100.00%	Inditect	Stockholm - Sweden	31-jan	Retail sales	6	39	-	16
Itx Taiwan B.V. Taiwan Branch		100.00%	Inditect	Taipei - Taiwan	31-jan	Retail sales	18	-	-	-
Itx Trading, S.A.		100.00%	Inditect	Fribourg - Switzerland	31-jan	Buyer	1,193	-	-	-
Itx Tryfin B.V.		100.00%	Inditect	Amsterdam - Netherlands	31-jan	Financial services	40	-	-	-
Itx Turkey Perakende Ithalat Ihracat Ve Ticaret Limited Sirketi	(*)	100.00%	Inditect	Istanbul - Turkey	31-jan	Retail sales	58	217	-	76
Itx Uk Ltd.		100.00%	Direct	London - UK	31-jan	Retail sales	142	-	-	-
Itx Usa, Llc		100.00%	Inditect	New York - USA	31-jan	Retail sales	13	4	-	11
Itxr Macedonia Dooel Skopje		100.00%	Direct	Skopje - North Macedonia Rep.	31-dec	Retail sales	7	-	-	-
Lelystad Platform, B.V.		100.00%	Direct	Amsterdam - Netherlands	31-jan	Logistics	189	-	-	-
Nueva Comercializadora Global Xxi, S.A. De C.V.		100.00%	Direct	Mexico City - Mexico	31-dec	Logistics	-	-	-	-
Plataforma Logística Meco, S.A.		100.00%	Inditect	Madrid - Spain	31-jan	Logistics	4	-	-	-
Zara Chile, S.A.		100.00%	Inditect	Santiago de Chile - Chile	31-dec	Retail sales	35	2	-	13
Zara Holding II, B.V.		100.00%	Direct	Amsterdam - Netherlands	31-jan	Holding company	1,439	-	-	-
Zara Holding, B.V.		100.00%	Inditect	Amsterdam - Netherlands	31-jan	Holding company	7,876	3,682	-	2,790
Limited Liability Company "Oysho Blr"		100.00%	Direct	Minsk - Belarus	31-dec	Retail sales	1	-	-	-
Oysho Cis Limited Liability Company	(*)	100.00%	Direct	Moscow - Russia	31-dec	Retail sales	(2)	151	(151)	-
Oysho Commercial & Trading (Shanghai) Co. Ltd.		100.00%	Inditect	Shanghai - China	31-dec	Retail sales	7	-	-	-

Company		Effective % of ownership	Types of holding	Location	Reporting date	Line of business	Shareholders' equity	Investment	Impairment	Dividends
Oysho Diseño, S.L.		100.00%	Inditect	Barcelona - Spain	31-jan	Design	10	41	-	2
Oysho España, S.A.		100.00%	Inditect	Barcelona - Spain	31-jan	Retail sales	52	30	-	14
Oysho France, S.A.R.L.		100.00%	Direct	Paris - France	31-jan	Retail sales	7	-	-	-
Oysho Hong Kong Limited		100.00%	Inditect	Hong Kong SAR	31-jan	Retail sales	(3)	-	-	-
Oysho Kazakhstan, Llp		100.00%	Inditect	Almaty - Kazakhstan	31-dec	Retail sales	3	-	-	-
Oysho Korea, Ltd.		100.00%	Direct	Seoul - South Korea	31-jan	Retail sales	1	-	-	-
Oysho Logística, S.A.		100.00%	Inditect	Barcelona - Spain	31-jan	Logistics	2	1	-	-
Oysho Macau Limitada		100.00%	Direct	Macao SAR	31-dec	Retail sales	2	-	-	-
Oysho Polska, Sp. Z O.O.		100.00%	Inditect	Warsaw - Poland	31-jan	Retail sales	3	23	-	1
Itx Taiwan B.V. Pull & Bear Taiwan Branch		100.00%	Direct	Taipei - Taiwan	31-jan	Dormant	1	-	-	-
Limited Liability Company "Pull And Bear Blr"		100.00%	Inditect	Minsk - Belarus	31-dec	Retail sales	2	-	-	-
P&Be, Gmbh		100.00%	Inditect	Hamburg - Germany	31-jan	Holding company	4	25	-	-
Plataforma Cabanillas, S.A.		100.00%	Direct	A Coruña - Spain	31-jan	Logistics	2	-	-	-
Pro Retail Kazakhstan, Llp		100.00%	Inditect	Almaty - Kazakhstan	31-dec	Retail sales	2	-	-	-
Pull & Bear Belgique, S.A.		100.00%	Direct	Brussels - Belgium	31-jan	Retail sales	8	22	-	-
Pull & Bear Commercial (Beijing) Co. Ltd.		100.00%	Inditect	Beijing - China	31-dec	Retail sales	2	-	-	-
Pull & Bear Deutschland, B.V. & Co. Kg		100.00%	Inditect	Hamburg - Germany	31-jan	Retail sales	9	-	-	-
Pull & Bear Diseño, S.L.		100.00%	Direct	A Coruña - Spain	31-jan	Design	28	284	-	11
Pull & Bear España, S.A.		100.00%	Direct	A Coruña - Spain	31-jan	Retail sales	162	15	-	45
Pull & Bear France, S.A.R.L.		100.00%	Direct	Paris - France	31-jan	Retail sales	40	-	-	-
Pull & Bear Korea, Ltd.		100.00%	Direct	Seoul - South Korea	31-jan	Retail sales	-	-	-	-
Pull & Bear Logística, S.A.		100.00%	Inditect	A Coruña - Spain	31-jan	Logistics	4	2	-	-
Pull & Bear Polska, Sp. Z O.O.		100.00%	Direct	Warsaw - Poland	31-jan	Retail sales	3	67	-	3
Pull And Bear Cis Limited Liability Company	(*)	100.00%	Direct	Moscow - Russia	31-dec	Retail sales	(1)	198	(198)	-
Pull And Bear Hong Kong, Ltd.		100.00%	Direct	Hong Kong SAR	31-jan	Retail sales	2	-	-	-
Limited Liability Company "Stradivarius Blr"		100.00%	Inditect	Minsk - Belarus	31-dec	Retail sales	2	-	-	-
Spanish Retail Kazakhstan, Llp		100.00%	Inditect	Almaty - Kazakhstan	31-dec	Retail sales	1	-	-	-
Stradivarius Belgique, S.A.		100.00%	Direct	Brussels - Belgium	31-jan	Retail sales	2	16	-	-
Stradivarius Cis Limited Liability Company	(*)	100.00%	Inditect	Moscow - Russia	31-dec	Retail sales	1	132	(132)	-
Stradivarius Commercial (Shanghai) Co. Ltd		100.00%	Direct	Shanghai - China	31-dec	Retail sales	3	-	-	-
Stradivarius Diseño, S.L.		100.00%	Direct	Barcelona - Spain	31-jan	Design	26	224	-	11
Stradivarius España, S.A.		100.00%	Inditect	Barcelona - Spain	31-jan	Retail sales	151	120	-	48
Stradivarius France, S.A.R.L.		100.00%	Inditect	Paris - France	31-jan	Retail sales	34	-	-	-
Stradivarius Hong Kong, Ltd.		100.00%	Inditect	Hong Kong SAR	31-jan	Retail sales	(1)	-	-	-
Stradivarius Korea, Ltd.		100.00%	Direct	Seoul - South Korea	31-jan	Retail sales	-	-	-	-

Company		Effective % of ownership	Types of holding	Location	Reporting date	Line of business	Shareholders' equity	Investment	Impairment	Dividends
Stradivarius Logística, S.A.		100.00%	Direct	Barcelona - Spain	31-jan	Logistics	2	1	-	-
Stradivarius Polska, Sp. Z O.O.		100.00%	Inditect	Warsaw - Poland	31-jan	Retail sales	1	79	-	6
Uterqüe Giyim Ithalat Ihracat Ve Ticaret Limited Sirketi		100.00%	Inditect	Istanbul - Turkey	31-jan	Dormant	-	-	-	-
Uterqüe Kazakhstan Llp		100.00%	Direct	Almaty - Kazakhstan	31-dec	Dormant	-	-	-	-
Uterqüe Mexico, S.A. De C.V.		100.00%	Direct	Mexico City - Mexico	31-dec	Dormant	1	-	-	-
Uterqüe Polska Sp. Z O.O.		100.00%	Direct	Warsaw - Poland	31-jan	Dormant	(1)	1	(1)	-
Choolet, S.A.	(*)	100.00%	Inditect	A Coruña - Spain	31-jan	Textile Manufacturing	1	6	(2)	-
Comditel, S.A.		100.00%	Inditect	Barcelona - Spain	31-jan	Buyer	3	1	-	-
Confecciones Fios, S.A.	(*)	100.00%	Inditect	A Coruña - Spain	31-jan	Textile Manufacturing	4	2	-	-
Confecciones Goa, S.A.		100.00%	Direct	A Coruña - Spain	31-jan	Textile Manufacturing	1	4	(3)	-
Denllo, S.A.		100.00%	Direct	A Coruña - Spain	31-jan	Textile Manufacturing	11	6	-	-
Fsf New York, Llc.		100.00%	Inditect	New York - USA	31-jan	Real estate	255	-	-	-
Fsf Soho, Llc		100.00%	Direct	New York - USA	31-jan	Real estate	272	-	-	-
Glencare, S.A.		100.00%	Inditect	A Coruña - Spain	31-jan	Textile Manufacturing	2	-	-	-
Inditex Australia Pty Ltd		100.00%	Direct	Sydney - Australia	31-jan	Retail sales	47	-	-	-
Inditex Logistica, S.A.		100.00%	Direct	A Coruña - Spain	31-jan	Logistics	11	-	-	24
Inditex Trent Retail India Private, Ltd.		51.00%	Inditect	Gurgaon - India	31-mar.	Retail sales	37	5	-	18
Inditex Vastgoed Korea, Ltd.		100.00%	Direct	Seoul - South Korea	31-jan	Real estate	1	1	-	-
Inditex, S.A.		100.00%	Inditect	A Coruña - Spain	31-jan	Dormant	-	-	-	-
Itx Hong Kong Limited		100.00%	Direct	Hong Kong SAR	31-jan	Retail sales	59	-	-	-
Itx Taiwan, B.V.		100.00%	Direct	Amsterdam - Netherlands	31-jan	Holding company	5	-	-	-
Joint Stock Company New Fashion	(*)	100.00%	Direct	Moscow - Russia	31-dec	Retail sales	77	1,023	(840)	-
Kg Zara Deutschland B.V. & Co.		100.00%	Direct	Hamburg - Germany	31-jan	Retail sales	144	-	-	-
Lefties España, S.A.		100.00%	Inditect	A Coruña - Spain	31-jan	Real estate	-	1	(1)	-
Limited Liability Company "Zara Blr"		100.00%	Inditect	Minsk - Belarus	31-dec	Retail sales	9	-	-	-
Nikole Diseño, S.L.		100.00%	Direct	A Coruña - Spain	31-jan	Design	17	44	-	5
Nikole, S.A.		100.00%	Inditect	A Coruña - Spain	31-jan	Buyer	6	1	-	-
Plataforma Europa, S.A.		100.00%	Direct	Zaragoza - Spain	31-jan	Logistics	6	2	-	-
Plataforma Logística León, S.A.		100.00%	Direct	León - Spain	31-jan	Logistics	11	6	-	-
Retail Group Kazakhstan, Llp		100.00%	Inditect	Almaty - Kazakhstan	31-dec	Retail sales	34	-	-	-
Sci Vastgoed Ferreol P03302		100.00%	Inditect	Paris - France	31-dec	Real estate	15	-	-	-
Sci Vastgoed France P03301		100.00%	Inditect	Paris - France	31-dec	Real estate	60	-	-	-
Sci Vastgoed General Leclerc P03303		100.00%	Inditect	Paris - France	31-dec	Real estate	14	-	-	-
Sci Vastgoed Nancy P03304		100.00%	Inditect	Paris - France	31-dec	Real estate	13	-	-	-
Snc Zara France Immobilière		100.00%	Inditect	Paris - France	31-dec	Real estate	(7)	-	-	-
Stear, S.A.		100.00%	Direct	A Coruña - Spain	31-jan	Textile Manufacturing	8	-	-	-

Company		Effective % of ownership	Types of holding	Location	Reporting date	Line of business	Shareholders' equity	Investment	Impairment	Dividends
Trisko, S.A.		100.00%	Inditect	A Coruña - Spain	31-jan	Textile Manufacturing	3	1	-	-
Zara Argentina, S.A.	(*)	100.00%	Direct	Buenos Aires - Argentina	31-jan	Retail sales	36	71	-	18
Zara Brasil, Ltda.		100.00%	Direct	Sao Paulo - Brazil	31-dec	Retail sales	83	84	-	56
Zara Commercial (Beijing) Co., Ltd		100.00%	Direct	Beijing - China	31-dec	Retail sales	19	8	-	-
Zara Commercial (Shanghai) Co. Ltd.		100.00%	Inditect	Shanghai - China	31-dec	Retail sales	77	26	-	-
Zara Deutschland, Gmbh		100.00%	Direct	Hamburg - Germany	31-jan	Holding company	114	114	-	-
Zara Diseño, S.L.		100.00%	Inditect	A Coruña - Spain	31-jan	Design	226	-	-	210
Zara España, S.A.	(*)	100.00%	Direct	A Coruña - Spain	31-jan	Retail sales	3	103	-	82
Zara Fashion (Shanghai) Co., Ltd.		100.00%	Direct	Shanghai - China	31-dec	Retail sales	-	-	-	-
Zara France, S.A.R.L.		100.00%	Inditect	Paris - France	31-jan	Retail sales	352	230	-	18
Zara Home Retail South Africa (Pty) Ltd.		100.00%	Inditect	Johannesburg - South Africa	31-jan	Retail sales	1	-	-	-
Zara Logística, S.A.		100.00%	Inditect	A Coruña - Spain	31-jan	Logistics	3	1	-	-
Zara Macau Limitada		100.00%	Inditect	Macao SAR	31-dec	Retail sales	11	-	-	-
Zara Management, B.V.		100.00%	Direct	Amsterdam - Netherlands	31-jan	Holding company	-	-	-	-
Zara Mexico, B.V.		100.00%	Inditect	Amsterdam - Netherlands	31-jan	Holding company	(5)	-	-	-
Zara Mexico, S.A. De C.V.		100.00%	Inditect	Mexico City - Mexico	31-dec	Retail sales	16	-	-	-
Zara Monaco, Sam.		100.00%	Inditect	Monte Carlo - Monaco	31-jan	Retail sales	18	-	-	-
Zara Polska, Sp. Z O.O.		100.00%	Direct	Warsaw - Poland	31-jan	Retail sales	(9)	40	-	1
Zara Puerto Rico, Inc.		100.00%	Inditect	San Juan - Puerto Rico	31-jan	Retail sales	10	3	-	1
Zara Retail Korea, Co. Ltd.		80.00%	Inditect	Seoul - South Korea	31-jan	Retail sales	83	45	-	6
Zara Retail Nz Limited		100.00%	Direct	Auckland - New Zealand	31-jan	Retail sales	3	-	-	-
Zara Retail South Africa (Proprietary), Ltd.		90.00%	Inditect	Johannesburg - South Africa	31-jan	Retail sales	9	-	-	-
Zara Usa, Inc.		100.00%	Direct	New York - USA	31-jan	Retail sales	928	-	-	-
Zara Vastgoed, B.V.		100.00%	Direct	Amsterdam - Netherlands	31-jan	Real estate	420	-	-	-
Zara, S.A.		100.00%	Direct	A Coruña - Spain	31-jan	Dormant	-	-	-	-
Zara, S.A.		100.00%	Inditect	Buenos Aires - Argentina	31-jan	Dormant	-	-	-	-
Zintura, S.A.		100.00%	Direct	A Coruña - Spain	31-jan	Textile Manufacturing	3	-	-	-
Itx Finance Asia Limited		100.00%	Direct	Hong Kong SAR	31-jan	Financial services	-	-	-	-
Itx Taiwan B.V. Zara Home Taiwan Branch		100.00%	Direct	Taipei - Taiwan	31-jan	Dormant	-	-	-	-
Limited Liability Company "Zara Home Blr"		100.00%	Inditect	Minsk - Belarus	31-dec	Retail sales	1	-	-	-
Zara Home Australia Pty Limited		100.00%	Inditect	Sydney - Australia	31-jan	Retail sales	-	-	-	-
Zara Home Belgique, S.A.		100.00%	Inditect	Brussels - Belgium	31-jan	Retail sales	10	18	-	-
Zara Home Brasil Produtos Para O Lar, Ltda.		100.00%	Inditect	Sao Paulo - Brazil	31-dec	Retail sales	(1)	2	-	-
Zara Home Cis Limited Liability Company	(*)	100.00%	Direct	Moscow - Russia	31-dec	Retail sales	1	144	(144)	-

Company	Effective % of ownership	Types of holding	Location	Reporting date	Line of business	Shareholders' equity	Investment	Impairment	Dividends
Zara Home Commercial & Trading (Shanghai), Co. Ltd	100.00%	Direct	Shanghai - China	31-dec	Retail sales	10	-	-	-
Zara Home Deutschland, B.V. & Co. Kg	100.00%	Inditect	Hamburg - Germany	31-jan	Retail sales	15	-	-	-
Zara Home Diseño, S.L.	100.00%	Inditect	A Coruña - Spain	31-jan	Design	16	43	-	4
Zara Home España, S.A.	100.00%	Direct	A Coruña - Spain	31-jan	Retail sales	43	34	-	-
Zara Home France, S.A.R.L.	100.00%	Inditect	Paris - France	31-jan	Retail sales	24	-	-	-
Zara Home Hong Kong Limited	100.00%	Direct	Hong Kong SAR	31-jan	Dormant	-	-	-	-
Zara Home Kazakhstan, Llp	100.00%	Inditect	Almaty - Kazakhstan	31-dec	Retail sales	2	-	-	-
Zara Home Korea Limited	100.00%	Inditect	Seoul - South Korea	31-jan	Retail sales	(1)	-	-	-
Zara Home Logística, S.A.	100.00%	Direct	A Coruña - Spain	31-jan	Logistics	3	1	-	-
Zara Home Macau Sociedade Unipessoal Limitada	100.00%	Direct	Macao SAR	31-dec	Retail sales	(1)	-	-	-
Zara Home Mexico, S.A. De C.V.	100.00%	Direct	Mexico City - Mexico	31-dec	Retail sales	13	-	-	-
Zara Home Polska, Sp. Z.O.O.	100.00%	Direct	Warsaw - Poland	31-jan	Retail sales	3	13	-	3
Zara Home Uk, Ltd.	100.00%	Direct	London - UK	31-jan	Dormant	-	-	-	-
Zhe, Gmbh	100.00%	Direct	Hamburg - Germany	31-jan	Holding company	14	16	-	-

(*) Net investment variation by merger, acquisition, cash contribution or reduction in 2022 (Note 8.1).

List of Company of investments in Group companies at 31 January 2022

Company		Effective % of ownership	Types of holding	Location	Reporting date	Line of business	Shareholders' equity	Investment	Impairment	Dividends
Comditel, S.A.		100.00%	Direct	Barcelona - Spain	31-jan	Buyer	2	1	-	-
Zara Asia, Ltd.		100.00%	Inditect	Hong Kong SAR	31-jan	Retail sales	-	-	-	-
Choolet, S.A.	(*)	100.00%	Direct	A Coruña - Spain	31-jan	Textile Manufacturing	-	2	(1)	-
Confecciones Fíos, S.A.		100.00%	Direct	A Coruña - Spain	31-jan	Textile Manufacturing	1	2	-	-
Confecciones Goa, S.A.	(*)	100.00%	Direct	A Coruña - Spain	31-jan	Textile Manufacturing	1	4	(3)	-
Denllo, S.A.	(*)	100.00%	Direct	A Coruña - Spain	31-jan	Textile Manufacturing	7	6	-	-
Hampton, S.A.		100.00%	Direct	A Coruña - Spain	31-jan	Textile Manufacturing	-	1	-	-
Nikole, S.A.		100.00%	Direct	A Coruña - Spain	31-jan	Buyer	3	1	-	-
Stear, S.A.		100.00%	Direct	A Coruña - Spain	31-jan	Textile Manufacturing	4	-	-	-
Trisko, S.A.		100.00%	Direct	A Coruña - Spain	31-jan	Textile Manufacturing	2	1	-	-
Zintura, S.A.		100.00%	Direct	A Coruña - Spain	31-jan	Textile Manufacturing	3	-	-	-
Glencare, S.A.		100.00%	Direct	A Coruña - Spain	31-jan	Textile Manufacturing	2	-	-	-
Indipunt, S.L.		100.00%	Direct	A Coruña - Spain	31-jan	Logistics	7	26	(14)	-
Zara España, S.A.		100.00%	Direct	A Coruña - Spain	31-jan	Retail sales	54	89	-	20
Zara Argentina, S.A.		100.00%	Direct	Buenos Aires - Argentina	31-jan	Retail sales	54	95	-	-
Zara Belgique, S.A.	(*)	100.00%	Direct	Brussels - Belgium	31-jan	Retail sales	44	66	-	-
Zara Chile, S.A.		100.00%	Direct	Santiago de Chile - Chile	31-dec	Retail sales	16	2	-	32
Zara USA, Inc.		100.00%	Inditect	New York - USA	31-jan	Retail sales	-	-	-	-
Zara France, S.A.R.L.		100.00%	Direct	Paris - France	31-jan	Retail sales	309	230	-	19
ITX UK LTD.		100.00%	Inditect	London - UK	31-jan	Retail sales	-	-	-	-
Zara Mexico, B.V.		100.00%	Inditect	Amsterdam - Netherlands	31-jan	Holding company	-	-	-	-
ITX HELLAS SINGLE MEMBER S.A.		100.00%	Inditect	Athens - Greece	31-jan	Retail sales	-	-	-	-
Zara México, S.A. de C.V.		100.00%	Direct	Mexico City - Mexico	31-dec	Retail sales	14	-	-	-
ITX PORTUGAL - CONFECÇÕES, S.A.		100.00%	Inditect	Lisbon - Portugal	31-jan	Retail sales	-	-	-	-
G.Zara Uruguay, S.A.		100.00%	Direct	Montevideo - Uruguay	31-jan	Retail sales	12	10	-	-
Zara Brasil, LTDA.		100.00%	Direct	Sao Paulo - Brazil	31-dec	Retail sales	70	84	-	-
ITX NEDERLAND BV	(*)	100.00%	Direct	Amsterdam - Netherlands	31-jan	Retail sales	30	232	-	-
Zara Österreich Clothing, GmbH		100.00%	Direct	Vienna - Austria	31-jan	Retail sales	10	8	-	-
Inditex Danmark, AS.		100.00%	Direct	Copenhaguen - Denmark	31-jan	Retail sales	12	35	-	-
ITX SVERIGE AB		100.00%	Direct	Stockholm - Sweden	31-jan	Retail sales	17	39	-	4
Inditex Norge, AS.		100.00%	Direct	Oslo - Norway	31-jan	Retail sales	13	12	-	-
ITX CANADA, LTD		100.00%	Inditect	Montreal - Canada	31-jan	Retail sales	-	-	-	-
Zara Suisse, S.A.R.L.		100.00%	Direct	Fribourg - Switzerland	31-jan	Retail sales	23	6	-	-
Za Giyim Ithalat Ihracat Ve Ticaret Ltd.		100.00%	Direct	Istanbul - Turkey	31-jan	Retail sales	22	44	-	8
ITX ITALIA SRL		100.00%	Inditect	Milan - Italy	31-jan	Retail sales	-	-	-	-
ITX Japan Corp.		100.00%	Inditect	Tokyo - Japan	31-jan	Retail sales	-	-	-	-
INDITEX CESKÁ REPUBLIKA, S.R.O	(*)	100.00%	Direct	Prague - Czech Republic	31-jan	Retail sales	10	52	-	-
Zara Puerto Rico, Inc.		100.00%	Direct	San Juan - Puerto Rico	31-jan	Retail sales	5	3	-	8

Company		Effective % of ownership	Types of holding	Location	Reporting date	Line of business	Shareholders' equity	Investment	Impairment	Dividends
ITX RETAIL IRELAND LIMITED	(*)	100.00%	Direct	Dublin - Ireland	31-jan	Retail sales	42	66	-	-
Zara Magyarorszag, KFT.		100.00%	Direct	Budapest - Hungary	31-jan	Retail sales	6	7	-	-
Zara Holding, B.V.		100.00%	Direct	Amsterdam - Netherlands	31-jan	Holding company	4,525	3,682	-	570
Zara Monaco, SAM		100.00%	Direct	Monte Carlo - Monaco	31-jan	Retail sales	17	-	-	-
Zara Commercial (Shanghai), Co Ltd.		100.00%	Direct	Shanghai - China	31-dec	Retail sales	80	26	-	-
Zara Commercial (Beijing), Co Ltd.		100.00%	Direct	Beijing - China	31-dec	Retail sales	21	8	-	6
Zara Macau, Ltd.		100.00%	Direct	Macao SAR	31-dec	Retail sales	12	-	-	-
Zara Polska, Sp. Zo.o.		100.00%	Direct	Warsaw - Poland	31-jan	Retail sales	(8)	40	-	(1)
JSC "Zara CIS"	(*)	100.00%	Direct	Moscow - Russia	31-dec	Retail sales	11	898	-	8
Zara Deutschland, GmbH		100.00%	Direct	Hamburg - Germany	31-jan	Holding company	121	114	-	-
INDITEX ROMANIA, S.R.L.	(*)	100.00%	Direct	Bucharest - Romania	31-dec	Retail sales	75	446	-	14
INDITEX UKRAINE LLC		100.00%	Inditect	Kiev - Ukraine	31-dec	Retail sales	-	-	-	-
INDITEX SLOVAKIA, S.R.O.	(*)	100.00%	Direct	Bratislava - Slovakia	31-jan	Retail sales	7	40	-	-
ITX Taiwan B.V. Zara Taiwan Branch		100.00%	Inditect	Taipei - Taiwan	31-jan	Retail sales	-	-	-	-
ITX Croatia, Ltd.		100.00%	Direct	Zagreb - Croatia	31-jan	Retail sales	22	104	-	-
Zara Retail Korea, Co Ltd.		80.00%	Direct	Seoul - South Korea	31-jan	Retail sales	72	45	-	-
Zara Bulgaria Ltd		100.00%	Direct	Sofia - Bulgaria	31-dec	Retail sales	2	3	-	3
Zara Diseño, S.L.		100.00%	Direct	A Coruña - Spain	31-jan	Design	135	-	-	160
Zara Management, B.V.		100.00%	Inditect	Amsterdam - Netherlands	31-jan	Holding company	-	-	-	-
Zara Retail NZ Limited		100.00%	Inditect	Auckland - New Zealand	31-jan	Retail sales	-	-	-	-
KG ZARA Deutschland B.V. & Co.		100.00%	Inditect	Hamburg - Germany	31-jan	Retail sales	-	-	-	-
Zara Retail South Africa (Propietary), LTD.		90.00%	Inditect	Johannesburg - South Africa	31-jan	Retail sales	-	-	-	-
Group Zara Australia Pty. Ltd.		100.00%	Inditect	Sydney - Australia	31-jan	Retail sales	-	-	-	-
Limited Liability Company "ZARA BLR"		100.00%	Direct	Minsk - Belarus	31-dec	Retail sales	3	-	-	-
ITX S, D.O.O		100.00%	Inditect	Ljubljana - Slovenia	31-jan	Retail sales	-	-	-	-
ITX Financien, B.V.		100.00%	Inditect	Amsterdam - Netherlands	31-jan	Financial services	-	-	-	-
ITX Taiwan, B.V.		100.00%	Inditect	Amsterdam - Netherlands	31-jan	Holding company	-	-	-	-
ITX BH D.O.O.		100.00%	Direct	Sarajevo - Bosnia Herzegovina	31-dec	Retail sales	8	43	-	10
ITX RS DOO BEOGRAD	(*)	100.00%	Direct	Belgrade - Serbia	31-jan	Retail sales	10	52	-	4
Nikole Diseño, S.L.		100.00%	Direct	A Coruña - Spain	31-jan	Design	12	44	-	-
Inditex Montenegro, D.O.O. Podgorica		100.00%	Inditect	Podgorica - Montenegro	31-dec	Retail sales	-	-	-	-
Inditex Vastgoed Korea, Ltd.		100.00%	Direct	Seoul - South Korea	31-jan	Real estate	1	1	-	-
Inditex Trent Retail India Private Ltd		51.00%	Direct	Gurgaon - India	31-mar.	Retail sales	44	5	-	13
Kiddy´s Class España, S.A.	(*)	100.00%	Direct	A Coruña - Spain	31-jan	Retail sales	1	4	-	-
ITX Finland, OY		100.00%	Inditect	Helsinki - Finland	31-jan	Retail sales	-	-	-	-
Retail Group Kazakhstan, LLP		100.00%	Inditect	Almaty - Kazakhstan	31-dec	Retail sales	-	-	-	-
ITX Financien III, B.V.		100.00%	Inditect	Amsterdam - Netherlands	31-jan	Financial services	-	-	-	-
ITX Albania SHPK		100.00%	Inditect	Tirana - Albania	31-dec	Retail sales	-	-	-	-
Zara Fashion (Shanghai) CO., Ltd.		100.00%	Inditect	Shanghai - China	31-dec	Retail sales	-	-	-	-

Company		Effective % of ownership	Types of holding	Location	Reporting date	Line of business	Shareholders' equity	Investment	Impairment	Dividends
Oysho España, S.A.		100.00%	Direct	Barcelona - Spain	31-jan	Retail sales	53	30	-	-
Oysho Mexico, S.A. de C.V.		100.00%	Inditect	Mexico City - Mexico	31-dec	Retail sales	-	-	-	-
Oysho Giyim Ithalat Ihracat Ve Ticaret Ltd.		100.00%	Direct	Istanbul - Turkey	31-jan	Retail sales	6	36	-	8
Oysho Polska, Sp zo.o		100.00%	Direct	Warsaw - Poland	31-jan	Retail sales	4	23	-	-
Oysho CIS, Ltd.	(*)	100.00%	Direct	Moscow - Russia	31-dec	Retail sales	5	149	(3)	1
Oysho France, S.A.R.L.		100.00%	Inditect	Paris - France	31-jan	Retail sales	-	-	-	-
Oysho MAGYARORSZAG, KFT		100.00%	Direct	Budapest - Hungary	31-jan	Retail sales	1	7	-	-
Oysho Diseño, S.L.		100.00%	Direct	Barcelona - Spain	31-jan	Design	6	41	-	-
Oysho Bulgaria, Ltd		100.00%	Direct	Sofia - Bulgaria	31-dec	Retail sales	1	16	-	1
Oysho Commercial & Trading (Shangai) Co., Ltd.		100.00%	Inditect	Shanghai - China	31-dec	Retail sales	-	-	-	-
Oysho Korea, Ltd		100.00%	Inditect	Seoul - South Korea	31-jan	Retail sales	-	-	-	-
Oysho Macau, Ltd		100.00%	Inditect	Macao SAR	31-dec	Retail sales	-	-	-	-
Oysho Kazakhstan, LLP		100.00%	Inditect	Almaty - Kazakhstan	31-dec	Retail sales	-	-	-	-
Oysho Hong Kong Ltd		100.00%	Inditect	Hong Kong SAR	31-jan	Retail sales	-	-	-	-
Oysho Belgique, S.A.		100.00%	Direct	Brussels - Belgium	31-jan	Retail sales	2	11	(2)	-
Limited Liability Company "OYSHO BLR"		100.00%	Inditect	Minsk - Belarus	31-dec	Retail sales	-	-	-	-
Oysho Suisse SÀRL		100.00%	Direct	Fribourg - Switzerland	31-jan	Retail sales	2	7	-	-
Grupo Massimo Dutti, S.A.	(*)	100.00%	Direct	Barcelona - Spain	31-jan	Retail sales	105	127	-	40
Massimo Dutti Giyim Ithalat Ih.Ve Tic. Ltd.		100.00%	Direct	Istanbul - Turkey	31-jan	Retail sales	8	28	-	-
Massimo Dutti France, S.A.R.L.		100.00%	Inditect	Paris - France	31-jan	Retail sales	-	-	-	-
Massimo Dutti UK, Ltd.		100.00%	Inditect	London - UK	31-jan	Dormant	-	-	-	-
Massimo Dutti Suisse, S.A.R.L.		100.00%	Direct	Fribourg - Switzerland	31-jan	Retail sales	7	9	-	-
Massimo Dutti USA, INC.		100.00%	Inditect	New York - USA	31-jan	Retail sales	-	-	-	-
LLC Massimo Dutti	(*)	100.00%	Direct	Moscow - Russia	31-dec	Retail sales	17	466	-	3
Massimo Dutti Deutschland, GmbH		100.00%	Direct	Hamburg - Germany	31-jan	Holding company	11	65	-	-
Massimo Dutti Mexico, S.A. de C.V.		100.00%	Inditect	Mexico City - Mexico	31-dec	Retail sales	-	-	-	-
Massimo Dutti, S.A.		100.00%	Inditect	A Coruña - Spain	31-jan	Dormant	-	-	-	-
Massimo Dutti Hong Kong, Ltd.		100.00%	Inditect	Hong Kong SAR	31-jan	Retail sales	-	-	-	-
Massimo Dutti Polska, Sp z.o.o.		100.00%	Direct	Warsaw - Poland	31-jan	Retail sales	4	56	-	-
Massimo Dutti Macau Ltd.		100.00%	Inditect	Macao SAR	31-dec	Retail sales	-	-	-	-
Massimo Dutti Commercial Beijing Co, Ltd.		100.00%	Inditect	Beijing - China	31-dec	Retail sales	-	-	-	-
Massimo Dutti Bulgaria, Ltd		100.00%	Direct	Sofia - Bulgaria	31-dec	Retail sales	2	32	-	1
Massimo Dutti Korea, Ltd		100.00%	Inditect	Seoul - South Korea	31-jan	Retail sales	-	-	-	-
Massimo Dutti Diseño, S.L.		100.00%	Direct	Barcelona - Spain	31-jan	Design	19	199	-	-
Massimo Dutti Commercial Shangai CO, Ltd		100.00%	Inditect	Shanghai - China	31-dec	Retail sales	-	-	-	-
Massimo Dutti Österreich Clothing, GMBH	(*)	100.00%	Direct	Vienna - Austria	31-jan	Retail sales	3	2	-	-
Limited Liability Company "MASSIMO DUTTI BLR"		100.00%	Inditect	Minsk - Belarus	31-dec	Retail sales	-	-	-	-
ITX Taiwan B.V. Massimo Dutti Taiwan Branch		100.00%	Inditect	Taipei - Taiwan	31-jan	Retail sales	-	-	-	-

Company		Effective % of ownership	Types of holding	Location	Reporting date	Line of business	Shareholders' equity	Investment	Impairment	Dividends
MD Benelux, SA		100.00%	Direct	Bruges - Belgium	31-jan	Retail sales	8	32	-	-
KG Massimo Dutti Deutschland, B.V. & CO.		100.00%	Indirect	Hamburg - Germany	31-jan	Retail sales	-	-	-	-
Massimo Dutti Magyarorxzág KFT		100.00%	Direct	Budapest - Hungary	31-jan	Retail sales	-	12	-	-
Master Retail Kazakhstan, LLP		100.00%	Indirect	Almaty - Kazakhstan	31-dec	Retail sales	-	-	-	-
Massimo Duttil India Private Ltd		51.00%	Indirect	Gurgaon - India	31-mar.	Retail sales	-	-	-	-
Pull & Bear España, S.A.		100.00%	Direct	A Coruña - Spain	31-jan	Retail sales	116	15	-	45
Pull & Bear Giyim Ith. Ihrac.Ve Tic. Ltd.		100.00%	Direct	Istanbul - Turkey	31-jan	Retail sales	6	27	-	1
Pull & Bear Mexico, S.A. de C.V.		100.00%	Direct	Mexico City - Mexico	31-dec	Retail sales	20	-	-	-
Pull & Bear Belgique, S.A.		100.00%	Direct	Brussels - Belgium	31-jan	Retail sales	7	22	-	-
Pull & Bear France, S.A.R.L.		100.00%	Indirect	Paris - France	31-jan	Retail sales	-	-	-	-
Pull & Bear Magyarország Kft.		100.00%	Direct	Budapest - Hungary	31-jan	Retail sales	2	41	-	-
Pull & Bear Polska, Sp zo.o		100.00%	Direct	Warsaw - Poland	31-jan	Retail sales	5	67	-	-
Pull & Bear CIS, Ltd.	(*)	100.00%	Direct	Moscow - Russia	31-dec	Retail sales	4	182	-	1
Pull & Bear Uk Limited		100.00%	Indirect	London - UK	31-jan	Dormant	-	-	-	-
Pull & Bear Commercial Beijing Co, Ltd.		100.00%	Indirect	Beijing - China	31-dec	Retail sales	-	-	-	-
Pull & Bear Bulgaria, Ltd		100.00%	Direct	Sofia - Bulgaria	31-dec	Retail sales	2	12	-	-
Pull & Bear Hong Kong Ltd		100.00%	Indirect	Hong Kong SAR	31-jan	Retail sales	-	-	-	-
Pull & Bear Diseño, S.L.		100.00%	Direct	A Coruña - Spain	31-jan	Design	11	284	-	20
Pull & Bear Österreich Clothing, Gmbh		100.00%	Direct	Vienna - Austria	31-jan	Retail sales	3	1	-	-
Pull & Bear Korea, Ltd		100.00%	Indirect	Seoul - South Korea	31-jan	Retail sales	-	-	-	-
Limited Liability Company "PULL AND BEAR BLR"		100.00%	Indirect	Minsk - Belarus	31-dec	Retail sales	-	-	-	-
ITX Taiwan B.V. Pull & Bear Taiwan Branch		100.00%	Indirect	Taipei - Taiwan	31-jan	Retail sales	-	-	-	-
Plataforma Cabanillas, S.A.		100.00%	Direct	A Coruña - Spain	31-jan	Logistics	1	-	-	-
P&B Gmbh		100.00%	Direct	Hamburg - Germany	31-jan	Holding company	5	26	-	-
Pull & Bear Deutschland BV& CO		100.00%	Indirect	Hamburg - Germany	31-jan	Retail sales	-	-	-	-
Pro Retail Kazakhstan, LLP		100.00%	Indirect	Almaty - Kazakhstan	31-dec	Retail sales	-	-	-	-
Pull & Bear Suisse, SÁRL		100.00%	Direct	Fribourg - Switzerland	31-jan	Retail sales	5	32	-	2
Uterqüe Cis, Ltd	(*)	100.00%	Direct	Moscow - Russia	31-dec	Retail sales	-	2	(2)	-
Uterqüe Giyim Limited		100.00%	Direct	Istanbul - Turkey	31-jan	Retail sales	-	-	-	-
Uterqüe México S.A. de C.V.		100.00%	Indirect	Mexico City - Mexico	31-dec	Retail sales	-	-	-	-
"ITX KOSOVO" L.L.C.		100.00%	Indirect	Pristina	31-dec	Retail sales	-	-	-	-
ITX Finance Asia, LTD		100.00%	Indirect	Hong Kong SAR	31-jan	Financial services	-	-	-	-
Inditex USA, LLC		100.00%	Direct	New York - USA	31-jan	Holding company	559	542	-	153
Uterqüe Polska SP. Z O.O.		100.00%	Direct	Warsaw - Poland	31-jan	Retail sales	-	1	(1)	-
Uterqüe Kazakhstan LLP		100.00%	Indirect	Almaty - Kazakhstan	31-dec	Retail sales	-	-	-	-
Bershka BSK España, S.A.		100.00%	Direct	Barcelona - Spain	31-jan	Retail sales	96	47	-	50
Bershka Mexico, S.A. de CV		100.00%	Indirect	Mexico City - Mexico	31-dec	Retail sales	-	-	-	-

Company		Effective % of ownership	Types of holding	Location	Reporting date	Line of business	Shareholders' equity	Investment	Impairment	Dividends
Bershka Giyim Ithalat Ihracat Ve Tic.Ltd.		100.00%	Direct	Istanbul - Turkey	31-jan	Retail sales	5	36	-	1
Bershka Belgique, S.A.		100.00%	Direct	Brussels - Belgium	31-jan	Retail sales	13	34	-	-
Bershka France, S.A.R.L.		100.00%	Inditect	Paris - France	31-jan	Retail sales	-	-	-	-
Bershka Suisse, S.A.R.L.		100.00%	Direct	Fribourg - Switzerland	31-jan	Retail sales	7	30	-	2
Bershka U.K., Ltd.		100.00%	Inditect	London - UK	31-jan	Dormant	-	-	-	-
Bershka Polska Sp Z O.O.		100.00%	Direct	Warsaw - Poland	31-jan	Retail sales	4	94	-	1
Bershka Magyaroszag Kft.		100.00%	Direct	Budapest - Hungary	31-jan	Retail sales	2	26	-	-
Bershka Cis, Ltd	(*)	100.00%	Direct	Moscow - Russia	31-dec	Retail sales	6	238	(2)	2
Bershka Osterreich Clothing GmbH		100.00%	Direct	Vienna - Austria	31-jan	Retail sales	3	5	-	-
Bershka Hong Kong Limited		100.00%	Inditect	Hong Kong SAR	31-jan	Retail sales	-	-	-	-
Bershka Commercial Beijing Co, Ltd		100.00%	Inditect	Beijing - China	31-dec	Retail sales	-	-	-	-
Bershka Bulgaria, Ltd		100.00%	Direct	Sofia - Bulgaria	31-dec	Retail sales	2	18	-	1
Bershka Korea, Ltd		100.00%	Inditect	Seoul - South Korea	31-jan	Retail sales	-	-	-	-
Bershka Diseño, S.L.		100.00%	Direct	Barcelona - Spain	31-jan	Design	13	359	-	20
BSKE, GMBH		100.00%	Direct	Hamburg - Germany	31-jan	Holding company	17	97	-	-
Bershka Deutschland B.V. & CO. KG		100.00%	Inditect	Hamburg - Germany	31-jan	Retail sales	-	-	-	-
Best Retail Kazakhstan, LLP		100.00%	Inditect	Almaty - Kazakhstan	31-dec	Retail sales	-	-	-	-
Bershka Commercial (Shanghai) Co, Ltd		100.00%	Inditect	Shanghai - China	31-dec	Retail sales	-	-	-	-
Bershka USA INC		100.00%	Inditect	New York - USA	31-jan	Retail sales	-	-	-	-
Limited Liability Company "BK GARMENTS BLR"		100.00%	Inditect	Minsk - Belarus	31-dec	Retail sales	-	-	-	-
ITX Taiwan B.V. Bershka Taiwan Branch		100.00%	Inditect	Taipei - Taiwan	31-jan	Retail sales	-	-	-	-
Stradivarius España, S.A.		100.00%	Direct	Barcelona - Spain	31-jan	Retail sales	94	120	-	90
ITX RE DAC		100.00%	Inditect	Dublin - Ireland	31-jan	Insurance	-	-	-	-
Stradivarius Giyim Ithalat Ih. Ve Tic. Ltd.		100.00%	Direct	Istanbul - Turkey	31-jan	Retail sales	5	30	-	1
Stradivarius Polska, Sp zo.o		100.00%	Direct	Warsaw - Poland	31-jan	Retail sales	6	79	-	-
Stradivarius CIS, Ltd.	(*)	100.00%	Direct	Moscow - Russia	31-dec	Retail sales	1	115	-	1
Stradivarius France, S.A.R.L.		100.00%	Inditect	Paris - France	31-jan	Retail sales	-	-	-	-
Stradivarius Magyaroszag Kft.		100.00%	Direct	Budapest - Hungary	31-jan	Retail sales	4	17	-	-
Stradivarius Commercial Shangai CO, Ltd		100.00%	Inditect	Shanghai - China	31-dec	Retail sales	-	-	-	-
Stradivarius Bulgaria, Ltd		100.00%	Direct	Sofia - Bulgaria	31-dec	Retail sales	1	6	-	-
Stradivarius Diseño, S.L.		100.00%	Direct	Barcelona - Spain	31-jan	Design	11	224	-	15
Stradivarius Korea, Ltd		100.00%	Inditect	Seoul - South Korea	31-jan	Retail sales	-	-	-	-
Stradivarius Hong Kong, Ltd		100.00%	Inditect	Hong Kong SAR	31-jan	Retail sales	-	-	-	-
Stradivarius México, S.A. de C.V.		100.00%	Inditect	Mexico City - Mexico	31-dec	Retail sales	-	-	-	-
Stradivarius UK LIMITED		100.00%	Inditect	London - UK	31-jan	Dormant	-	-	-	-
Stradivarius Belgique, S.A.	(*)	100.00%	Direct	Brussels - Belgium	31-jan	Retail sales	2	17	-	-
Limited Liability Company "STRADIVARIUS BLR"		100.00%	Inditect	Minsk - Belarus	31-dec	Retail sales	-	-	-	-
Spanish Retail Kazakhstan, LLP		100.00%	Inditect	Almaty - Kazakhstan	31-dec	Retail sales	-	-	-	-
ITX Trading, S.A.		100.00%	Inditect	Fribourg - Switzerland	31-jan	Buyer	-	-	-	-

Company	Effective % of ownership	Types of holding	Location	Reporting date	Line of business	Shareholders' equity	Investment	Impairment	Dividends
Zara Home España, S.A.	100.00%	Direct	A Coruña - Spain	31-jan	Retail sales	39	34	-	-
Zara Home U.K., Ltd.	100.00%	Inditect	London - UK	31-jan	Dormant	-	-	-	-
Zara Home Mexico, S.A. de C.V.	100.00%	Inditect	Mexico City - Mexico	31-dec	Retail sales	-	-	-	-
Zara Home Giyim Ithalat Ihracat Ve Ticaret Ltd.	100.00%	Direct	Istanbul - Turkey	31-jan	Retail sales	2	16	-	1
Zara Home Francia, S.A.R.L.	100.00%	Inditect	Paris - France	31-jan	Retail sales	-	-	-	-
Zara Home CIS, Ltd. (*)	100.00%	Direct	Moscow - Russia	31-dec	Retail sales	6	133	-	1
Zara Home Polska, Sp zo.o	100.00%	Direct	Warsaw - Poland	31-jan	Retail sales	4	13	-	-
Zara Home Diseño, S.L.	100.00%	Direct	A Coruña - Spain	31-jan	Design	11	43	-	-
Zara Home Deutschland B.V. & Co. KG	100.00%	Inditect	Hamburg - Germany	31-jan	Retail sales	-	-	-	-
ZHE, Gmbh	100.00%	Direct	Hamburg - Germany	31-jan	Holding company	15	16	-	-
Zara Home Brasil Produtos para o Lar, Ltda.	100.00%	Direct	Sao Paulo - Brazil	31-dec	Retail sales	(3)	2	(2)	-
Zara Home Belgique, S.A.	100.00%	Direct	Brussels - Belgium	31-jan	Retail sales	8	18	-	-
Zara Home Commercial & Trading (Shangai) Co., Ltd.	100.00%	Inditect	Shanghai - China	31-dec	Retail sales	-	-	-	-
Zara Home Macao SUL	100.00%	Inditect	Macao SAR	31-dec	Retail sales	-	-	-	-
Zara Home Kazakhstan, LLP	100.00%	Inditect	Almaty - Kazakhstan	31-dec	Retail sales	-	-	-	-
Zara Home Hong Kong Ltd	100.00%	Inditect	Hong Kong SAR	31-jan	Dormant	-	-	-	-
G. Zara Home Uruguay, S.A.	100.00%	Direct	Montevideo - Uruguay	31-jan	Retail sales	2	8	-	-
Zara Home Suisse SÀRL	100.00%	Direct	Fribourg - Switzerland	31-jan	Retail sales	12	15	-	-
Zara Home Chile SPA	100.00%	Inditect	Santiago de Chile - Chile	31-dec	Retail sales	-	-	-	-
Zara Home Australia Pty Ltd	100.00%	Inditect	Sydney - Australia	31-jan	Retail sales	-	-	-	-
Zara Home Magyarorszag KFT.	100.00%	Direct	Budapest - Hungary	31-jan	Retail sales	1	6	-	-
Zara Home Korea LIMITED	100.00%	Inditect	Seoul - South Korea	31-jan	Retail sales	-	-	-	-
Zara Home Bulgaria EOOD	100.00%	Direct	Sofia - Bulgaria	31-dec	Retail sales	1	11	-	-
Limited Liability Company "ZARA HOME BLR"	100.00%	Inditect	Minsk - Belarus	31-dec	Retail sales	-	-	-	-
ITX Taiwan B.V. Zara Home Taiwan Branch	100.00%	Inditect	Taipei - Taiwan	31-jan	Retail sales	-	-	-	-
Zara Logística, S.A.	100.00%	Direct	A Coruña - Spain	31-jan	Logistics	3	1	-	-
Plataforma Europa, S.A.	100.00%	Direct	Zaragoza - Spain	31-jan	Logistics	6	2	-	-
Plataforma Logística León, S.A.	100.00%	Direct	León - Spain	31-jan	Logistics	9	6	-	-
Plataforma Logística Meco, S.A.	100.00%	Direct	Madrid - Spain	31-jan	Logistics	4	-	-	-
Pull & Bear Logística, S.A.	100.00%	Direct	A Coruña - Spain	31-jan	Logistics	2	2	-	-
Massimo Dutti Logística, S.A.	100.00%	Direct	Barcelona - Spain	31-jan	Logistics	1	1	-	-
Bershka Logística, S.A.	100.00%	Direct	Barcelona - Spain	31-jan	Logistics	3	4	-	-
Oysho Logística, S.A.	100.00%	Direct	Barcelona - Spain	31-jan	Logistics	1	1	-	-
Stradivarius Logística, S.A.	100.00%	Direct	Barcelona - Spain	31-jan	Logistics	2	1	-	-
Zara Home Logística, S.A.	100.00%	Direct	A Coruña - Spain	31-jan	Logistics	3	1	-	-
Inditex Logística, S.A.	100.00%	Direct	A Coruña - Spain	31-jan	Logistics	17	-	-	-
Nueva comercializadora global XXI, S.A. DE C.V.	100.00%	Direct	Mexico City - Mexico	31-dec	Logistics	-	-	-	-

Company		Effective % of ownership	Types of holding	Location	Reporting date	Line of business	Shareholders' equity	Investment	Impairment	Dividends
Corporación de Servicios XXI, S.A. de C.V.		100.00%	Direct	Mexico City - Mexico	31-dec	Services	8	-	-	-
Goa-Invest, S.A.		100.00%	Direct	A Coruña - Spain	31-jan	Construction	11	3	-	-
Goa-Invest Deutschland GMBH		100.00%	Inditect	Hamburg - Germany	31-jan	Construction	-	-	-	-
Zara Vastgoed, B.V.		100.00%	Inditect	Amsterdam - Netherlands	31-jan	Real estate	-	-	-	-
ITX Global Solutions LIMITED		100.00%	Inditect	Hong Kong SAR	31-jan	Services	-	-	-	-
SNC Zara France Immobiliere		100.00%	Inditect	Paris - France	31-dec	Real estate	-	-	-	-
SCI Vastgoed Ferreol P03302		100.00%	Inditect	Paris - France	31-dec	Real estate	-	-	-	-
SCI Vastgoed France P03301		100.00%	Inditect	Paris - France	31-dec	Real estate	-	-	-	-
SCI Vastgoed General Leclerc P03303		100.00%	Inditect	Paris - France	31-dec	Real estate	-	-	-	-
SCI Vastgoed Nancy P03304		100.00%	Inditect	Paris - France	31-dec	Real estate	-	-	-	-
Lefties España, S,A,		100.00%	Direct	A Coruña - Spain	31-jan	Real estate	-	1	(1)	-
Born, S.A.		100.00%	Inditect	Palma de Mallorca - Spain	31-jan	Real estate	-	-	-	-
LFT RUS Ltd	(*)	100.00%	Direct	Moscow - Russia	31-dec	Retail sales	1	-	-	-
Lelystad Platform, B.V.		100.00%	Inditect	Amsterdam - Netherlands	31-jan	Logistics	-	-	-	-
Robustae Mexico, S.A DE C.V.		100.00%	Inditect	Mexico City - Mexico	31-dec	Retail sales	-	-	-	-
Inditex, S.A.		100.00%	Direct	A Coruña - Spain	31-jan	Dormant	-	-	-	-
Zara Holding II, B.V		100.00%	Inditect	Amsterdam - Netherlands	31-jan	Holding company	-	-	-	-
Zara, S.A.		100.00%	Direct	A Coruña - Spain	31-jan	Dormant	-	-	-	-
Zara, S.A.		100.00%	Direct	Buenos Aires - Argentina	31-jan	Dormant	-	-	-	-
Fashion Logistic Forwarders, S.A.		100.00%	Direct	A Coruña - Spain	31-jan	Logistics	2	-	-	-
ITX Asia Pacific Enterprise Management, Co., Ltd		100.00%	Inditect	Shanghai - China	31-dec	Buyer	-	-	-	-
FSF New York, LLC		100.00%	Inditect	New York - USA	31-jan	Real estate	-	-	-	-
FSF Soho, LLC		100.00%	Inditect	New York - USA	31-jan	Real estate	-	-	-	-
ITX USA, LLC		100.00%	Direct	New York - USA	31-jan	Retail sales	14	4	-	11
Fashion Retail , S.A.		100.00%	Direct	A Coruña - Spain	31-jan	Retail sales	11	-	-	45
ITXR Macedonaia Dooel Skopje		100.00%	Inditect	Skopje - North Macedonia Rep.	31-dec	Retail sales	-	-	-	-
ITX E-commerce (Shanghai) Co. Ltd		100.00%	Inditect	Shanghai - China	31-dec	Retail sales	-	-	-	-
ITX TRYFIN B.V.		100.00%	Inditect	Amsterdam - Netherlands	31-jan	Financial services	-	-	-	-
ITX RUBFIN, B.V.		100.00%	Inditect	Amsterdam - Netherlands	31-jan	Financial services	-	-	-	-
ITX Korea LIMITED		100.00%	Inditect	Seoul - South Korea	31-jan	Retail sales	-	-	-	-
ITX Services India Private Ltd		100.00%	Inditect	Gurgaon - India	31-mar	Buyer	-	-	-	-
Inditex France, S.A.R.L.		100.00%	Direct	Paris - France	31-jan	Dormant	-	-	-	-
ITX Merken, B.V.		100.00%	Inditect	Amsterdam - Netherlands	31-jan	Services	-	-	-	-
Zara Home Österreich Clothing GMBH		100.00%	Direct	Vienna - Austria	31-jan	Retail sales	-	2	-	-
ITX LUXEMBOURG S.A.	(*)	100.00%	Direct	Luxembourg - Luxembourg	31-jan	Retail sales	11	32	-	-
CDC Trading (Shangai) Co. LTD.		100.00%	Inditect	Shanghai - China	31-dec	Buyer	-	-	-	-
Zara Home Retail South Africa (PTY) LTD.		100.00%	Inditect	Johannesburg - South Africa	31-jan	Retail sales	-	-	-	-

Company		Effective % of ownership	Types of holding	Location	Reporting date	Line of business	Shareholders' equity	Investment	Impairment	Dividends
FGI Gestión Mex, S.A. de C.V.		100.00%	Inditect	Mexico City - Mexico	31-dec	Construction	-	-	-	-
INDITEX RENOVABLES, S.L.	(*)	100.00%	Direct	A Coruña - Spain	31-jan	Services	-	-	-	-

(*) Net investment variation by merger, acquisition, cash contribution or reduction in 2021 (Note 8.1).

List of Company investments in jointly controlled entities at 31 January 2023

Company	Effective % of ownership	Types of holding	Location	Reporting date	Line of business	Shareholders ' equity	Investment	Impairment	Dividends
Tempe, S.A.	50.00%	Direct	Alicante - Spain	31-jan	Marketing of footwear	585	-	-	27
Tempe México, S.A. de C.V.	50.00%	Inditect	Mexico City - Mexico	31-dec	Dormant	3	-	-	-
Tempe Logística, S.A.	50.00%	Inditect	Alicante - Spain	31-jan	Logistics	-	-	-	-
Tempe Diseño, S.L.	50.00%	Inditect	Alicante - Spain	31-jan	Design	33	-	-	-
Tempe Trading Asia Limited	50.00%	Inditect	Hong Kong SAR	31-jan	Marketing of footwear	94	-	-	-
TMP Trading (Shanghai) Co. Ltd	50.00%	Inditect	Shanghai - China	31-dec	Marketing of footwear	10	-	-	-
Tempe Giyim, Ltd.	50.00%	Inditect	Istanbul - Turkey	31-jan	Dormant	-	-	-	-

List of Company investments in jointly controlled entities at 31 January 2022

Company	Effective % of ownership	Types of holding	Location	Reporting date	Line of business	Shareholders ' equity	Investment	Impairment	Dividends
Tempe, S.A.	50.00%	Direct	Alicante - Spain	31-jan	Marketing of footwear	530	-	-	25
Tempe México, S.A. de C.V.	50.00%	Inditect	Mexico City - Mexico	31-dec	Dormant	3	-	-	-
Tempe Logística, S.A.	50.00%	Inditect	Alicante - Spain	31-jan	Logistics	-	-	-	-
Tempe Brasil, Ltda.	50.00%	Inditect	Sao Paulo - Brazil	31-dec	Dormant	-	-	-	-
Tempe Diseño, S.L.	50.00%	Inditect	Alicante - Spain	31-jan	Design	38	-	-	-
Tempe Trading Asia Limited	50.00%	Inditect	Hong Kong SAR	31-jan	Marketing of footwear	95	-	-	-
TMP Trading (Shanghai) Co. Ltd	50.00%	Inditect	Shanghai - China	31-dec	Marketing of footwear	13	-	-	-
Tempe Giyim, Ltd.	50.00%	Inditect	Istanbul - Turkey	31-jan	Dormant	-	-	-	-

Annex II. Direct and indirect investments of the members of the Board of Directors in the share capital of the Company at 31 January 2023

Name or company name of director	% Voting rights attributed to the shares		% Voting rights through financial instruments		% Total voting rights	From the total number of voting rights attributed to the shares, indicate, where appropriate, the additional votes attributed corresponding to the shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Ms Marta Ortega Pérez	0.0014%	-	-	-	0.0014%	-	-
Mr Amancio Ortega Gaona [1]	-	59.2940%	-	-	59.2940%	-	-
Mr Óscar García Maceiras	0.0004%	-	-	-	0.0004%	-	-
Mr José Arnau Sierra	0.0010%	-	-	-	0.0010%	-	-
Pontegadea Inversiones, S.L. [2]	50.0100%	-	-	-	50.0100%	-	-
Bns Denise Patricia Kingsmill	-	-	-	-	-	-	-
Ms Anne Lange	-	-	-	-	-	-	-
Ms Pilar López Álvarez	0.0001%	-	-	-	0.0001%	-	-
Mr José Luis Durán Schulz	0.0001%	-	-	-	0.0001%	-	-
Mr Rodrigo Echenique Gordillo	0.0006%	-	-	-	0.0006%	-	-
Mr Emilio Saracho Rodríguez de Torres	-	-	-	-	-	-	-
Total					**59.298%**		

[1] Through Pontegadea Inversiones, SL and Partler Participaciones, S.L.U. (Partler 2006, S.L. holds 100% of its stake and its is controlled by Mr Ortega Gaona)

[2] Represented by Ms Flora Pérez Marcote

Direct and indirect investments of the members of the Board of Directors in the share capital of the Company at 31 January 2022

Name or company name of director	% Voting rights attributed to the shares		% Voting rights through financial instruments		% Total voting rights	% Voting rights that can be sell through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Mr Pablo Isla Álvarez de Tejera [1]	0.0680%	-	0.0070%	-	0.0750%	-	-
Mr Amancio Ortega Gaona [2]	-	59.2940%	-	-	59.2940%	-	-
Mr Óscar García Maceiras [3]	0.0004%	-	0.0050%	-	0.0050%	-	-
Mr José Arnau Sierra	0.0010%	-	-	-	0.0010%	-	-
Pontegadea Inversiones, S.L. [4]	50.0100%	-	-	-	50.0100%	-	-
Bns Denise Patricia Kingsmill	-	-	-	-	-	-	-
Ms Anne Lange	-	-	-	-	-	-	-
Ms Pilar López Álvarez	0.0001%	-	-	-	0.0001%	-	-
Mr José Luis Durán Schulz	0.0001%	-	-	-	0.0001%	-	-
Mr Rodrigo Echenique Gordillo	-	-	-	-	-	-	-
Mr Emilio Saracho Rodríguez de Torres	-	-	-	-	-	-	-
Total					**59.375%**		

[1] With regard to the second cycle (2020-2023) of the 2019-2023 Long-Term Incentive Plan, the Executive Chairman may receive up to a maximum number of 120,174 shares (i.e. 0.0038%). Likewise, with regard to the first cycle (2021-2024) of the new 2021-2025 Long-Term Incentive Plan, the Executive Chairman may receive up to a maximum of 116,569 shares (i.e. 0.0037%).

[2] Through Pontegadea Inversiones, SL and Partler Participaciones, S.L. (Partler 2006, S.L. holds 100% of its stake)

[3] With regard to the second cycle (2020-2023) of the 2019-2023 Long-term Incentive Plan, Mr Óscar García Maceiras, the new CEO of the company since 29 November 2021, may receive up to a maximum number of 61,854 shares. (i.e. 0.002%) for the duties performed as General Counsel and Secretary of the Board of Directors in 2021 and taking into account the amount he has been assigned as CEO pursuant to the Remuneration Policy approved at the Annual General Meeting held in 2021. Likewise, with regard to the first cycle (2021-2024) of the new 2021-2025 Long-Term Incentive Plan, the CEO may receive up to a maximum of 68,562 shares. (i.e. 0.002 %).

[4] Represented by Ms Flora Pérez Marcote

This Annex forms an integral part of Note 11 of the accompanying Notes to the annual accounts, and must be read in conjunction with this.

INDITEX

DIRECTOR'S REPORT 2022

For the year ended 31 January 2023

Directors' report for the year ended 31 January 2023

Company situation and business performance

Industria de Diseño Textil, S.A. as parent of the Inditex Group owns the shareholdings of the main companies of the Group and performs the activities of a holding company, whereby its results derive largely from dividends received from its subsidiaries. Likewise, the company provides different kinds of corporate services to its subsidiaries, both domestic and foreign, and supplies clothing and accessories of the Zara concept to subsequently be responsible for their distribution and sale to other Group companies engaged in retail marketing.

For a detailed analysis of the evolution of the Group's businesses, as well as the forecast for 2023, it is necessary to refer to the Consolidated Directors' Report of the Inditex Group.

Financial risk management policy

The Company's activities are exposed to various financial risks: market risk (including foreign currency risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's risk management focuses on the uncertainty of financial markets and aims to minimise the potential adverse effects on the Company's profitability, for which purpose it uses certain financial instruments described below.

Foreign currency risk

The Company operates in an international environment and, accordingly, is exposed to foreign currency on transactions in foreign currencies, in particular the US dollar. The foreign currency risk arises from future commercial transactions and from assets and liabilities recognised in currencies other than the euro.

The Company uses currency forwards to hedge the foreign currency risk. The Company manages the net position in each foreign currency by using external currency forwards or other financial instruments.

Raw material risk

The Company is also exposed to potential cost volatility and inflation related to the impact resulting from price increases of the many raw materials (both textile and non-textile) consumed directly and indirectly in its operation and its procurement of goods (garments, footwear and accessories), and services, especially in terms of supply and distribution transport, as well as energy consumption. This risk is measured using 'at risk' methodologies from a portfolio of exposures standpoint.

Credit risk

The Company is not exposed to significant concentrations of credit risk as policies are in place to cover sales to franchises.

Liquidity and interest rate risk

The Company is not exposed to significant liquidity risk, as it maintains sufficient cash and cash equivalents to meet the outflows required in its normal operations. If the Company has a specific financing requirement, either in euros or in other currencies, it resorts to loans, credit facilities or other types of financial instruments.

Interest rate fluctuations change the fair value of assets and liabilities that bear a fixed interest rate and the future flows from assets and liabilities bearing interest at a floating rate. The Company's exposure to this risk is not significant.

Country risk

The international presence of the Company's subsidiaries and permanent establishment exposes it to the country risk of numerous geographical regions.

As a result of the conflict in Ukraine, which began on 24 February 2022, the Group temporarily suspended operations in both Ukraine (from that very moment) and the Russian Federation (from 5 March), as the conflict prevented normal operations throughout the region. The operations in Ukraine remain suspended to date and in the Russian Federation operations have been terminated.

On 25 October 2022, Inditex reached a preliminary agreement to sell the business in the Russian Federation to the Daher Group. At the date of preparation of these annual accounts, negotiations are being finalised, estimating that the conditions of the final agreement will not differ substantially from the agreement signed on 25 October 2022.

The agreement considers, through the sale of all of the shares of the company Joint Stock Company New Fashion (previously known as JSC Zara CIS), the transfer of the assets and rights associated with 245 stores of the 514 that the Group had in Russia. Once the sales agreement is completed, the transferred premises will house points of sale of brands belonging to the Daher Group, totally unrelated to the Inditex Group. The agreement therefore considers Inditex Group's right to provide a franchise agreement to the Daher Group if new circumstances arise which, in Inditex's opinion, allowed the return of the Group's brands to this market. The transaction is subject to the obtaining of the relevant administrative authorisations from the Russian authorities, which at the date are in progress.

One of the most significant manifestations of country risk is foreign currency risk and the possibility of exposure to limits or controls on the free circulation of cash flows due to a lack of currency convertibility, in current or capital account terms, or to unexpected restrictions on the movement of capital.

The Company manages cash at corporate level based on a highly active repatriation policy aimed at reducing the aforementioned risks to a minimum. At 31 January 2023, there was no significant risk in relation to the repatriation of funds or any material cash surpluses not available for use by the Company or its subsidiaries. Similarly, there are no significant restrictions on the Company's ability to access the assets and settle the liabilities of its subsidiaries.

Capital management

The Company's capital management objectives are to safeguard its ability to continue operating as a going concern, so that it can continue to generate returns for shareholders and benefit other stakeholders, and to maintain an optimum capital structure to reduce the cost of capital.

Significant events after the reporting period

Turkey is under the effects of the catastrophic earthquakes that have been occurring since February 6, 2023. Despite the fact that some of the factories of the Turkish supplier cluster are concentrated in the area affected by the earthquakes, the impact on the Company's global supply chain is not relevant, and both our and our supplier´s operations in the affected area tend to normalize.

R&D activities

Inditex carries out research, development and innovation activities in all areas of its activity in order to improve manufacturing and distribution processes and to develop, with its own means or with the help of third parties, technologies that facilitate business management. In particular, it highlights the technology linked to POS terminals, inventory management and management systems, distribution systems in distribution centers, communication with stores, clothing labelling and, lastly, digital transformation of the business.

Treasury shares

The Annual General Meeting held on 16 July 2019 approved the 2019-2023 Long-Term Incentive Plan (Note 20) and authorised the Board of Directors to derivatively acquire treasury shares to cater for this Plan. Likewise, the Annual General Meeting, at its meeting held on 13 July 2021, approved the 2021-2025 Long-Term Incentive Plan (Note 20).

As at 31 January 2022, the Company owned 4,226,305 treasury shares, representing 0.136% of the share capital.

During the first half of 2022, the first cycle (2019-2022) of the 2019-2023 Long Term Incentive was settled. The part of the incentive in shares was delivered to the beneficiaries of the Plan charged to Treasury shares owned by the company at the delivery date. The total of Treasury shares delivered was 1,793,791 shares, representing the 0.058% of the share capital.

On 12 July 2022, pursuant to a new Temporary Share Buy-back Programme and under the authorisation in force granted by the Annual General Meeting, 2,500,000 treasury shares were acquired, in order to enable the Company to fulfil the requirements of shares delivery to the beneficiaries of the second cycle of the 2019-2023 Long-Term Incentive Plan as well as to the beneficiaries of the first cycle, and as the case may be, the second cycle of the 2021-2025 Long-Term Incentive Plan.

Consequently, as at 31 January 2023, the Company owned 4,932,514 treasury shares, representing 0.158% of the share capital.

Financial instruments

Foreign currency risk is managed in line with the corporate risk management model guidelines, which establish the ongoing monitoring of exchange rate fluctuations and other measures designed to mitigate this risk, mainly through the optimisation of the Company's operations, including centralisation, in order to minimise the impact, using natural hedges, the benefits of diversification and the arrangement of financial hedges. Occasionally, the Company uses financial derivatives like options purchased and currency forwards.

On 16 January 2023, the Company entered into a VPPA (Virtual Power Purchase Agreement) for the supply of 100%-renewable electricity over a period of 10 years. The related projects are in the development phase, pending final approval, and will come on stream in 2025.

Dividends policy

The Board of Directors will propose to shareholders at the Annual General Meeting to pay shares with a right to dividend, a dividend of 1.20 euros per share, being comprised of a 0.796 euros per share ordinary dividend and a 0.404 euros per share bonus dividend.

Out of the total amount of 1.20 euros per share, 0.60 euros per share will be paid on 2 May 2023 as ordinary dividend against 2022 results, and 0.60 euros per share will be distributed against the Company's unrestricted reserves, payable on 2 November 2023 as ordinary and bonus dividend.

The proposal covers a dividend distribution in the maximum amount of 3.740 million euros, corresponding to 1.20 (gross) euros per share for the entire stake of the Company (3,116,652,000 shares). Since the Company income in 2022 has reached 1.906 million euros, the difference between the interim dividend and the full dividend will be charged against the Company's unrestricted reserve.

The dividends paid by the Company in 2022 and 2021 amounted to 2,895 million euros and 2,180 million euros, respectively. These amounts correspond to payments of 0.93 euros per share and 0.70 euros per share, respectively.

Other disclosures

In general the Group's payment policy complies with the periods for payment to trade suppliers set in the late payment legislation in force. The Company is currently implementing measures to try to reduce the payment period in those rare cases in which the established maximum payment period is exceeded. The aforementioned measures will focus on reducing the length of the processes involved in the receipt, verification, acceptance and accounting of invoices (enhancing use of electronic and technological methods) and improving the procedure for incident resolution in this connection.

Annual corporate governance report

The Annual Corporate Governance Report for 2022 is available at www.inditex.com and was published in the section on Relevant Event Communications of the CNMV (Spanish National Securities Market Commission) website (www.cnmv.es) on 15 March 2023.

Non-financial and diversity information: sustainability and compliance with equality, diversity, non-discrimination and disability standards.

Information regarding the Statement of Non-Financial Information of the Company is included in the Consolidated Directors' Report of the Inditex Group whose parent is Industria de Diseño Textil, S.A. and which will be deposited, together with the Consolidated Annual Accounts, with the Mercantile Registry of A Coruña.

Lastly, as at 31 January 2023, the Company was compliant with the regulatory framework established by Royal Decree-Law 6/2019, of 1 March, on urgent measures to guarantee equal treatment and opportunities for women and men in employment and work.