GEOX
RESPIRA

PRESS RELEASE – Q1 2022 SALES

- **<u>FIRST IMPORTANT POSITIVE RESULTS OF THE 2022-2024 STRATEGIC PLAN</u>:**
    - **IN THE FIRST QUARTER, SALES AT EURO 184 MILLION (+24.3% AT CURRENT FOREX) THANKS TO AN EASY COMPARISON BASE BUT ESPECIALLY TO THE GOOD PERFORMANCE OF ALL DISTRIBUTION CHANNELS THAT CONTINUED IN APRIL, PUSHING GROWTH TO +32%.**
    - **AS OF TODAY, COMPARABLE SALES GENERATED BY DIRECTLY-OPERATED STORES (PHYSICAL AND ONLINE) ARE GROWING +60% VS 2021 (-3% VS 2019) THANKS TO A FURTHER ACCELERATION IN THE SECOND QUARTER RECORDING +3% VS 2Q19 NOTWITHSTANDING A TRAFFIC STILL NEGATIVE BY 30%. COMPARABLE SALES FOR PHYSICAL STORES ALONE ARE UP NEARLY 100% VS 2021.**
    - **NET FINANCIAL POSITION (BEFORE IFRS 16) AT EUR -58.0 MILLION (EUR -64.3 MILLION AT THE END OF 2021 AND EUR -109.8 MILLION AT THE END OF MARCH 2021). WORKING CAPITAL ALSO IMPROVED SIGNIFICANTLY AT EURO 104 MILLION (EURO 183 MILLION AT THE END OF MARCH 2021) ACCOUNTING FOR 16.1% OF REVENUES (18.5% AT THE END OF 2021 AND 36.6% AT END OF MARCH 2021).**
- **MARGINS CONTINUE TO BE UNDER PRESSURE DUE TO THE INTERNATIONAL GEO-POLITICAL SITUATION, THE HIGH COST OF ENERGY AND THE IMPACT OF COVID-19 ON THE SUPPLY CHAIN IN TERMS OF BOTH COSTS AND SHIPPING TIMES. IT IS ASSUMED THAT THIS SITUATION MAY PERSIST, PERHAPS WITH SOME MITIGATION, IN THE REMAINING PART OF THE YEAR.**

Biadene di Montebelluna, May 12, 2022 – Geox S.p.A., one of the leading brands worldwide in the classic and casual footwear market listed on the Milan Stock Exchange (GEO.MI), examined today consolidated sales figures and net financial position for the first quarter of 2022.

The Company commented, "First quarter 2022 results, albeit in an extremely complex environment, show a significant improvement over last year with double-digit revenue growth across all distribution channels.
Since the re-opening of stores we are seeing a progressive and significant improvement in the performance of our network, which has been substantially back in operation since the end of June 2021; the entire first half of 2022 will

therefore benefit to some extent from an easier basis of comparison. However, the improvement is significant and continued in both April and May bringing overall growth to +32%.
From the beginning of the year to date, the comparable sales of our direct physical stores show an increase of close to 100% compared to the previous year and with a good reduction in discounts as well. In the main European markets, sales have reached pre-pandemic levels despite a still significant drop in traffic, especially with regard to tourist flows.
The wholesale channel is also performing well and, after an excellent initial order intake for the SS22 collection, we have seen a strong increase in orders for the FW22 collection, which has returned to pre-pandemic 2019 levels.
Key financial indicators also remain under control, with a good improvement in both net financial position and working capital compared to the end of the previous year.
These performances represent the first important feedback on the validity of the strategic choices undertaken with the new Business Plan aimed at establishing a lean, omnichannel and focused on the centrality of customers and distribution.
Through these choices, Geox has carried out a significant rationalization of unprofitable activities over the last two years, which has allowed it not only to structurally reduce its cost base but also to free up more resources for the most important investments for the development and growth of the Group. Among these, we highlight the development of new products supported by the launch of a major marketing campaign for both adults and children which, as of this year, we have extended to 15 countries and from which we are reaping extremely positive returns.
2022 promises to be a year of strong growth in turnover, as forecast in the Business Plan. However, there is still some pressure on margins generated by the international geo-political situation, the high cost of energy and the impact of Covid-19 on the supply chain in terms of both costs and shipping times, mainly due to the new lockdown in China. It is assumed that this situation will continue, perhaps with some mitigation, during the rest of the year.
The results obtained by Geox, in this uncertain and volatile context in the short term, confirm even more the path we have taken, allowing us to look with confidence at the medium-long term prospects of both our Brand and the entire sector".

SALES PERFORMANCE IN THE FIRST QUARTER OF 2022

Consolidated revenues amounted to Euro 184.4 million in the first quarter of 2022, up 24.3% compared to the previous year (+24.2% at constant exchange rates), thanks to the good performance of all the distribution channels favored also by the progressive reopening of the distribution network starting from the second half of 2021 and the gradual release of the initiatives undertaken with the 2022-2024 Strategic Plan.

Sales by distribution channel

(Thousands of Euro)	**I Quarter 2022**	**%**	**I Quarter 2021**	**%**	**Var. %**
Footwear	162.372	88,1%	135,099	91.1%	20.2%
Apparel	22.018	11,9%	13,252	8.9%	66.1%
Net sales	**184.390**	**100,0%**	**148,351**	**100.0%**	**24.3%**

Revenues from multi-brand stores, representing 55.6% of the Group's revenues (62.0% in Q1 2021), amounted to Euro 102.6 million (+11.6% at current exchange rates, +11.8% at constant exchange rates) compared to Euro 91.9 million in March 2021. The trend benefited from a positive (+25% approx.) order intake for the SS22 collection, which was partially offset by the cancellation of some orders due to delivery delays resulting from the difficult situation on the supply chain. This was compounded by a negative timing effect on shipments; at the end of April revenues from the channel were up around 15% on the previous year.

Revenues from the franchising channel, equal to 8.5% of the Group's revenues, amounted to Euro 15.6 million, +49.3% compared to the first quarter of 2021. The performance in the period benefited from the gradual reopening of stores, whose positive performance was combined with a favorable timing effect on shipments. The total number of franchised stores decreased from 310 stores in March 2021 to 301 in March 2022.

Revenues from directly operated stores (DOS), which represent 35.9% of Group revenues, amounted to Euro 66.1 million compared to Euro 46.0 million in the first quarter of 2021 (+43.9% at current exchange rates, +42.7% at constant exchange rates). Comparable sales (LFL) at the end of the period stood at +54% thanks to both the full reopening of stores from the second half of 2021 (in the first quarter of 2021, around 34% of direct stores had been temporarily closed due to restrictions following the pandemic) and the gradual release of the initiatives set out in the Strategic Plan. Specifically, physical stores reported comparable sales up approximately 90% year-over-year in the first quarter of 2021 (nearly +100% year-to-date), while the online channel showed a decline of approximately 13% (-15% year-to-date) in line with stabilizing performance after lock-downs. The performance of the online channel in 2022 was in fact affected by a particularly challenging comparative basis, as in both the early months of 2020 and 2021 the restrictions related to the pandemic had induced, with the temporary closure of stores, a strong shift of consumer purchases to digital channels. This anomalous and extraordinary situation has substantially returned as of the second half of 2021 with the gradual reopening of physical stores. However, the growth of the online channel remains particularly high (around +85%) compared to 2019.
It should be noted that in April, the increase in Covid-19 infections in the Asian area led to the temporary closure (still ongoing) of 19 direct stores in Shanghai.
Finally, as regards the distribution perimeter, the number of DOS fell from 393 stores in March 2021 to 339 in March 2022 (350 at the end of 2021). This reduction substantially defined the overall change in channel revenues, which despite comparable sales (LFL) up by +54% closed the period at around +44%.

Sales by region

(Thousands of Euro)	I Quarter 2022	%	I Quarter 2021	%	Var. %
Italy	48,531	26.3%	29,932	20.2%	62.1%
Europe (*)	84,952	46.1%	70,080	47.2%	21.2%
North America	5,063	2.7%	4,621	3.1%	9.6%
Other countries	45,844	24.9%	43,718	29.5%	4.9%
Net sales	**184,390**	**100.0%**	**148,351**	**100.0%**	**24.3%**

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

Revenues generated in Italy, which represent 26.3% of the Group's revenues (20.2% in Q1 2021), amounted to Euro 48.5 million (+62.1%) compared to Euro 29.9 million in Q1 2021. Growth was led by direct stores (+90%) and the franchising channel (+115%) also favored by the progressive reopening of the distribution network. The wholesale channel also reported an excellent performance (+26%).

Revenues generated in Europe, accounting for 46.1% of the Group's revenues (47.2% in the first quarter of 2021), amounted to Euro 85.0 million, compared with Euro 70.1 million in 2021, registering an increase of 21.2% mainly due, as in Italy, to the good performance of the retail channel. Direct stores in Europe reported a positive performance (+35%) thanks to the good performance of comparable sales (+39%) and the gradual reopening of stores. The performance of franchising was also positive (+49%), driven by the same logic.

North America reported a turnover of Euro 5.1 million, +9.6% (+2.0% at constant exchange rates) compared to the first quarter of 2021; the trend of the direct stores was positive (+23.0%) while the wholesale channel (-5.4%) was affected by the cancellation of some orders due to the critical issues that emerged in the supply chain (production delays and/or delivery delays).

Other countries reported a 4.9% increase in revenues compared to the first quarter of 2021 (+6.5% at constant exchange rates). In particular, in the Asia Pacific region, revenues were down -12.5% mainly as a result of the reorganization in Japan (-58%) which involved the closure of the subsidiary and the transfer of the business to a distributor. China reported growth in revenues (up 8%).

Revenues in Eastern Europe rose by 8.7%. Directly operated stores throughout the area reported a 35% increase in comparable sales; growth in the wholesale and franchising channels was also positive.

Sales by product

Footwear accounted for approximately 88% of consolidated revenues, amounting to Euro 162.4 million, with an increase of +20.2% (+19.8% at constant exchange rates) compared to the first quarter of 2021. Apparel accounted for approximately 12% of consolidated revenues, reaching Euro 22 million (+66.1% at current exchange rates and +70.6% at constant exchange rates).

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Mono-brand store network – Geox shops

As of March 31, 2022, the total number of "Geox Shops" was 751, of which 339 DOS. During the first quarter of 2022, 7 new Geox Shops were opened and 24 were closed, in line with the planned optimization of stores in more mature markets and an expansion in countries where the Group's presence is still limited but evolving positively.

	03-31-2022		12-31-2021		1° Q 2022		
	Geox Shops	of which DOS	Geox Shops	of which DOS	Net Openings	Openings	Closings
Italy	195	123	200	128	(5)	-	(5)
Europe (*)	209	117	210	117	(1)	3	(4)
North America	19	19	20	20	(1)	-	(1)
Other countries (**)	328	80	338	85	(10)	4	(14)
Total	**751**	**339**	**768**	**350**	**(17)**	**7**	**(24)**

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

(**) Includes Under License Agreement Shops (111 as of March 31, 2022, 114 as of December 31, 2021). Sales from these shops are not included in the franchising channel.

THE GROUP'S BALANCE SHEET AND FINANCIAL POSITION

The set of rationalization actions undertaken and the positive trend of sales in the direct channel at the time of reopening, made it possible to keep the net financial position under control, which at the end of March, despite the seasonality of the first quarter, stood (before IFRS 16 and after the fair value of derivative contracts) at euro -58.0 million (euro -64.3 million in December 2021 and -109.8 in March 2021). The net financial position before fair value of derivative contracts stood at -85.6 million (euro -82.9 million in December 2021 and euro -115.6 million in March 2021).

It should be noted that the Group has in fact completed the renegotiation of lease payments with real estate properties and only a few agreements in the advanced stage of finalization remain to be closed. The overdue portion of suspended or partially paid lease payments as of March 31, 2022 fell to euro 2.7 million (from approximately 4.1 million at the end of December 2021 and approximately 14 million as of December 31, 2020).

Net working capital stood at approximately euro 104 million, down from both 112 million in December 2021 and 183 million in March 2021. The reduction is due to a positive performance of all its components. Inventory decreased by approximately 35 million compared to the first quarter of 2021 due to both the disposal of unsold inventory from previous seasons and a reduction in purchases during the year. The recovery of the business experienced also by our customers allowed a good trend in collections with a reduction in receivables in the balance sheet for about 17 million. Finally, payables to suppliers increased by approximately euro 26 million as a result of new purchases for future seasons. Therefore, the ratio of net operating working capital on revenues has improved considerably and has fallen to 16.1% (18.5% at the end of December 2021 and 36.6% at the end of March 2021).

However, the context still remains uncertain and, consequently, the Group will continue with initiatives aimed at protecting the company's cash flow and containing operating costs.

GEOX RESPIRA

SIGNIFICANT SUBSEQUENT EVENTS

INTERNATIONAL TENSIONS AND UPDATE ON THE IMPACT OF COVID-19 ON STORE OPERATING STATUS AND ON PROCUREMENT OF RAW MATERAIL AND FINISHED PRODUCTS.

The geo-political tensions concerning Russia and Ukraine are creating situations of strong international, humanitarian and social crisis with strong negative impacts first of all for the population, but also for their internal economic activity and trade in the area. These serious and extraordinary events, in terms of their nature and extent, have been added to those from Covid-19 causing repercussions at global level on: i) supply chains with particular reference to the supply and prices of raw materials and energy; ii) development of demand in international markets; iii) trends in inflation rates with consequent restrictive monetary policies on interest rates; iv) strengthening of the dollar as a result of risk aversion and the increase in rates.
Geox reported in 2021 in this area a turnover of approximately euro 56 million (51 million in Russia and 5 in Ukraine). In both countries the business is mainly developed through third parties, wholesale and franchising (100% in Ukraine and 70% in Russia). In light of these serious events, the Group has suspended any new direct investment in Russia, is withdrawing European management, has reduced orders from third parties where possible and is managing the situation in the short term so as to be ready to mitigate the impact of any future decisions regarding its presence in Russia. The Company is part of the Golden Links project sponsored by Banca Intesa and Caritas Italiana and actively cooperates with Civil Defense and the Embassy of Ukraine in Italy to provide basic necessities, such as clothing and footwear, to people on the ground and refugees in Italy.

Finally, in relation to the performance of the Covid-19 pandemic, the following should be noted that to date, all the Group's stores in Europe and North America are operational, despite the still unstable scenario that is still impacting tourist flows. Starting from the end of March, however, the increase in the number of infections in Asia led to the temporary closure of 19 stores in the Shanghai area, which is still underway.

The difficult health situation in the Far East is, in fact, prolonging the critical aspects of the Group's supply chain. Overall, the production system is currently operational, albeit in a context of great instability. On the one hand, all economic operators are experiencing an extension of ship transport times due to a reduction in the frequency of departures and an increase in stops in order to optimize space. On the other, there are fewer opportunities to make up production delays with air transport due to the limited number of cargo and passenger flights. Moreover, these factors have determined and continue to determine a substantial increase in freight and airfreight costs, mainly towards the Americas. In this context, pressure on raw material prices continues to remain high.

BUSINESS OUTLOOK

A number of factors related to current business performance must be taken into consideration when making full-year forecasts:

1) The DOS channel is showing to date (week 18) positively evolving comparable sales (LFL) (around +60% on 2021 and substantially in line with 2019) with a significant reduction in discounts (around 5 points on 2021 and 4 points on 2019). We are seeing an acceleration of the trend in the second quarter (+3% vs 2019) also favored by the successful deliveries (after the delay of a few weeks due to supply chain issues) of the entire new SS22 collection in stores. The entire first half will benefit, in the absence of new restrictions, from an easy comparison with the first half of 2021 which had been particularly impacted by lockdowns and the consequent closure of a high percentage of stores especially in Europe. Performance in the second half of the year will instead compare on a more homogeneous basis as in the second half of 2021 the entire network was substantially operational.
2) In the wholesale channel, after an excellent initial order intake both for the SS22 season (+25%) and the FW22 season (+26% and back to 2019 levels), it is assumed that in-season reorder levels can remain in line with the high levels experienced in the previous fiscal year. To date, on the basis of these elements, it is believed that the channel can report annual growth of around 15% (and thus close to 2019 levels). It should be noted that the Group, in order to balance the increase in raw material and transport costs, has revised upwards its price list for both the SS22 collection (approximately +4% on average on adult) and the FW22 collection (approximately +8% on average).
3) At the end of April, the Group's total revenues are up 32% compared to the first four months of 2021.
4) Pressure on margins continues to remain strong due to both the international geo-political and energy situation and the impact of Covid-19 on the supply chain in terms of both costs and shipping times. This

situation, together with the general complexities linked to port congestion and the lack of containers, has in fact led to: 1) a temporary shortage of certain quantities of product at the beginning of the season and for re-assortments in the direct distribution network and franchising 2) the cancellation or revision of the commercial conditions of certain orders in the multi-brand channel due to delivery delays or production cancellations; 3) greater recourse, compared with forecasts, to air transport in order to meet the delivery times agreed with certain counterparties.
The overall impact of these factors in the first half of the year can be estimated at approximately euro 16 million in lower revenues and euro 16 million in lower gross margin (8 million linked to lower revenues and 8 million linked to the increase in air transport costs).

On the basis of these assumptions, management confirms the Plan's forecasts in terms of the top line and therefore expects to report double-digit growth in annual revenues, expected to exceed euro 700 million. This figure would remain achievable, albeit becoming challenging, even in the event that a solution to the Russia-Ukraine crisis is not found soon, with the consequent strong impact on business in those areas.

In terms of gross margin, the persistence of critical issues in the supply chain lead to greater caution regarding its annual evolution.

The Group's management will take all necessary actions in the remaining part of the year, both in terms of further commercial development and cost reduction, in order to mitigate these negative impacts.

However, by their very nature, these forecasts of future performance are subject to considerable uncertainty given the current pandemic and geopolitical context. In particular, they are based on the fundamental assumption that the impact of the pandemic will be gradually reabsorbed during the year and that the above-mentioned international tensions will not lead to further impacts on trade.

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Notice is hereby given that the minutes of the Ordinary Shareholders' Meeting of Geox S.p.A. held on April 14, 2022 are available to the public at the registered office in Biadene di Montebelluna, Via Feltrina Centro, 16 and at the eMarket Storage mechanism (www.emarketstorage.com). The document is, also, available on the Company's website www.geox.biz, relatively in the Governance section, "Shareholders' Meeting 2022."

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 61 different patents and by 5 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.