GEOX RESPIRA

PRESS RELEASE - 9M 2020 SALES

SALES EQUAL TO EURO 429.8 MILLION (-33.2%) AFFECTED BY THE TEMPORARY CLOSURES AS A RESULT OF THE PANDEMIC.

THERE WAS A GRADUAL RECOVERY IN SALES DURING THE THIRD QUARTER (-23.7%), WITH DIRECTLY OPERATED STORES RECORDING POSITIVE PERFORMANCE IN AUGUST THANKS TO THE SUMMER SALES.

THE E-COMMERCE CHANNEL CONTINUES TO RECORD STRONG GROWTH: +40% IN THE FIRST NINE MONTHS OF THE YEAR AND +43% TO DATE THANKS TO EXCELLENT PERFORMANCE IN OCTOBER (+84% COMPARED WITH OCTOBER 2019).

THE GROUP'S BALANCE SHEET AND FINANCIAL POSITION IS SOLID AND, THANKS TO THE ACTIONS TAKEN, IT HAS BEEN ABLE TO KEEP ITS LEVEL OF DEBT UNDER CLOSE CONTROL DESPITE THE ONE-OFF IMPACTS OF THE PANDEMIC. THE NET FINANCIAL POSITION AT 30 SEPTEMBER 2020 (PRE IFRS 16) AMOUNTS TO EURO -84.3 MILLION (EURO -20.6 MILLION AT 30 SEPTEMBER 2019). EURO 11 MILLION OF CASH WAS GENERATED IN THE THIRD QUARTER THANKS TO THE SUMMER SALES PERFORMING WELL AND PAYMENTS BEING SUCCESSFULLY COLLECTED FROM CLIENTS. NET FINANCIAL POSITION REMAINED IN LINE IN OCTOBER.

THE PLANNED RATIONALISATION OF THE PHYSICAL STORE NETWORK IS CONTINUING, AS ARE THE PREPARATIONS TO DEFINE A CUSTOMER-CENTRIC BUSINESS MODEL BASED ON FULL INTEGRATION BETWEEN PHYSICAL AND DIGITAL CHANNELS.

Biadene di Montebelluna, 12 November 2020 – Geox S.p.A., a leading brand in classic and casual footwear, listed on the Milan Stock Exchange (GEO.MI), today approved its consolidated sales figures at 30 September 2020.

The Company commented: "The first nine months of 2020 have been deeply affected by the COVID-19 pandemic, with health, economic and social repercussions on a global scale and the substantial suspension of all non-essential businesses for almost all of the second quarter.
In this context, Geox made it an immediate priority to protect the company's foundations: both its human capital and its financial capital.
In fact, right from the very start of this emergency, we have continued to continuously monitor and protect the health of our people, also by offering voluntary serological tests and swabs on an ongoing basis, as well as continuing with initiatives to protect the Group's solid financial position.
Thanks to the efficiency of these measures, we are now able to continue all the necessary activities to manage the current abnormal situation in a well-organised way, and we can also speed up our initiatives and investments to be able to confidently deal with medium-term challenges in the best possible manner.
During the third quarter, our stores throughout the world returned to being fully operational and we recorded a continuous improvement in performance, which culminated in August with the positive sales figures generated thanks

to the summer sales. The second wave of COVID-19 has unfortunately led to new lockdowns being introduced in all of the main markets, meaning that stores are once again being temporarily closed, there is a widespread reduction in people's mobility and tourist flows are substantially equal to zero.
In this situation, the direct e-commerce channel, which had already recorded +40% in the first nine months of the year, is now growing at an even faster rate: +72% since the start of October. As well as allowing us to at least partly absorb the drop in turnover caused by the closure of our physical stores, this trend is also further raising our awareness and confidence that we need to define a more streamlined and customer-centric business model, based on an integration between our physical and digital channels.
An avant-garde business model able to seize all the opportunities that will present themselves as soon as this emergency is over; we are currently defining this model by working towards both streamlining the Group's general cost structure and strengthening productivity.
We are therefore closing non-strategic stores in more mature markets, reviewing rent contracts and cutting many costs, but we are also investing.
We are investing in integrating our physical and digital channels, in new TV advertising campaigns, in new store openings in markets with the highest growth and, as always, in research and development in order to ensure the utmost well-being for our customers; it is precisely this sense of well-being, which has always been one of our brand's distinctive features, that will be increasingly sought after once the pandemic is over."

GROUP PERFORMANCE IN THE FIRST NINE MONTHS OF THE YEAR: SALES

Consolidated sales in the first nine months of 2020 amounted to Euro 429.8 million, down 33.2% compared with the previous year (-33.1% at constant forex), affected by the spread of the Covid-19 pandemic.

Performance improved during the third quarter (-23.7% and -23.4% at constant forex), thanks both to sales gradually recovering after stores were reopened and to the summer sales performing well in the main markets.

Sales by distribution channel

(Thousands of Euro)	**9 Months 2020**	**%**	**9 Months 2019**	**%**	**Var. %**
Wholesale	**221,464**	**51.5%**	**315,756**	**49.1%**	**(29.9%)**
Franchising	33,546	7.8%	67,587	10.5%	(50.4%)
DOS*	174,779	40.7%	260,073	40.4%	(32.8%)
Geox Shops	**208,325**	**48.5%**	**327,660**	**50.9%**	**(36.4%)**
Net sales	**429,789**	**100.0%**	**643,416**	**100.0%**	**(33.2%)**

* Directly Operated Store

Sales generated by wholesale stores, representing 51.5% of Group revenues (49.1% in the first nine months of 2019), amounted to Euro 221.5 million (-29.9% at current forex, -29.8% at constant forex), compared with Euro 315.8 million in the first nine months of 2019. This trend is exclusively down to the fact that wholesale stores were temporarily closed for around two months, leading our clients to: request cancellations of a number of SS20 orders that were scheduled to arrive during the closure period; drastically reduce stock replenishment during the season for SS20 items; extend the sell-out period for the spring collection; review initial orders for the FW20 season, in close cooperation with Geox; postpone deliveries for the FW20 winter season. The Group also recorded fewer sales of stock from previous seasons.

Performance improved during the third quarter (-23.1% at current forex and -22.5% at constant forex), with sales amounting to Euro 100.0 million (Euro 130.0 million in the third quarter of 2019). This performance is substantially in line with the reduction in purchases for the FW20 collection (-21%), after orders were reviewed in close cooperation with clients in order to minimise the risk of cancellations.

Sales in the franchising channel, accounting for 7.8% of Group revenues, amounted to Euro 33.5 million, reporting a decline of 50.4% (-50.3% at constant forex), compared with Euro 67.6 million in the first nine months of 2019. Performance in the first nine months of the year was affected by the temporary closures, by a negative timing effect regarding deliveries of items from the FW20 collection, and by the reduction in the store network (around Euro 10 million, or 14%), down from 391 stores in September 2019 to 338 in September 2020.

This channel reported sales of Euro 15.7 million in the third quarter (Euro 29.7 million in the third quarter of 2019), down 47.0% (both at current forex and constant forex); this is due to both the reduction in the store network (-14%) and the negative timing effect regarding deliveries of items from the FW20 collection.

Sales generated by directly operated stores (DOS), representing 40.7% of Group revenues, amounted to Euro 174.8 million, compared with Euro 260.1 million in the first nine months of 2019 (-32.8% at current forex, -32.8% at constant forex). Like-for-like sales performance at the end of September 2020 was equal to -32%, reflecting the high number of stores that were temporarily closed during the first nine months of the year (on average, around 23%). As already mentioned, the reduction in the store network also had a negative effect on performance during the first nine months of the year, with around 30 DOS being closed in the third quarter alone.
After stores were reopened at the beginning of May, sales performance gradually recovered and recorded positive figures once again in August, coinciding with the summer sales in Italy and France.
To date (week 45), LFL sales for directly operated stores is equal to -32%, also being affected by the new temporary closures that many countries are now imposing as a result of the second wave of Covid-19[1].

The Group's direct e-commerce channel continues to record significant growth: +40% compared with the end of September 2019 (+21% in the first quarter, +59% in the second quarter and +37% in the third quarter). Performance was particularly positive in the months of April (+102%) and May (+167%), corresponding to the strictest phase of the lockdown, as was also the case in October (+84%) when new restrictive measures were introduced.

During the third quarter, sales generated by directly operated stores (DOS) amounted to Euro 70.4 million, down 16.5% (-16.2% at constant forex), compared with Euro 84.3 million in the third quarter of 2019. The trend during this quarter reflects the LFL performance for the period (-15.7%), as well as the aforementioned reduction in the store network.

Sales by region

(Thousands of Euro)	**9 Months 2020**	**%**	**9 Months 2019**	**%**	**Var. %**
Italy	102,233	23.8%	184,024	28.6%	(44.4%)
Europe (*)	205,915	47.9%	276,450	43.0%	(25.5%)
North America	18,317	4.3%	34,164	5.3%	(46.4%)
Other countries	103,324	24.0%	148,778	23.1%	(30.6%)
Net sales	**429,789**	**100.0%**	**643,416**	**100.0%**	**(33.2%)**

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

Sales generated in Italy, representing 23.8% of Group revenues (28.6% in the first nine months of 2019), amounted to Euro 102.2 million, compared with Euro 184.0 million in the first nine months of 2019. Performance in Italy was more seriously affected by the Covid-19 emergency than in other European countries, as this was the first country in the area where the epidemic began to spread and is also the country where the Group has the highest number of physical stores.
In this context, all channels have been affected by the emergency. Directly operated stores, which had recorded a positive start to the year, were affected by the temporary closures, recording a drop in sales for the first nine months of the year in line with the Group figure. With regard to performance in the wholesale and franchising channels, on

[1] For more details, please refer to the business outlook and significant subsequent events sections.

the other hand, the drop in sales was mainly down to the factors already described. The franchising channel was particularly affected by the reduction in the store network during the period (29 net closures, equal to 23% of the network).
Performance of the e-commerce channel was particularly impressive, recording +77% at the end of September 2020.

During the third quarter, sales generated in Italy amounted to Euro 42.3 million, down 37.6%, compared with Euro 67.8 million in the third quarter of 2019. In addition to the difficult context, the trend during this quarter was also affected by the reduction of the store network, involving a total of 20 net closures (8% of the network), of which 7 DOS and 13 franchises. LFL sales performance was equal to -16%, with the direct e-commerce channel growing by 74%.

Sales generated in Europe, representing 47.9% of Group revenues (43.0% in the first nine months of 2019), amounted to Euro 205.9 million, compared to Euro 276.5 million in the first nine months of 2019, recording a decline of 25.5%, mainly due, as was the case for Italy, to the effects of the spread of the epidemic, which led to stores being temporarily closed from the second half of March.
After the year got off to a positive start (approximately +5%), sales generated by directly operated stores recorded a decline of around 28% for the first nine months of 2020.
The direct e-commerce channel for the European market also recorded the same, excellent trend: +36% at the end of September 2020. Lastly, with regard to the wholesale and franchising channels, performance was negative but slightly better than in Italy, as these were not as badly affected by the timing of deliveries.

During the third quarter, sales in Europe amounted to Euro 92.1 million, down 9.3% (-9.4% at constant forex) compared with Euro 101.6 million in the third quarter of 2019. The trend for this quarter benefited from a positive timing effect for wholesale deliveries (postponed from the second until the third quarter). LFL sales performance was equal to -14% for the period, with the direct e-commerce channel growing by 36%.

North America recorded a turnover of Euro 18.3 million, down 46.4% (-46.5% at constant forex). The period of closure was longer in the USA and Canada, starting from mid-March and lasting until mid-June. As things stand today, the entire network is now operational.
During the first nine months of the year, LFL sales performance for directly operated stores was down by approximately 46%.
The e-commerce channel was up 24% at the end of September, while the wholesale channel was down 35%.

During the third quarter, sales generated in North America amounted to Euro 6.5 million, down 45.9% (-45.3% at constant forex) compared with Euro 12.1 million in the third quarter of 2019. The trend for this quarter was also affected by the reduction in the store network, with six net closures (19% of the network). LFL sales performance was equal to -32% for the period, with the direct e-commerce channel growing by 9%.

A 30.6% reduction in turnover was recorded in the Rest of the World compared with the first nine months of 2019 (-29.9% at constant forex), with a particularly different trend between the Asia Pacific area and Eastern Europe.

In China, Hong Kong and Macau, there was a particularly significant reduction in turnover (over 44%) due to the restrictions on people's mobility and the closure of stores at the end of January/start of February. Stores were reopened at the beginning of March, but with a strong reduction in footfall. From the beginning of April until mid-May, stores in Japan were temporarily closed, again following the containment measures imposed by the government to reduce the spread of the pandemic. Overall, LFL sales generated by directly operated stores recorded around a 37% drop at the end of the first nine months of the year, with an average reduction in footfall of 50%. Signs of recovery are now being seen in China, with LFL sales for directly operated stores going from -50% in the first quarter to around -10% in the third quarter. At the end of September, the direct e-commerce channel for the entire area recorded a performance of +13%.

During the third quarter, sales generated in the APAC area amounted to Euro 7.4 million, down 50.8% compared with Euro 15.1 million in the third quarter of 2019. The trend for this quarter was particularly affected by the reduction in initial order collection for the wholesale channel. LFL sales performance for the period was equal to -27% (-11% in China), with the direct e-commerce channel growing by 18%.

With regard to Eastern Europe, a 24.8% decline in sales was recorded in this area during the first nine months of the year. All directly operated stores temporarily closed towards the end of March, and then gradually reopened in June. LFL sales for directly operated stores amounted to around -23%. The e-commerce channel also recorded very good performance (+102% compared with September 2019).

During the third quarter, sales generated in Eastern Europe amounted to Euro 37.8 million, down 20.2% compared with Euro 47.3 million in the third quarter of 2019. LFL sales performance was equal to -3% for the period, with the direct e-commerce channel growing by +58%.

Sales by product category

Footwear sales represented 89.7% of consolidated sales, amounting to Euro 385.6 million, down 33.6% compared with the first nine months of 2019 (-33.5% at constant forex). Apparel sales represented 10.3% of consolidated sales, amounting to Euro 44.2 million compared with Euro 62.9 million in the first nine months of 2019 (-29.7% at current forex and at constant forex).

(Thousands of Euro)	**9 Months 2020**	**%**	**9 Months 2019**	**%**	**Var. %**
Footwear	385,591	89.7%	580,517	90.2%	(33.6%)
Apparel	44,198	10.3%	62,899	9.8%	(29.7%)
Net sales	**429,789**	**100.0%**	**643,416**	**100.0%**	**(33.2%)**

Mono-brand store network - Geox shops

As of 30 September 2020, there was a total of 891 "Geox Shops", of which 420 DOS. During the first nine months of 2019, 20 new Geox Shops were opened and 103 were closed, in line with the store network optimisation planned in more mature markets and the expansion in countries where the Group's presence is still limited but developing well. There were 45 net closures in the third quarter alone, of which 30 DOS.

	09-30-2020		**12-31-2019**		**9 Months 2020**		
	Geox Shops	**of which DOS**	**Geox Shops**	**of which DOS**	**Net Openings**	**Openings**	**Closings**
Italy	238	143	272	148	(34)	-	(34)
Europe (*)	249	145	270	159	(21)	3	(24)
North America	26	26	37	37	(11)	-	(11)
Other countries (**)	378	106	395	110	(17)	17	(34)
Total	**891**	**420**	**974**	**454**	**(83)**	**20**	**(103)**

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

(**) Includes Under License Agreement Shops (133 as of September 30, 2020, 134 as of December 31, 2019). Sales from these shops are not included in the franchising channel.

THE GROUP'S BALANCE SHEET AND FINANCIAL POSITION

The rationalisation measures taken, together with better than expected sales performance in directly operated stores and a reduction in purchases for the FW20 collection, have allowed the Group to keep its net financial position under control, despite the exceptional circumstances; at 30 September 2020 (before IFRS 16), this amounted to Euro -84.3 million (Euro -20.6 million at 30 September 2019). It should be noted that the Group has made all payments to its supply chain on time and has not had to resort to suspending loan repayments. The only exception to this was the suspension of rent payments for stores during the time they were closed (April and the first half of May) and the partial payment of rent since they were reopened, based on sales performance. At 30 September 2020, the overdue part of rental payments that were suspended or only partially paid amounted to approximately Euro 14 million, mainly referring to the second quarter (Euro 12 million), i.e. during the most severe phase of the lockdown. This approach is in line with the ongoing talks being held with the various landlords, aimed at renegotiating the contractual agreements in place, bringing them more in line with the changes to the economic scenario; this involves introducing variable rents based on the level of turnover, at least while there is reduced footfall caused by the restrictive measures and the strong reduction in tourist numbers. As of today, these closed talks with landlords have undoubtedly proven to be challenging, but the Group has already signed a number of agreements and many others are in an advanced phase of negotiation. The Group is also convinced that the right course of action is to terminate the relative agreement if solutions cannot be found that reflect current market values.

The Group has adequate lines of credit available thanks to the fact that, since the beginning of the emergency, it has implemented a strategy to cover its financing needs. The aim of this strategy is to ensure that the sources of financing remain as coherent as possible with funding requirements, in order to have the right balance between short-term lines of credit to deal with normal business seasonality, medium-term financing to manage the temporary one-off absorption of cash caused by the COVID-19 emergency and long-term financing to also support the investments required to develop a truly omnichannel business model that perfectly integrates physical and digital stores.

Net operating working capital as a percentage of sales was equal to 36.4% at 30 September 2020, compared with 30.4% in the same period last year. This variation is mainly due to the reduction in turnover, given that working capital amounted to Euro 215.5 million, down compared with the Euro 242.6 million recorded in the first nine months of 2019.

SIGNIFICANT SUBSEQUENT EVENTS - UPDATE ON THE EFFECTS OF COVID-19

A second wave of Covid-19 began in October, forcing governments in many countries to reintroduce measures to restrict people's mobility and, in some cases, even real lockdowns, in order to contain the rise in infections. As at the date of this press release, Spain and Italy have introduced regional lockdowns, while France, Belgium, the UK, Poland, the Czech Republic, Slovenia and Greece have introduced national lockdowns. On average, these measures are currently expected to last for the entire month of November.
As a result of these measures, 146 directly operated stores (DOS) have been temporarily closed (57 in Italy, 59 in France, 10 in Poland, 5 in Spain, 7 in Belgium, 7 in the UK and 1 in Germany), equal to 35% of the entire DOS network. In addition, 49 DOS located in shopping centres in Italy have been ordered by the government to close every weekend until 3 December. Including these stores, the share of the DOS network that is temporarily closed at weekends rises to 47%.
To comply with the new provisions, 92 franchised stores have also been temporarily closed (13 in Italy, 33 in France, 15 in the Czech Republic, 11 in Greece, 6 in Belgium, 5 in Slovenia, 4 in Poland, 3 in Spain and 2 in Azerbaijan), equal to 28% of the network. In addition, 42 franchised stores in shopping centres in Italy will remain closed every weekend, as is the case for the DOS. Including these stores, the share of the franchised store network that is temporarily closed at weekends rises to 41%.

In North America and the Asia Pacific region, there are currently no new lockdowns in force, meaning that all of the Group's store network is operational. However, there is still a problem with new COVID-19 infections in North America, which is having repercussions on people's mobility and in-store footfall.

The difficult health situation also means that there are substantially no tourist flows; these had already been in significant decline in all the main markets since the beginning of the pandemic.

BUSINESS OUTLOOK

With regard to full-year forecasts, the current situation is making it extremely difficult to make any sort of predictions, considering the high level of uncertainty surrounding the duration and possible extension of the new containment/lockdown measures currently present in all of the group's main markets.

The figures published today show the following:

- sales performance in the first nine months of the year was equal to -33.2%.
- To date (week 45), the fourth quarter is recording LFL sales performance of -30% overall, due to stores being temporarily closed again for the month of November and the strict restrictions on people's mobility.

Considering these trends, it is fair to say that the sales trend for the entire year has already been substantially defined. The actual reduction in turnover for 2020 will nonetheless depend on how the pandemic evolves and on any new decisions taken by the various governments in order to combat the spread of the virus.

A good recovery in terms of gross margins is confirmed for the end of the year, compared with the figures reported at the end of June.

The initiatives implemented by the Group to protect the company's cash flow and reduce operating costs allowed for an efficient management of the first part of the emergency; debt is under control and, in the last four months, the group has generated Euro 8 million in cash. The second wave of Covid-19 had already been taken into consideration and the decisions made over the course of the year, with particular reference to rationalising the store network, limiting investments, significantly cutting operating costs, reducing FW20 purchases and moving part of the 2020 summer collection to SS21, will now allow the Group to also manage this second emergency in a position of financial security.
Thanks to its financially solid position, supported by the fact that its debt is under control and there are a number of suitable committed lines of credit available, Geox can continue to focus its efforts both on managing the current situation and on its medium-term strategy, increasing investments in strategic marketing projects aimed at customer centricity and in initiatives to transform the business model, moving towards a fully omnichannel approach and segmented distribution.

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Declaration by the manager responsible for the preparation of company accounting documents

The manager responsible for the preparation of the company's financial documents, Dott. Massimo Nai, hereby declares, in accordance with paragraph 2, article 154 bis of the "Testo Unico della Finanza" *(Italian Consolidated Law on Financial Intermediation)*, that, based on his knowledge, the accounting information contained in this document corresponds to the results documented in the books, accounting and other records of the company.

For more information

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Geox Group

Geox Group operates in the classic and casual footwear sector for men, women and children, with a medium/high price level, and in the apparel sector. The success of Geox is due to the constant focus on the application of innovative solutions and technologies on the product that guarantee both impermeability and breathability.
Geox is one of the leading brands in the "International Branded Casual Footwear Market". Geox technology is protected by 40 different patents and by 25 more recent patent applications.

Disclaimer

This document includes forward-looking statements, relative to future events and income and financial operating results of Geox Group. These forecasts, by their nature, include an element of risk and uncertainty, since they depend on the outcome of future events and developments. The actual results may differ even quite significantly from those stated due to a multiplicity of factors.