



SPAFID  
CONNECT

Informazione Regolamentata n. 0742-3-2022	Data/Ora Ricezione 24 Febbraio 2022 16:21:05	Euronext Milan
---	--	----------------

Societa' : GEOX  
Identificativo : 157736  
Informazione  
Regolamentata  
Nome utilizzatore : GEOXN04 - -  
Tipologia : 1.1; REGEM; 3.1  
Data/Ora Ricezione : 24 Febbraio 2022 16:21:05  
Data/Ora Inizio : 24 Febbraio 2022 16:21:06  
Diffusione presunta  
Oggetto : 2021 RESULTS

<i>Testo del comunicato</i>
-----------------------------

Vedi allegato.

PRESS RELEASE - 2021 RESULTS<sup>1</sup>

- **NET SALES EQUAL TO € 608.9 MILLION (+13.8% AT CURRENT FOREX, +14.4% AT CONSTANT FOREX) FOLLOWING THE STRONG PERFORMANCE OF THE MULTI-BRAND CHANNEL AND THE GRADUAL RE-OPENING OF THE DISTRIBUTION NETWORK.**
- **OPERATING INCOME (EBIT) STOOD AT € -44.9 MILLION, SHOWING A STRONG RECOVERY OVER 2020 (-€ 123.7 MILLION), ALTHOUGH STILL IMPACTED BY THE EFFECTS OF THE PANDEMIC RESULTING FROM THE LOCKDOWN IN THE FIRST HALF OF THE YEAR.**
- **OPERATING COSTS WERE DOWN (-4% ON 2020 AND -18% ON 2019).**
- **THE NET FINANCIAL POSITION (ANTE IFRS 16) AT € -64.3 MILLION (-€ 99.8 MILLION IN 2020). WORKING CAPITAL IMPROVED CONSIDERABLY, ACCOUNTING FOR 18.5% OF SALES (33.2% IN 2020).**
- **PERFORMANCE AT THE START OF 2022 BEARS OUT IMPROVING TRENDS:**
  - **TO DATE, DIRECT STORE COMPARABLE SALES ARE UP 44% OVER 2021 (SUBSTANTIALLY IN LINE VS 2019), SHOWING A SIGNIFICANT REDUCTION IN MARKDOWNS.**
  - **THE INITIAL ORDER INTAKE FOR THE SPRING-SUMMER 2022 SEASON IN THE MULTI-BRAND CHANNEL SHOWED A DOUBLE-DIGIT GROWTH. THE ONE RELATING TO THE FALL-WINTER 2022 SEASON (CURRENTLY BEING FINALISED) FURTHER UNDERPINS THIS TREND AND WOULD REACH 2019 LEVELS.**
  - **THE INITIATIVES SET OUT IN THE 2022-2024 BUSINESS PLAN WITH A VIEW TO INCREASING THE GROUP'S PROFITABILITY CONTINUE AS PLANNED.**
- **SUPPLY CHAIN UNCERTAINTIES ARE ALSO EXPECTED TO IMPACT THE FIRST QUARTER OF 2022 AND THEN IMPROVE DURING THE YEAR.**

**Biadene di Montebelluna, 24 February 2022** – Geox S.p.A., a leading brand in classic and casual footwear, listed on the Milan Stock Exchange (GEO.MI), has examined the 2021 draft financial statements and 2021 consolidated financial statements.

---

<sup>1</sup> The shutting down of the production facility in Serbia in mid-2021 qualifies as "Discontinued Operations" under IFRS 5. As a result, revenues and income and costs and expenses were reclassified under "Net result from discontinued operations" in the 2021 and, for comparative purposes, 2020 income statements. This resulted in a restatement of the 2020 income statement (as detailed in the final schedules of the release).

The Company commented as follows: "Although still impacted by the COVID-19 pandemic, the 2021 results show a significant improvement over last year due to the double digit growth in revenues, an increase in gross margins and a sharp and continuous reduction in costs achieved mainly as a result of the rationalisation actions undertaken in the last two years.

Since the re-opening of the stores, we have been witnessing a progressive and significant improvement in the performance of our network, which effectively resumed operations at the end of June. The changes seen in digital revenues and in the markets where the Group continues to concentrate its investments proved most reassuring.

Geox's online revenues in the broad sense – including revenues from e-tailers that distribute our products – reached one-third of the Group's total revenues, showing a growth of 30% compared to both last year and 2019.

The year 2021 also firmly underpins the strategic path outlined in the 2022-2024 Business Plan: profitability of direct stores is improving; the contribution from the wholesale channel is growing significantly; operating costs are decreasing further; net financial debt is decreasing; and the percentage of net working capital to revenues drops from 33% to 18%.

Annual results also improved following greater investments in advertising, with major television campaigns targeted to both adults and children being launched in more than 15 countries. These campaigns allowed us to (i) achieve significant sell-through results on the products ("Spherica", "Amphibiox", "Nintendo") advertised at our retail stores and (ii) increase the interest of wholesale customers in our collections. In the wake of these results and consistent with our Business Plan, we will soon launch another television advertising campaign in major markets.

The beginning of 2022 is also positive. At the beginning of January 2022, a research carried out by Pianeta 2030/Statista acknowledged us as the Italian company having the strongest focus on climate<sup>2</sup> in the fashion industry, bearing out our constant commitment to making our business more and more environmentally friendly.

Business figures in the first weeks of 2022 are consolidating the reassuring trends seen in recent months: sales from our direct stores stood at +44%, with a further reduction in discounts, while the order book for 2022 collections regarding the multi-brand channel shows a double-digit growth (more than +20%).

Against such a backdrop, we are growing increasingly confident that the path we have started, combined with the historical values of our Brand – such as people's wellbeing, innovation and sustainability – will enable us to play once again an increasingly key role for consumers while significantly improving the Group's service level and profitability profile."

## GROUP PERFORMANCE – REVENUES

Consolidated revenues for 2021 stood at € 608.9 million, up 13.8% on the previous year (+14.4% at constant forex). The increase was mainly driven by the good trend shown by the wholesale channel and the gradual improvement in store performance, which was underpinned by the re-openings that took place starting from the end of the second quarter.

### Revenues by distribution channel

(Thousands of Euro)	2021	%	2020	%	Var. %
<b>Wholesale</b>	<b>306,256</b>	<b>50.3%</b>	<b>258,330</b>	<b>48.3%</b>	<b>18.6%</b>
Franchising	43,137	7.1%	43,106	8.1%	0.1%
DOS*	259,522	42.6%	233,461	43.6%	11.2%
<b>Geox Shops</b>	<b>302,659</b>	<b>49.7%</b>	<b>276,567</b>	<b>51.7%</b>	<b>9.4%</b>
<b>Net sales</b>	<b>608,915</b>	<b>100.0%</b>	<b>534,897</b>	<b>100.0%</b>	<b>13.8%</b>

\* Directly Operated Store

<sup>2</sup> [Aziende green: la classifica delle più attente al clima- Corriere.it](#)

# GEOX RESPIRA

Revenues from multi-brand stores, accounting for 50.3% of Group revenues (48.3% in 2020), came in at € 306.3 million (+18.6% at current forex, +19.5% at constant forex), compared with € 258.3 million in 2020. The trend benefited from the strong performance of stock replenishment for SS21, a positive order book for the FW21 collection, a positive timing effect on shipments (as requested by partners at the beginning of the year), increased sales of stock from previous seasons and an improvement in commercial conditions. These effects more than offset the weak initial order book for the SS21 collection – which had been filled in the previous year at the height of the first lockdown – and therefore led to the overall good performance for the period.

Revenues from the franchising channel, accounting for 7.1% of Group revenues, amounted to € 43.1 million, virtually in line with 2020. The trend for the period benefited from the gradual re-opening of stores, whose positive performance combined with a favourable timing effect on shipments made it possible to cancel out the negative effects deriving from the reduction in the store network (approximately -€ 7 million or -15%). Indeed, the total number of franchised stores decreased from 322 stores in December 2020 to 304 in December 2021.

Revenues from Directly Operated Stores (DOS), accounting for 42.6% of Group revenues, stood at € 259.5 million, compared to € 233.5 million in 2020 (+11.2% at current forex, +11.3% at constant forex). Comparable sales (LFL) at year-end stood at +23%, partially thanks to a lower percentage of stores temporarily closed during the year (14% on average) as compared to 2020 (approximately 23%). As already mentioned, the rationalisation of the store network must also be taken into consideration (around 15%), with a net reduction of 60 DOS.

The Group's direct online business continued to perform well (+18% compared to 2020 and +73% compared to 2019).

## Revenues by region

(Thousands of Euro)	2021	%	2020	%	Var. %
Italy	153,801	25.3%	124,923	23.4%	23.1%
Europe (*)	278,283	45.7%	250,293	46.8%	11.2%
North America	26,827	4.4%	24,772	4.6%	8.3%
Other countries	150,004	24.6%	134,909	25.2%	11.2%
<b>Net sales</b>	<b>608,915</b>	<b>100.0%</b>	<b>534,897</b>	<b>100.0%</b>	<b>13.8%</b>

(\*) Europe includes: Austria, Benelux, France, Germany, Great Britain, Iberian Peninsula, Scandinavia, Switzerland.

Revenues generated in Italy, accounting for 25.3% of Group revenues (23.4% in 2020), stood at € 153.8 million (+23.1%) compared to € 124.9 in 2020. Italy's performance benefited from a lower percentage of stores closed due to lockdown compared to 2020. Growth was led by the wholesale channel (+47%) and the DOS channel (+19.1%). The franchising channel show a downtrend (-11.8%) and was most impacted by the ongoing rationalisation process (-15 stores compared to December 2020, i.e. 17% of the network).

Revenues generated in Europe, accounting for 45.7% of Group revenues (46.8% in 2020), totalled € 278.3 million, compared to € 250.3 million in 2020, showing an increase of 11.2% mainly driven, as was the case with Italy, by the good performance of the wholesale channel (+19.3%).

Direct stores in Europe posted a positive performance thanks to the uptrend of comparable sales (+14.3%) and despite the effects deriving from both the ongoing rationalisation process (-25 DOS, i.e. 18% of the network) and the lockdown-driven closure of many stores in the first half. The trend proved slightly negative for franchising revenues (down 4.4%), as they too were impacted by the ongoing rationalization process and lockdown in the first half of the year.

North America posted revenues of € 26.8 million, up 8.3% (+7.6% at constant forex) over 2020 despite the sharp reduction in the store network (4 net closures, i.e. 17% of the network) and closures due to lockdown in Canada,

which continued until 30 June. The trend of the wholesale channel (+16.2%) and of the direct online channel (+20.1%) was particularly strong.

Other countries posted an increase in turnover of +11.2% over 2020 (+13.5% at constant forex).

In the Asia Pacific area in particular, turnover fell by 8.5%, primarily as a result of the reorganisation in Japan, which resulted in the branch being closed and the business being transferred to a distributor.

China showed a revenue growth (+11%), with comparable sales from direct operated stores increasing by 11%.

Revenues in Eastern Europe grew by 17.7%, driven by the performance in Russia (up 23%). Directly Operated Stores throughout the region showed a 32% increase in comparable sales (Russia +41%); growth in the wholesale and franchising channels also proved positive, showing a double-digit increase.

#### Revenues by product category

Footwear revenues accounted for 89.8% of consolidated revenues, standing at € 547 million, up 14.6% (+15.0% at constant forex) compared to 2020. Apparel accounted for about 10% of consolidated revenues, standing at € 62 million (+7.8% at current forex, +9.3% at constant forex).

(Thousands of Euro)	2021	%	2020	%	Var. %
Footwear	546,917	89.8%	477,379	89.2%	14.6%
Apparel	61,998	10.2%	57,518	10.8%	7.8%
<b>Net sales</b>	<b>608,915</b>	<b>100.0%</b>	<b>534,897</b>	<b>100.0%</b>	<b>13.8%</b>

#### **GROUP PERFORMANCE: OTHER INCOME STATEMENT ITEMS**

While showing a significant improvement compared to 2020, the results for the period were still affected by the pandemic that led to the temporary closure of many stores, especially in the first part of the year. Against such a backdrop, the Group achieved a significant improvement in gross margins while acting resolutely in terms of cost effectiveness, with a cost reduction of approximately 13 million compared to 2020 (-70 million compared to 2019).

#### **Cost of sales and gross profit**

The cost of sales came in at 53.3% of revenues, compared with 56.6% in 2020, resulting in a gross margin of 46.7% (43.4% in 2020).

The strong improvement in margin was driven mainly by the improved performance of the business, which did not require extraordinary write-downs as was the case in 2020 (about € 18 million), and by the sharp reduction in average discounts in the DOS channel. These factors more than offset the unfavourable channel mix due to the reduction in direct channel sales caused by the rationalisation process carried out and temporary closures.

## Operating costs

Total operating costs (general and administrative expenses, selling and distribution costs and advertising costs) stood at € 329.5 million compared to € 342.5 million in 2020, with savings in the region of € 13 million (about -4%).

In particular:

- Sales and distribution costs stood at € 37.7 million (€ 41.4 million in 2020), showing a decrease despite the strong increase in turnover, mainly due to a back-to-normal situation in credit risk as a result of good business performance.
- General and administrative expenses stood at € 262.7 million, compared to € 278.1 million in 2020, down by approximately € 15 million. The decrease compared with last year benefited primarily from lower costs in Directly Operated Stores (DOS) of around € 21 million, due to the store network reduction over the past few quarters. This item also reflects around € 26 million (around € 27 million in 2020) relating to extraordinary positive items, including (i) government supports (€ 11.5 million compared to € 3.7 million in 2020) granted for the impact suffered by the business in the various countries following the pandemic, (ii) reliance on welfare support provisions (€ 7.2 million compared to € 17 million in 2020) and (iii) renegotiation of lease payments (€ 6.8 million compared to € 6.4 million in 2020).
- Advertising and promotion costs totalled € 29.2 million, showing an increase compared to the previous period (€ 23.0 million). The increase was chiefly due to greater marketing endeavours launched in the period, in line with the Business Plan.

## Restructuring charges

The rationalisation initiatives undertaken by the Group mainly in the last two years, have required significant measures to be adopted in many regions. It should be noted that in 2021, restructuring expenses and income show a positive balance of € 0.4 million (compared to costs of € 1.1 million in 2020). This net effect originates from the almost perfect offsetting of the costs incurred for the rationalisation of the distribution network and the positive effects arising from the write-off of past debts as part of the reorganisation procedures completed in Canada and the USA.

## Net asset impairment

Financial year 2020 was strongly affected by the global outbreak of COVID-19, which resulted in a net impairment of € 12.4 million, referring to 95 stores that were fully or partially impaired. These write-downs proved adequate with respect to both the stores closed in 2021 and future forecasts for existing stores. As a result, no additional book value adjustments were required in financial year 2021.

## Operating income (EBIT)

Operating income, after net impairments of fixed assets and restructuring costs, totalled € -44.9 million, compared to -€ 123.7 million in 2020.

## Taxes for the period

Income taxes for 2021 totalled € 6.4 million, compared to +4.3 million in 2020. Earnings results in both financial years did not have a corresponding monetary outlay, as these account for changes in deferred tax assets reflected in the financial statements, primarily due to temporary differences in provisions.

It should also be noted that the tax amount has been affected by the prudent choice not to make a provision for deferred tax assets to the extent of € 19.5 million, referring to the tax losses generated during 2021 (€ 25.1 million in 2020) in relation to which, as at the reporting date, there is not reasonable certainty that sufficient taxable income will be generated over the next three or four financial years to recover them, in addition to the value of deferred tax assets already reflected in the financial statements.

Such a prudent approach is in line with the recent ESMA recommendation issued in light of the extreme volatility of forecasts during the current pandemic. As a result, gaining more insights into the likely end of the health emergency is considered to be the best option.

## Net result from discontinued operations

The shutting down of the production facility in Serbia in mid-2021 qualifies as "Discontinued Operations" under IFRS 5. As a result, revenues and income and costs and expenses were all reclassified under this specific item in the 2021 and, for comparative purposes, 2020 income statements, totalling € 2,460 thousand and € 658 thousand respectively.

### Mono-brand store network - Geox shops

As at 31 December 2021, 'Geox Shops' totalled 768, of which 350 DOS. During 2021, 33 new Geox Shops were opened and 132 were closed, in line with the store network optimization planned in more mature markets and the expansion in countries where the Group's presence is still limited but developing well.

	12-31-2021		12-31-2020		2021		
	Geox Shops	of which DOS	Geox Shops	of which DOS	Net Openings	Openings	Closings
Italy	200	128	226	139	(26)	4	(30)
Europe (*)	210	117	246	142	(36)	2	(38)
North America	20	20	24	24	(4)	0	(4)
Other countries (**)	338	85	371	105	(33)	27	(60)
<b>Total</b>	<b>768</b>	<b>350</b>	<b>867</b>	<b>410</b>	<b>(99)</b>	<b>33</b>	<b>(132)</b>

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

(\*\*) Includes Under License Agreement Shops (114 as of December 31 2021, 135 as of December 31 2020). Sales from these shops are not included in the franchising channel.

## THE GROUP'S ASSETS, LIABILITIES AND FINANCIAL POSITION

The combined effect of rationalisation actions undertaken and the positive trend of sales in the direct channel at the time of re-opening, made it possible to improve the net financial position, which at the end of December, despite the extraordinary situation, stood (before IFRS 16 and after the fair value of derivative contracts) at € -64.3 million (-€ 99.8 million at December 2020). The net financial position before fair value of derivative contracts stood at € -82.9 million (-€ 89.8 million at December 2020), with cash generation of approximately € 7 million mainly concentrated in the second half of the year following the gradual re-opening of stores and outlets.

The Group suggested suspending payment of some rents while stores were temporarily closed and then began to pay rent in proportion to sales performance following their re-opening, until an agreement with the various landlords was eventually reached.

This approach is coherent 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. Discussions with property owners proceeded well and, as at 31 December, the Group already executed a significant number of agreements, with the few remaining ones being well underway. The past due portion of suspended or partially paid rent as at 31 December 2021 decreased to approximately € 4.1 million from approximately € 14 million as at 31 December 2020.

Net working capital stood at approximately € 112 million, down from € 178 million in December 2020. This reduction was mainly due to the reduction in inventory (approximately -€ 28 million compared to 2020) resulting from both the disposal of unsold inventory from previous seasons and the reduction in purchases for current seasons. In addition, the upturn in business also experienced by our customers enabled amounts collected to perform well, with a reduction in trade receivables reflected in the financial statements. As a result, the ratio of operating net working capital to revenues improved significantly and fell to 18.5% from 33.2% in 2020.

During 2021, the Group made investments of approximately € 19 million.

In the light of the somehow still volatile environment, the Group will continue with its initiatives to protect the company's cash flow and to reduce operating costs.

### **FINANCIAL STATEMENTS OF PARENT COMPANY GEOX S.P.A.**

The Board of Directors also approved the 2021 financial statements for parent company Geox S.p.A., together with the report on corporate governance.

Revenues totalled € 424.8 million, as compared to € 379.3 million in 2020. In 2021, a loss of € 64.8 million was posted, € 5.8 million of which refers to the write-down of equity investments and financial receivables regarding a number of foreign subsidiaries. In 2020, the Company had reported a loss of € 138.3 million, € 57.5 million of which refers to the write-down of equity investments and financial receivables regarding a number of foreign subsidiaries.

Shareholders' equity at 31 December 2021 stood at € 119.6 million compared to € 164.1 million at the end of 2020, with a negative net financial position of € 95.0 million, excluding the effects of IFRS 16 (negative to the extent of € 116.0 million at 31 December 2020).

The financial statements at 31 December 2021 will be submitted to the Shareholders' Meeting for approval, scheduled for 14 April 2022.

### **SIGNIFICANT SUBSEQUENT EVENTS**

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

The recent geo-political tensions concerning Russia, Belarus and Ukraine can lead to situations of international, humanitarian and social crisis with an ensuing strongly adverse impact on the populations of these countries. This context increases the concrete risk of international sanctions being inflicted as a deterrent for the countries involved, resulting in a negative impact on trade and domestic economic activity. At present, the size and extent of the sanctions have not been made public by the international community and, consequently, it is not possible to reliably estimate any impact on business. In 2021, the Group's turnover was € 51 million in Russia and € 5 million in Ukraine (negligible in Belarus).

Finally, in relation to the progress of the Covid-19 pandemic, the following should be noted.

At present, all the Group's stores are operational, despite a backdrop still filled with restrictions that, in fact, are limiting people's mobility and still heavily impacting tourist flows.

The Group's products are produced in the Far East and in the Mediterranean Basin. Overall, the effects of the COVID-19 pandemic are still being felt, but the system as a whole is currently operational, albeit against a backdrop that is still filled with a certain degree of instability as a result of the outbreak of new variants in the Middle East. Shipping also continues to be affected by criticalities, even though the situation is improving. On the one hand, all economic operators are experiencing longer transport times for sea freight due to the fewer number of departures and the higher number of stop-offs in order to make best use of the space available. On the other hand, there are less opportunities to make up for production delays with air freight, due to the limited number of cargo and passenger flights. These factors have resulted and continue to result in significant increases in freight and airway costs, especially



to the Americas. By converse, freight costs for Europe show a slight improvement, compared to peaks at the end of 2021.

## **BUSINESS OUTLOOK**

In formulating forecasts for the full year, certain positive factors (listed below) related to the current business trend must be taken into account, while emphasizing however that these factors have not yet been affected by the possible consequences of today's developments in the crisis in Ukraine.

- 1) The DOS channel is showing to date (week 7) comparable sales (*LFL*) evolving positively (approximately +44% over 2021 and slightly below 2019 levels) with a non-negligible reduction in markdowns (approximately 6 points) compared to both 2021 and 2019. Indeed, in the absence of new restrictions the entire first half of the year will benefit from an easy comparison with the first half of 2021, which was particularly affected by lockdowns and the ensuing closure of a high percentage of stores, especially in Europe. In contrast, second-half performance will compare on a more consistent basis (again assuming no lockdowns are required), as the entire network was virtually operational in the second half of 2021.
- 2) With regard to the wholesale channel, following the outstanding close of the initial order intake for the SS22 season (approximately +25%), the initial order book for the FW22 season is also showing the same increasing trend, reaching the budget and going to reach 2019 levels. It should be noted that in order to balance the increase in raw material and shipping costs the Group revised upwards its price list for both the SS22 collection (approximately +4% on average) and the FW22 collection (approximately +8% on average).
- 3) The situation regarding transportation still remains challenging both in terms of the timing of shipments and their cost. Geox is constantly in touch with its partners in the multi-brand channel to agree on methods and timing of delivery for the SS22 collection. This will cause some impact in terms of cancellations, commercial conditions and greater reliance on air travel, especially in the first half of the year. The Group believes, as do most market operators, that the situation may gradually improve during the second half of the year.

On the basis of these elements and the forecasts for the coming quarters, the management confirms that the fundamental lines of the Plan are respected and the current sales performance of the direct stores together with the excellent performance recorded in the Spring-Summer and Fall-Winter sales campaigns, which are now substantially concluded, would lead to the objectives of double-digit growth in annual revenues (forecast by the Plan to be above €700 million), with gross margins improving by approximately 100/150 basis points compared to 2021 levels. The increase in margins and profitability will be mainly concentrated in the second half of the year, thanks both to a higher revenue base (typical seasonality of the business) and to the expected easing of the critical issues currently present in the supply chain.

In this context, today's events, with the worsening of the crisis in Ukraine, lead to an increase in the risk and volatility of these forecasts on future performance because the actions and sanctions that will be applied by the international community as a reaction to these serious events are not yet known. In particular, today it is not yet possible to predict and quantify any possible impact on the business of our sector, currency trends, energy costs and inflation. Therefore, these forecasts on future trends, which by their very nature are already subject to great uncertainty, require even greater caution today.

## **OTHER RESOLUTIONS PASSED BY THE BOD**

### **AUTHORISATION TO BUY BACK AND HOLD TREASURY SHARES IN ACCORDANCE WITH ARTICLES 2357 AND 2357-TER OF THE (ITALIAN) CIVIL CODE AND 2019-2021 STOCK GRANT PLAN**

The Board of Directors has passed a resolution to submit a plan to buy back and hold treasury shares to the Shareholders' Meeting for approval. The aim of this plan is to limit abnormal price fluctuations, regulate trading whenever there are distortions linked to excessive volatility or to a lack of market liquidity and provide the issuer with shares for both the allocation of stock options, in view of said options being exercised as part of the Stock Option Plan approved by the shareholders' meeting to the benefit of employees, and for current and any future Stock Grant Plans, as well as for any extraordinary financial transactions in line with the Company's development strategy.

The Company may buy a number of ordinary shares not exceeding 10% of the share capital for a period of 18 months from the date that the shareholders' meeting passes the relative resolution (therefore with a deadline of 14 October 2023), subject to the revocation of the previous plan authorised by the Shareholders' Meeting on 22 April 2021.

Purchases must be made at a price per share that is no more than 10% higher or lower than the closing price posted on the business day prior to the purchase date. Maximum daily purchase volumes cannot exceed 25% of the average volumes traded during the 20 Stock Exchange sessions preceding the purchase date. The share buy-back must be carried out on regulated markets in accordance with the procedures provided for by applicable regulations (in particular, pursuant to art. 144-bis, para. 1, letter b) of the Issuers' Regulation and the provisions that are in any case applicable in order to meet

the requirement to treat all shareholders equally, as stated by art. 132 of the 'TUF' – *Italian consolidated law on financial intermediation*, and in accordance with applicable legislation and market practices permitted by CONSOB pursuant to article 13 of (EU) Regulation no. 596/2014), following the operating procedures set forth by the markets' own organisational and operating rules, in order to ensure that all shareholders are treated equally.

It should be noted that, as of today, the Company holds 3,996,250 treasury shares.

With reference to 2019-2021 Stock Grant Plan, finally the Board of Directors has verified that, due to the economic and financial crisis caused by the COVID-19 health emergency, the identified performance targets were not met and so the Plan can be considered no more valid.

**DECLARATION BY THE EXECUTIVE RESPONSIBLE FOR THE PREPARATION OF CORPORATE ACCOUNTING DOCUMENTS**

---

The executive responsible for the preparation of corporate accounting documents, Mr Massimo Nai, hereby declares, to the best of his knowledge and in accordance with paragraph 2, Article 154(a) of the “Testo Unico della Finanza” (Italian Consolidated Law on Financial Intermediation), that the accounting information disclosed in this press release reflects documentary evidence, accounting entries and other records of the company.

**FOR MORE INFORMATION**

---

## INVESTOR RELATIONS

Simone Maggi – Phone: +39 0423 282476; ir@geox.com

## PRESS OFFICE

Juan Carlos Venti – Phone: +39 0423 281914; Mobile: +39 335 470641; juancarlos.venti@geox.com

**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 55 different patents and by 11 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.

---

**CONSOLIDATED INCOME STATEMENT**

(Thousands of Euro)	2021	%	2020 Restated (*)	%
<b>Net sales</b>	<b>608,915</b>	<b>100.0%</b>	<b>534,897</b>	<b>100.0%</b>
Cost of sales	(324,653)	(53.3%)	(302,523)	(56.6%)
<b>Gross profit</b>	<b>284,262</b>	<b>46.7%</b>	<b>232,374</b>	<b>43.4%</b>
Selling and distribution costs	(37,659)	(6.2%)	(41,395)	(7.7%)
General and administrative expenses	(262,691)	(43.1%)	(278,102)	(52.0%)
Advertising and promotion	(29,195)	(4.8%)	(23,049)	(4.3%)
Restructuring charges	351	0.1%	(1,134)	(0.2%)
Net asset impairment	-	0.0%	(12,436)	(2.3%)
<b>EBIT</b>	<b>(44,932)</b>	<b>(7.4%)</b>	<b>(123,742)</b>	<b>(23.1%)</b>
Net financial expenses	(8,336)	(1.4%)	(8,112)	(1.5%)
<b>PBT</b>	<b>(53,268)</b>	<b>(8.7%)</b>	<b>(131,854)</b>	<b>(24.7%)</b>
Income tax	(6,419)	(1.1%)	4,307	0.8%
<b>Net result from continuing operations</b>	<b>(59,687)</b>	<b>(9.8%)</b>	<b>(127,547)</b>	<b>(23.8%)</b>
Net result from discontinued operations	(2,460)	(0.4%)	(658)	(0.1%)
<b>Net result</b>	<b>(62,147)</b>	<b>(10.2%)</b>	<b>(128,205)</b>	<b>(24.0%)</b>
<b>EBITDA</b>	<b>30,803</b>	<b>5.1%</b>	<b>(15,184)</b>	<b>(2.8%)</b>
<b>EBITDA excl. IFRS 16</b>	<b>(22,909)</b>	<b>(3.8%)</b>	<b>(83,194)</b>	<b>(15.6%)</b>

\* The shutting down of the production facility in Serbia in mid-2021 qualifies as "Discontinued Operations" under IFRS 5. As a result, revenues and income and costs and expenses were reclassified under "Net result from discontinued operations" in the 2021 and, for comparative purposes, 2020 income statements.

**EBITDA reconciliation:**

EBIT	(44,932)	(123,742)
D&A and impairment tangible and intangible assets	26,789	33,139
D&A and impairment Right-of-use	48,946	75,419
<b>EBITDA</b>	<b>30,803</b>	<b>(15,184)</b>
Rent under IFRS 16	(53,712)	(68,010)
<b>EBITDA excl. IFRS 16</b>	<b>(22,909)</b>	<b>(83,194)</b>

EBITDA: is the EBIT plus depreciation, amortization and can be directly calculated from the financial statements as integrated by the notes.

**RECLASSIFIED CONSOLIDATED BALANCE SHEET**

(Thousands of Euro)	Dec. 31, 2021	Dec. 31, 2020
Intangible assets	31,853	35,834
Property, plant and equipment	35,873	50,413
Right-of-use assets	203,674	241,808
Other non-current assets - net	36,567	47,686
<b>Total non-current assets</b>	<b>307,967</b>	<b>375,741</b>
<b>Net operating working capital</b>	<b>112,435</b>	<b>177,528</b>
<b>Other current assets (liabilities), net</b>	<b>(10,219)</b>	<b>(8,462)</b>
<b>Net invested capital</b>	<b>410,183</b>	<b>544,807</b>
Equity	124,582	167,208
Provisions for severance indemnities, liabilities and charges	8,908	9,849
Net financial position	276,693	367,750
<b>Net invested capital</b>	<b>410,183</b>	<b>544,807</b>

**OPERATING WORKING CAPITAL AND OTHER CURRENT ASSETS (LIABILITIES)**

(Thousands of Euro)	Dec. 31, 2021	Dec. 31, 2020
Inventories	240,320	267,964
Accounts receivable	68,927	87,718
Trade payables	(196,812)	(178,154)
<b>Net operating working capital</b>	<b>112,435</b>	<b>177,528</b>
<b>% of sales for the last 12 months</b>	<b>18.5%</b>	<b>33.2%</b>
Taxes payable	(10,079)	(13,057)
Other non-financial current assets	31,025	35,093
Other non-financial current liabilities	(31,165)	(30,498)
<b>Other current assets (liabilities), net</b>	<b>(10,219)</b>	<b>(8,462)</b>

**RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT**

(Thousands of Euro)	2021	2020
<b>Net result</b>	<b>(62,147)</b>	<b>(128,205)</b>
Depreciation, amortization and impairment	77,677	110,793
Other non-cash items	(19,449)	26,317
	<b>(3,919)</b>	<b>8,905</b>
Change in net working capital	81,087	(29,825)
Change in other assets/liabilities	2,635	(5,677)
<b>Cash flow from operations</b>	<b>79,803</b>	<b>(26,597)</b>
Capital expenditure	(18,989)	(18,212)
Disposals	6,505	183
<b>Net capital expenditure</b>	<b>(12,484)</b>	<b>(18,029)</b>
<b>Free cash flow</b>	<b>67,319</b>	<b>(44,626)</b>
Increase in right-of-use assets	(4,015)	(18,317)
<b>Change in net financial position</b>	<b>63,304</b>	<b>(62,943)</b>
<b>Initial net financial position - prior to fair value adjustment of derivatives</b>	<b>(357,699)</b>	<b>(296,020)</b>
Change in net financial position	63,304	(62,943)
Translation differences	(835)	1,264
<b>Final net financial position - prior to fair value adjustment of derivatives</b>	<b>(295,230)</b>	<b>(357,699)</b>
Fair value adjustment of derivatives	18,537	(10,051)
<b>Final net financial position</b>	<b>(276,693)</b>	<b>(367,750)</b>

**CAPEX**

(Thousands of Euro)	2021	2020
Trademarks and patents	396	578
Opening and restructuring of Geox Shop	4,494	7,747
Production plant	-	110
Industrial plant and equipment	2,631	2,334
Logistic	1,347	560
Information technology	8,713	5,958
Offices furniture, warehouse and fittings	1,408	925
<b>Total cash capex</b>	<b>18,989</b>	<b>18,212</b>
Right-of-Use	4,015	20,123
<b>Total capex</b>	<b>23,004</b>	<b>38,335</b>

Fine Comunicato n.0742-3

Numero di Pagine: 15