



# SPAFID CONNECT

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| Informazione<br>Regolamentata n.<br>0742-18-2020 | Data/Ora Ricezione<br>07 Maggio 2020<br>17:33:45 | MTA |
|--------------------------------------------------|--------------------------------------------------|-----|

Societa' : GEOX  
Identificativo : 132014  
Informazione  
Regolamentata  
Nome utilizzatore : GEOXN04 - -  
Tipologia : REGEM  
Data/Ora Ricezione : 07 Maggio 2020 17:33:45  
Data/Ora Inizio : 07 Maggio 2020 17:33:46  
Diffusione presunta  
Oggetto : PRESS RELEASE - Q1 2020 SALES

*Testo del comunicato*

Vedi allegato.

PRESS RELEASE - Q1 2020 SALES

**SALES EQUAL TO EURO 182.9 MILLION (-29.9% AT CURRENT FOREX, -30.2% AT CONSTANT FOREX) DUE TO THE COVID-19 EMERGENCY, WHICH HAS LED TO THE TEMPORARY CLOSURE OF STORES AROUND THE WORLD.**

**VERY POSITIVE PERFORMANCE RECORDED BY THE DIRECT E-COMMERCE CHANNEL (+21% AT THE END OF THE QUARTER). FURTHER GROWTH RECORDED IN APRIL (+102% COMPARED WITH APRIL 2019) TAKING PERFORMANCE SINCE THE START OF THE YEAR TO +41%, THANKS ALSO TO THE ACQUISITION OF NEW CUSTOMERS.**

**SOCIAL RESPONSIBILITY IS ONE OF THE GROUP'S FUNDAMENTAL VALUES. IN THIS EXTRAORDINARY SITUATION, PROTECTING EMPLOYEES AND SUPPORTING SUPPLIERS AND CUSTOMERS IS A PRIORITY.**

**THE COMPANY IMMEDIATELY CREATED A GLOBAL TEAM TO MANAGE THE EMERGENCY AT INTERNATIONAL LEVEL, PROTECTING THE GROUP'S SOLID FINANCIAL POSITION BY IMPLEMENTING A SIGNIFICANT AND AGGRESSIVE PLAN TO MITIGATE IMPACTS ON THE BUSINESS AS WELL AS MEASURES TO PRESERVE LIQUIDITY.**

**Biadene di Montebelluna, May 7, 2020** – Geox S.p.A., a leading brand in classic and casual footwear, listed on the Milan Stock Exchange (GEO.MI), today examined its consolidated sales figures for the first quarter of 2020.

Mario Moretti Polegato, Chairman and founder of Geox, commented: “After the year got off to a good start, with our stores recording positive sales up until the start of February 2020, the Covid-19 pandemic has had, and continues to have, significant economic and social repercussions on a global scale.

Institutions, enterprises and all citizens must come together to deal with this emergency. This is precisely why we have prioritised our contribution to the collective effort being made to reduce the spread of the virus, because sustainability, also in terms of social responsibility, has always been one of Geox's fundamental values.

As a company, we immediately began to scrupulously comply with all provisions issued by the competent authorities, allowing large numbers of employees to work from home and strictly implementing the health protocols agreed with social partners in order to protect those colleagues still coming into work.

A global team was also created at international level, which monitors and manages the emergency on a daily basis, taking timely decisions. This team is implementing an important and aggressive plan to mitigate impacts on the business.

At a time when 80% of our physical stores are still temporarily closed, the only real business indicators we're getting are from the e-commerce channel. We're recording strong growth in this channel, with sales doubling over recent weeks thanks also to the acquisition of new customers; as well as confirming our investments and strategic choices over the last few years, these results are also making us even more determined to tackle the upcoming challenges head-on, being fully aware that people's well-being, which has always been one of the characteristic features of our brand, will play an increasingly important role in consumers' purchasing choices and lifestyles.”

### **The COVID-19 pandemic and its impacts on the business during the first quarter**

The first quarter of 2020 was an extremely difficult time. The health emergency caused by the spread of the COVID-19 virus led to the temporary closure of stores in our sector, all over the world. In early March, 63 DOS (*Directly Operated Stores*) re-opened in China, Hong Kong and Macau and, over the last week, Germany, Austria, Holland, Hungary and Poland are also experimenting with the reopening of 45 stores.

The Group constantly monitors the measures being introduced by the various governments, scrupulously complying with all provisions issued by the competent authorities. It is also taking all additional precautions deemed necessary to protect the health of its employees, partners and customers. However, the measures to contain the spread of the virus are causing a drastic reduction in people's mobility, as well as in domestic and international tourism, with a strong impact on footfall for those stores that have been able to reopen.

The measures to close stores began in Italy at the end of February, with all shops in Europe, North America, Russia and Japan gradually also being temporarily closed in March. Performance in March was therefore penalised by both the lack of retail sales and deliveries to wholesale clients being suspended, as they were not able to receive the goods.

On the contrary, the group's e-commerce business is continuing to record strong growth, with sales at the end of March improving by 21.4% and a further acceleration being recorded in April (+102%), taking overall performance at week 18 to +41%.

In these exceptional circumstances, Geox has remained fully operational in all aspects, with constant oversight of management activities, customer relationships and customer care. It has also taken decisive action to implement a series of initiatives aimed at tackling the challenges posed by the pandemic.

### **Social responsibility**

Social responsibility is one of Geox's fundamental values. The Group has implemented a significant number of measures to protect the health and safety of its employees, customers and business partners. It has also contributed to the huge collective effort being made to reduce the contagion. More specifically:

- it decided to temporarily close its stores, often before being ordered to do so by the authorities;
- the Chairman and the company have made donations for the purchase of ventilators, intensive care beds and personal protective equipment;
- investments in technology have allowed for extensive use of smart working from home;
- for the people still coming into work, all the necessary precautions have been taken, strictly implementing the health protocols agreed by the authorities and by the social partners. In addition, health screening measures are also being offered, such as serological tests and measurement of body temperature. Workstations and shared spaces have also been reorganised in order to comply with social distancing rules at work;
- the company's managers have renounced all variable fees for 2020 and, right at the start of the emergency, they decided, on a weekly basis, to reduce their fixed pay by 20% and to donate at least one day of unused holiday until business resumes. These savings will go towards refinancing the company's existing **welfare plan** which, given the expected results, would not otherwise be operational, also managing to increase it and introduce a focus on health, safety and families (in particular: people, children, parents, grandparents, babysitters, assistance, mortgage repayments, purchase of computers and materials for home-schooling). At such a difficult time, this is a sign of solidarity and care for co-workers.

### **Measures aimed at protecting the company's cash flow**

The Group has shareholders' equity of Euro 303 million and closed 2019 with a positive net financial position of approximately Euro 6 million (before IFRS 16), thanks to the strong optimisation of working capital which had recorded its best performance of recent years, representing 22.7% of sales.

The Covid-19 emergency will lead to a significant one-off absorption of cash, in addition to the normal seasonality of the business. In particular, the temporary closure of stores and the slowdown in receiving payments from wholesale and franchising clients is leading the entire sector to face a temporary negative cash flow during the second quarter. This is caused by the abnormal increase in working capital due to the lack of takings from stores, unsold stock and unpaid receivables.

However, the Group immediately implemented a significant and thorough plan to reduce future financial requirements. These measures are designed to:

- postpone non-essential investments, such as store revamps or new openings. Overall, the investments initially planned for 2020, amounting to Euro 40 million, will be reduced by approximately Euro 15 million (-40%). Investments in digital infrastructure and the omnichannel approach, on the other hand, have been confirmed, as these are instrumental to the evolution of Geox's business model, with the aim of perfectly integrating physical and digital stores as well as the warehouses for the various channels;
- limit the increase in working capital. In this regard, Geox is working closely with its suppliers to reduce purchases for the upcoming autumn-winter collection by approximately Euro 40 million (-21%), compared with both initial forecasts and the previous year;
- offer clients a package of support measures and strengthen the partnership, aimed at encouraging the payment of receivables as well as defending and protecting the backlog of orders to be delivered for the spring-summer and autumn-winter collections. Generally speaking, receivables are nonetheless insured;
- carefully assess the strategy to release products to the distribution network, in order to reduce future purchases based on the availability of products from the current season, given that the latter has effectively not been presented to the market; these products may be partly considered as a transition to move towards the next autumn-winter collection (for which purchases have already been significantly reduced) and partly re-proposed as part of the 2021 spring-summer collection;
- renew the vendor financing programmes in place, aimed at extending payment terms with suppliers.

In any case, the company has significant lines of credit available and is also actively negotiating for them to be increased further and extended, with the aim of better adjusting their composition in terms of duration, linking short-term lines with the normal seasonality of the business, medium-term lines with the one-off requirements resulting from Covid-19 and long-term lines with investments.

### **Measures to significantly cut operating costs**

Geox's management team believes that it is fundamentally important to react to these changing market conditions by implementing extremely decisive and appropriate measures to mitigate the negative effects of this scenario on the year's results. In particular, the Group is:

- obtaining and renegotiating substantial rent reductions for stores in the areas affected by the temporary closures and, subsequently, by the considerable drop in footfall;
- working towards making HR costs flexible in relation to the opening hours and turnover of each store. In particular, it is accessing the various forms of government aid and the measures to protect workers which were either already in place in the various countries or have been implemented by the various governments to address the current exceptional circumstances, such as the "cassa integrazione" (*fund to supplement earnings*) in Italy and the other measures provided for by foreign legal systems;
- postponing non-essential investments until a more favourable moment in time, including investments in advertising aimed at increasing in-store footfall;

- further analysing the profitability of the store network to assess additional rationalisation measures<sup>1</sup>. Any additional closures relating to stores that were already impaired at 31 December 2019 should not involve additional write-downs.
- implementing all other strict cost control measures necessary to achieve significant rationalisation in order to free up resources for the most significant investments, while preparing to adjust the intensity of reorganisation processes based on the close monitoring of the situation as it evolves.

### **Supply of raw materials, finished products and distribution<sup>2</sup>**

Geox Group purchases approximately 4% of its finished products from China (mainly apparel) and it uses Chinese suppliers for some of the raw materials used for manufacturing in other areas of the Far East. Production activities have gradually recovered and all of Geox's suppliers in China are now operational, albeit not fully due to certain ongoing restrictions on people's mobility.

Since the end of March, the contagion has also begun to spread significantly in other countries in the Far East. In particular, India has imposed its first restrictive measures, suspending all production activities starting from the end of March. These activities are still suspended and are expected to reopen on 18 May according to the provisions of local regulations.

In Serbia, home to the plant owned by the Group, the precautionary measure was taken to halt production in order to safeguard employees' health and avoid production inefficiencies linked to potential absenteeism due to the health risk and to the fact that certain borders have been temporarily closed for the transport of goods. This week, some production lines have become operational again. The plant is expected to be fully operational by the end of May.

As mentioned above, the situation is constantly evolving and requires a great deal of prudence and care throughout the supply chain; events are being continuously monitored in order to promptly identify any issues which may lead to risks of delays in production and deliveries, and to implement any appropriate actions to mitigate them.

All of the Group's distribution centres across the world have remained operational at all times.

### **Business outlook**

With regard to full-year performance estimates, the seriousness of the current situation and the uncertainties about how long the epidemic will last mean that it is extremely complex to make any kind of annual forecast. This is also the case given the level of uncertainty regarding the actual economic support measures to be provided by each country, how long the so-called "Phase 2" will last, the difficulty in predicting store performance during the transition period and the impacts on consumer confidence and their future earning capacity.

The management team is in close contact with wholesale clients in the various countries and is strengthening partnerships by offering a support package aimed at encouraging the payment of receivables as well as protecting the residual backlog of orders to be delivered for the spring-summer collection and the orders collected for the 2020 autumn-winter collection.

This "wholesale support package" is made up of a number of initiatives:

- a) the possibility is offered to collect summer products at a discount, in order to boost margin performance leading up to and during the sale period;

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<sup>1</sup> Please be reminded that, on January 16, 2020, the Board of Directors of Geox S.p.A. examined and approved a rationalisation plan for the Group's network of stores (DOS). On the same date, approximately 130 stores (CGUs) were identified with negative P&L performance or other indications that they needed to be subjected to an impairment test. Out of these stores, around 100 have either been fully or partially written down and around 80 (including DOS and corners) have been identified as no longer complying with the Group strategy in terms of significance and profitability. The latter shall be closed over the course of the three-year period 2020-2022, with decreasing intensity.

In order to properly assess the financial statements as of 31 December 2019, the Board of Directors approved a simulation of income for each of the Group's directly operated stores, which provides for substantially stable operating results and cash flows in the future, compared with the actual performance recorded over the course of the last year. This income simulation, adopted in order to make budgetary assessments before the new strategic business plan is drawn up, provided reasonably prudent forecasts regarding the cash flows that may be achieved. For each store analysed, a time frame was adopted that is in line with the new duration stated by the relative lease agreement, and a different WACC rate was used for each country, ranging from 4.34% to 6.24%.

<sup>2</sup> Update to the press release on this issue dated March 27, 2020.

- b) flexible delivery is proposed for closed-toe shoes that have been ordered but not yet collected, postponing said deliveries to spring-summer 2021 with no charge for warehousing costs;
- c) flexibility is also agreed for the delivery of winter products, given the tendency in the market to keep summer collections in stores until at least the end of September;
- d) an incentive is offered for the quick payment of overdue receivables and for payments to be duly made for the current collection.

These market dynamics, the temporary closure of stores in April and May, the realistic possibility that shopping centres will remain closed also in June and the fact that stores will gradually be reopened in a context of people's mobility being strongly reduced and with a lack of tourists, shall all nevertheless continue to have a negative impact in the second quarter of the year. Management therefore expects sales in the second quarter to record a greater drop, compared with the same period last year, than the one recorded in the first quarter, as the year nonetheless got off to a positive start under normal business conditions.

### **GROUP PERFORMANCE**

Consolidated sales in the first quarter of 2020 amounted to Euro 182.9 million, down 29.9% compared with the previous year (-30.2% at constant forex), affected by the spread of the Covid-19 pandemic.

#### Sales by distribution channel

| (Thousands of Euro) | I Quarter 2020 |               | I Quarter 2019 |               | Var. %         |
|---------------------|----------------|---------------|----------------|---------------|----------------|
|                     |                | %             |                | %             |                |
| <b>Wholesale</b>    | <b>102,868</b> | <b>56.2%</b>  | <b>140,288</b> | <b>53.8%</b>  | <b>(26.7%)</b> |
| Franchising         | 13,207         | 7.2%          | 36,836         | 14.1%         | (64.1%)        |
| DOS*                | 66,807         | 36.5%         | 83,786         | 32.1%         | (20.3%)        |
| <b>Geox Shops</b>   | <b>80,014</b>  | <b>43.8%</b>  | <b>120,622</b> | <b>46.2%</b>  | <b>(33.7%)</b> |
| <b>Net sales</b>    | <b>182,882</b> | <b>100.0%</b> | <b>260,910</b> | <b>100.0%</b> | <b>(29.9%)</b> |

\* Directly Operated Stores

Sales generated by wholesale stores, representing 56.2% of Group revenues (53.8% in the first quarter of 2019), amounted to Euro 102.9 million (-26.7% at current forex, -27.2% at constant forex). As described above, this trend was affected by the measures taken to reduce the contagion by the individual countries in which Geox Group operates, which led to deliveries to clients being suspended as of mid-March. This situation will further affect performance in the second quarter, so an increase in order cancellations is to be expected, together with lower demand for stock replenishment and a further postponement of deliveries, considering that the majority of clients are expected to prolong the sale period for the spring-summer collection.

Sales in the franchising channel, accounting for 7.2% of Group revenues, amounted to Euro 13.2 million, reporting a decline of 64.1% (-64.0% at constant forex), compared with Euro 36.8 million in the first quarter of 2019. As was the case for the wholesale channel, performance was affected by deliveries being suspended starting from mid-March. Deliveries during the quarter were down by approximately 33%. It should also be remembered that the majority of franchising clients have the right to fully return any unsold products. The rest of the decline recorded during the

quarter was due to the greater allocations made to the provision for returns, based on current forecasts for unsold goods at the end of the 2020 spring-summer season, now expected to be at least double those in 2019. These forecasts have led to an increase in allocations being made to the Group's relative provisions, passing from approximately Euro 8 million in the first quarter of 2019 to over Euro 17 million in the first quarter of 2020. The distribution network went from 415 stores in March 2019 to 362 in March 2020, meaning a reduction of 53 points of sale (a network effect of approximately -13%).

Sales generated by directly operated stores (DOS), representing 36.5% of Group revenues, amounted to Euro 66.8 million, compared with Euro 83.8 million in the first quarter of 2019 (-20.3% at current forex, -20.6% at constant forex). Performance in the quarter was substantially in line with like-for-sales (-20.8%), given that no changes were made to the network compared with the previous year. Like-for-like sales performance was mainly affected by the temporary store closures. After the year got off to a positive start, the spread of the pandemic led to social distancing measures being introduced with the subsequent closure of all non-essential businesses, first in China at the end of January, then in Italy at the end of February/beginning of March and finally in the rest of Europe and North America from mid-March onwards. At the end of March, around 85% of Geox's total network of DOS was temporarily closed. This situation continued throughout the month of April (like-for-like sales at -85% for the month), thereby also affecting current like-for-like performance (week 1 - week 18: the cumulative figure since the start of the year is approx. -39%). In the last week of April, some shops in Germany, Austria, Poland and Hungary reopened, followed by others in Holland at the start of May. The health protocols imposed by each country's government for the so-called "Phase 2" shall nonetheless involve extensive restrictions in terms of footfall, due to the need to maintain social distancing (meaning a limited number of customers will be allowed inside stores). In any case, people's mobility is still restricted and there are still no tourists. In their first week after reopening, stores in Germany and Austria recorded an average drop in footfall of around -85%, corresponding to a decline in sales of around -70% thanks to a good increase in the conversion rate.

The direct e-commerce channel, on the other hand, continued to record strong growth (+21% compared with the first quarter of 2019). Results in the month of April were particularly impressive, with sales generated by the e-commerce channel more than doubling (+102%) thanks also to a significant increase in the number of new clients being acquired. This performance takes like-for-like sales performance since the start of the year (week 1 to week 18) to approximately +41%.

#### Sales by region

| (Thousands of Euro) | I Quarter 2020 |               | I Quarter 2019 |               | Var. %         |
|---------------------|----------------|---------------|----------------|---------------|----------------|
|                     |                | %             |                | %             |                |
| Italy               | 42,909         | 23.5%         | 79,797         | 30.6%         | (46.2%)        |
| Europe (*)          | 87,585         | 47.9%         | 112,715        | 43.2%         | (22.3%)        |
| North America       | 8,989          | 4.9%          | 10,662         | 4.1%          | (15.7%)        |
| Other countries     | 43,399         | 23.7%         | 57,736         | 22.1%         | (24.8%)        |
| <b>Net sales</b>    | <b>182,882</b> | <b>100.0%</b> | <b>260,910</b> | <b>100.0%</b> | <b>(29.9%)</b> |

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

Sales generated in Italy, representing 23.5% of Group revenues (30.6% in the first quarter of 2019), amounted to Euro 42.9 million, compared with Euro 79.8 million in 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 (meaning it was the first to be affected by government social distancing measures) and is also the country where the Group has the highest number of stores (150 DOS and 114 franchises).

On 24 February, the Italian authorities introduced precautionary measures, leading to the closure of 35 directly operated stores in Lombardy during the last weekend of February, out of a total of 47, and 36 in the first week of March.

On 10 March 2020<sup>3</sup>, Geox Group independently took the decision to temporarily suspend all of its direct sales activities, in an effort to contain the spread of the virus.

On 11 March 2020<sup>4</sup>, given the growing number of cases, the Italian government then ordered all shops in the country to close with the exception of those providing basic essentials (especially supermarkets and pharmacies). Italian Prime Ministerial Decree dated 26 April 2020<sup>5</sup> is currently in force, which states that shops may reopen on 18 May.

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 like-for-like sales for the quarter in line with the Group figure. With regard to performance in the wholesale and franchising channels, on the other hand, the drop in sales was mainly down to the factors already described for the individual channels. In Italy, performance of the e-commerce channel was particularly impressive, recording +33% at the end of the quarter and +63% from the start of the year to date.

Sales generated in Europe, representing 47.9% of Group revenues (43.2% in the first quarter of 2019), amounted to Euro 87.6 million, compared to Euro 112.7 million in the first quarter of 2019, recording a decline of 22.3%, mainly due to the effects of the spread of the epidemic, which led to stores being temporarily closed from the second half of March. The delay in containment measures being introduced compared with Italy (around one month) explains why performance was better than on the Italian market.

After a positive start to the year (approximately +5%), like-for-like sales for directly operated stores recorded a decline of around 16% in the quarter, after the closures in mid-March (there has been a larger drop of 40% this month). Generally speaking, current regulations imposed by the main European governments state that shops may reopen around mid-May. As of today, some DOS have opened in Germany, Austria and Holland (34 stores) since the end of April/beginning of May. Other countries are expected to reopen shops around mid-May/beginning of June.

The e-commerce channel for the European market has recorded the same, excellent trend (+26% at the end of March and +43% to date). Lastly, with regard to the wholesale and franchising channels, performance has been negative but better than on the Italian market, benefiting from the fact that deliveries to counterparties being brought forward (especially in Germany and Austria) at least partly avoided the suspension of deliveries that had been experienced since mid-March.

North America recorded a turnover of Euro 9 million, down 15.7% (-17.6% at constant forex). This market was less affected by Covid-19 in the first quarter, as containment measures were implemented later than in other countries. Since 18 March, all shops in the USA and Canada have been temporarily closed and, as of today, they are expected to reopen around mid-May. Therefore, as of today, 100% of directly operated, physical stores are closed.

The e-commerce channel recorded slightly positive performance at the end of March (+6%), while results from the start of the year to date are up +28% after impressive performance in April. Performance in the wholesale channel remained substantially the same, thanks also to a favourable basis for comparison.

A 24.8% reduction in turnover was recorded in the Rest of the World compared with the first quarter of 2019 (-25.6% 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 after social restrictions were introduced and stores were closed at the end of January/start of February. Shops were reopened at the beginning of March and performance is now gradually improving. Overall, aggregated like-for-like sales at the end of the quarter showed a decline of close to -50%. The direct e-commerce channel, which was particularly negative at the end of March (around -50%), is now gradually recovering, currently recording a figure close to -20%. It should be noted that, starting from the beginning of April, stores in Japan have been temporarily closed, again following the containment measures imposed by the government to reduce the spread of the virus.

With regard to Eastern Europe, on the other hand, all directly operated stores were temporarily closed towards the end of March. As of today, they are expected to reopen around mid-May. Excellent performance was recorded in this area for the wholesale channel and e-commerce channel. Directly operated stores in Russia also recorded positive performance.

<sup>3</sup> <https://www.geox.biz/static/upload/com/comunicato-stampa-10-marzo-2020.pdf>

<sup>4</sup> <https://www.gazzettaufficiale.it/eli/id/2020/03/11/20A01605/sg>

<sup>5</sup> <https://www.gazzettaufficiale.it/eli/gu/2020/04/27/108/sg/pdf>



Sales by product category

| (Thousands of Euro) | I Quarter 2020 |               | I Quarter 2019 |               | Var. %         |
|---------------------|----------------|---------------|----------------|---------------|----------------|
|                     |                | %             |                | %             |                |
| Footwear            | 162,636        | 88.9%         | 236,491        | 90.6%         | (31.2%)        |
| Apparel             | 20,246         | 11.1%         | 24,419         | 9.4%          | (17.1%)        |
| <b>Net sales</b>    | <b>182,882</b> | <b>100.0%</b> | <b>260,910</b> | <b>100.0%</b> | <b>(29.9%)</b> |

Footwear sales represented 88.9% of consolidated sales, amounting to Euro 162.6 million, down 31.2% compared with the first quarter of 2019 (-31.5% at constant forex). Apparel sales represented 11.1% of consolidated sales, amounting to Euro 20.2 million, compared with Euro 24.4 million in the first quarter of 2019 (-17.1% at current forex, -17.5% at constant forex).

Mono-brand store network – Geox shops

As of March 31, 2020, there was a total of 950 “Geox Shops”, of which 454 DOS. During the first quarter of 2020, 7 new Geox Shops were opened and 31 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.

|                      | 03-31-2020 |              | 12-31-2019 |              | 1° Q 2020    |          |             |
|----------------------|------------|--------------|------------|--------------|--------------|----------|-------------|
|                      | Geox Shops | of which DOS | Geox Shops | of which DOS | Net Openings | Openings | Closings    |
| Italy                | 264        | 150          | 272        | 148          | (8)          | -        | (8)         |
| Europe (*)           | 264        | 155          | 270        | 159          | (6)          | 1        | (7)         |
| North America        | 34         | 34           | 37         | 37           | (3)          | -        | (3)         |
| Other countries (**) | 388        | 115          | 395        | 110          | (7)          | 6        | (13)        |
| <b>Total</b>         | <b>950</b> | <b>454</b>   | <b>974</b> | <b>454</b>   | <b>(24)</b>  | <b>7</b> | <b>(31)</b> |

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

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

**DECLARATION BY THE MANAGER RESPONSIBLE FOR THE PREPARATION OF COMPANY ACCOUNTING DOCUMENTS**

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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**

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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**

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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.

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Fine Comunicato n.0742-18

Numero di Pagine: 11