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| Oggetto | : | 2020 RESULTS |

*Testo del comunicato*

Vedi allegato.

PRESS RELEASE - 2020 RESULTS

- **SALES EQUAL TO EURO 534.9 MILLION (-33.6% AT CURRENT FOREX, -33.0% AT CONSTANT FOREX), DUE TO THE TEMPORARY CLOSURES RESULTING FROM THE PANDEMIC AND THE STEPS TAKEN TO RATIONALISE THE NETWORK.**
- **STRONG GROWTH RECORDED BY THE DIRECT E-COMMERCE CHANNEL (+41%).**
- **ADJUSTED EBIT[1] AMOUNTED TO EURO –111.0 MILLION (EURO -3.1 MILLION IN 2019) AND WAS AFFECTED BY THE REDUCTION IN TURNOVER RESULTING FROM THE LOCKDOWN, ESPECIALLY IN THE SECOND AND FOURTH QUARTERS.**
- **SIGNIFICANT REDUCTION IN OPERATING COSTS, FOR APPROXIMATELY EURO 60 MILLION (-15%).**
- **THE NET FINANCIAL POSITION AT 31 DECEMBER 2020 (BEFORE IFRS 16) STOOD AT EURO -99.8 MILLION (EURO +6.5 MILLION AT 31 DECEMBER 2019).**
- **THE REVIEW OF THE BUSINESS MODEL, AIMED AT DEFINING A MORE STREAMLINED AND EFFICIENT DISTRIBUTION NETWORK THAT IS PERFECTLY INTEGRATED WITH THE DIGITAL CHANNEL, IS RECORDING ITS FIRST POSITIVE RESULTS.**
- **PERFORMANCE AT THE START OF 2021 IS SHOWING A NUMBER OF ENCOURAGING SIGNS IN MARKETS AND CHANNELS LESS AFFECTED BY CLOSURES:**
  - **POSITIVE LIKE-FOR-LIKE SALES PERFORMANCE IN RUSSIA (+18% SINCE THE START OF THE YEAR AND +18% COMPARED WITH 2019) AND IN CHINA (+76% SINCE THE START OF THE YEAR).**
  - **THE DIRECT E-COMMERCE CHANNEL HAS RECORDED EVEN STRONGER GROWTH SINCE THE START OF THE YEAR (+72%).**
- **ENCOURAGING INITIAL SALES FIGURES FOR THE NEW, INNOVATIVE PROJECTS LAUNCHED WITH THE SS21 COLLECTION (SPHERICA, PLAYKIX).**
- **PROPOSAL SUBMITTED TO THE SHAREHOLDERS' MEETING FOR A NEW LONG-TERM INCENTIVE SYSTEM FOR MANAGEMENT, IN THE FORM OF A STOCK GRANT & CASH PLAN TO SUPPORT THE OBJECTIVES OF THE 2021-2023 STRATEGIC BUSINESS PLAN, WHICH IS IN THE PROCESS OF BEING DEFINED.**

**Biadene di Montebelluna, 15 March 2021** – Geox S.p.A., a leading brand in classic and casual footwear, listed on the Milan Stock Exchange (GEO.MI), has examined the 2020 draft financial statements and 2020 consolidated financial statements, together with the non-financial consolidated statement.

[1] Excluding restructuring charges and net asset impairment totalling approximately Euro 13.6 million

The Company commented: "2020 results were deeply affected by the COVID-19 pandemic, with people's mobility being significantly reduced, tourism being substantially wiped out and non-essential businesses being temporarily suspended (as is still the case).

During 2020, almost a quarter of our distribution network experienced disruptions to operations, with temporary closures peaking in the second and fourth quarters. As well as causing an inevitable and significant drop in turnover and margin performance, this also led to considerable extraordinary expenses linked to increasing levels of unsold stock, store closures and the difficulties being faced by our clients.

In this context, Geox Group took the necessary action to protect the company's liquidity and safeguard employees, as well as implementing strict cost cutting measures (saving around Euro 60 million) and speeding up the process to define a more streamlined and efficient business model that is more responsive to the new market context.

The pandemic and the digitisation process are leading to inherent changes in consumers' buying behaviour, forcing companies to evolve their distribution and operational structures in order to make them simpler, more integrated and more flexible.

The digital channel continues to record constant growth, playing an increasingly important role for all types of customers and driving purchases also in the physical channel, which remains key for the brand's success and image; however, physical stores must now develop further, expanding the range of services on offer and perfectly integrating with the digital channel, at the same time as ensuring that rents are more in line with the new operating context.

With this in mind, the Group therefore recently approved an important review of its distribution network (involving the closure, over the next three years, of 110 less profitable stores that are no longer strategic), as well as approving further investments in the digital channel (a direct e-commerce site will soon be opened in Russia, partnerships will be strengthened in China, Geox will enter the marketplaces of leading European partners) and continuing reorganisation initiatives in countries currently characterised by an unsatisfactory profitability profile.

These measures will be accompanied by further initiatives to streamline the company's general cost structure, making it more flexible with respect to business performance; these initiatives will also free up the necessary resources to fund other strategic projects for the Group, with the aim of revamping the brand's image through new marketing campaigns and improving the sales mix using innovative merchandising tools.

Despite the complexities arising from the pandemic, sales performance over recent months has shown encouraging signs, confirming the validity of our strategic plan. The e-commerce channel is growing at an even faster rate (+72% since the start of 2021) and China and Russia, two high-potential markets that are no longer being affected by temporary closures, are showing consolidated signs of recovery, which began towards the end of 2020; these markets have recorded double-digit growth since the start of 2021.

The Geox children's range has continued to record resilient performance, with the Group boasting a leadership position in many countries, thanks also to its continuous investments and innovation. We have launched two new projects for the spring collection, with a return to TV advertising campaigns. The first refers to our highly innovative "Playkix™" for children; this product combines the traditional goals of well-being and protection with a desire to get moving and have some fun, thanks to a sensor inserted in the sole that uses a bluetooth connection to convert the steps of our youngest consumers into exciting interactive adventures on your smartphone. We have also launched a new project for adults: "Spherica™", these sneakers stand out for their exceptional performance in terms of comfort, lightness and well-being, thanks to their *zero shock system* that absorbs knocks and jolts coming up from the ground. The first sales figures for both products are very encouraging.

As well as demonstrating our uninterrupted commitment to innovation and research, these two new projects also mark the beginning of a strategy based on customer centrality, offering increasingly targeted products focusing on the brand's values and with more support from advertising campaigns.

We are confident and convinced that the brand's long-standing values of product innovation, people's well-being and sustainability, combined with the ongoing, profound changes in lifestyles and buying behaviour, with consumers increasingly looking for a casual style and excellent value-for-money, will allow us to successfully return to growth and sustainable profitability once the pandemic is over."

## GROUP PERFORMANCE: SALES FIGURES

Consolidated sales in 2020 amounted to Euro 534.9 million, down 33.6% compared with the previous year (-33.0% at constant forex), affected by the spread of the COVID-19 pandemic and the rationalisation of the store network completed over the course of the year.

*The performance recorded in the fourth quarter (-35.3% and -33.5% at constant forex) is mainly due to three factors: the new temporary closures imposed by governments in the various countries, the completion of the 2020 store rationalisation plan and demand from the market to postpone deliveries of the 2021 Spring-Summer collection.*

Sales by distribution channel

| (Euro thousand) | 2020 | % | 2019 | % | Var. % |
|---|---|---|---|---|---|
| **Wholesale** | **258,330** | **48.3%** | **360,448** | **44.7%** | **(28.3%)** |
| Franchising | 43,106 | 8.1% | 84,302 | 10.5% | (48.9%) |
| DOS* | 233,461 | 43.6% | 361,108 | 44.8% | (35.3%) |
| **Total Geox Shops** | **276,567** | **51.7%** | **445,410** | **55.3%** | **(37.9%)** |
| **Total revenues** | **534,897** | **100.0%** | **805,858** | **100.0%** | **(33.6%)** |

* Directly Operated Stores

Sales generated by wholesale stores, representing 48.3% of Group revenues (44.7% in 2019), amounted to Euro 258.3 million (-28.3% at current forex, - 27.4% at constant forex), compared with Euro 360.4 million in 2019. This trend is due to the temporary closures of wholesale stores in the second and third quarter, which led our clients to: cancel some of their orders for the Spring/Summer season; reduce stock replenishment during the season; extend the sell-out period for the spring collection, closely working with Geox to review their initial orders for the winter season; postpone delivery advances for the SS21 collection. The Group also recorded fewer sales of stock from previous seasons.

*Performance improved during the fourth quarter (-17.5% at current forex and -12.2% at constant forex), with sales amounting to Euro 36.9 million (Euro 44.7 million in the fourth quarter of 2019). This performance is substantially in line with the reduction in purchases for the FW20 collection (-21%), after orders were reviewed in close cooperation with clients in order to minimise the risk of cancellations. In addition, sound performance in terms of stock replenishment for the FW20 collection was also recorded, offsetting the negative timing effect regarding deliveries of the SS21 collection.*

Sales in the franchising channel, accounting for 8.1% of Group revenues, amounted to Euro 43.1 million, reporting a decline of 48.9% (-48.3% at constant forex), compared with Euro 84.3 million in 2019. Performance for the year was affected by the temporary closures and by the reduction in the store network (around Euro 14 million, or 17%), down from 386 stores in December 2019 to 322 in December 2020.

*This channel reported sales of Euro 9.6 million in the fourth quarter (Euro 16.7 million in the fourth quarter of 2019), down 42.8% (-42.2% at constant forex); this is due to both the reduction in the store network (-17%) and the negative timing effect regarding deliveries of items from the SS21 collection.*

Sales generated by directly operated stores (DOS), representing 43.6% of Group revenues, amounted to Euro 233.5 million, compared with Euro 361.1 million in 2019 (-35.3% at current forex, -34.9% at constant forex). Like-for-like sales performance of -33.8% was recorded at the end of 2020, reflecting the high percentage of stores that were temporarily closed during the year (over 20% on average) and the reduction in footfall caused by the restrictions on

people's mobility. As already mentioned, the rationalisation of the store network must also be taken into consideration (around 10%), with a net reduction of 44 DOS being recorded mainly in the second half of the year.
After stores were reopened at the beginning of May, sales performance gradually recovered and recorded positive figures once again in August, coinciding with the summer sales in Italy and France. However, at the beginning of the fourth quarter, cases of contagion began to increase again, leading to more temporary closures in the main European markets and in Canada.

The Group's direct e-commerce channel recorded significant growth during the year, up 41% compared with 2019 (+21% in the first quarter, +59% in the second quarter, +37% in the third quarter and +44% in the fourth quarter) and has continued to record very positive results in the first weeks of 2021 (+72% since the beginning of the year).

*During the fourth quarter, sales generated by directly operated stores (DOS) amounted to Euro 58.7 million, down 41.9% (-41.1% at constant forex), compared with Euro 101.0 million in the fourth quarter of 2019. The trend during this quarter reflects the LFL performance for the period (-37.9%), as well as the aforementioned reduction in the store network.*

Sales by region

| **(Euro thousand)** | **2020** | | **2019** | **%** | **Var. %** |
|---|---|---|---|---|---|
| Italy | 124,923 | 23.4% | 228,453 | 28.3% | (45.3%) |
| Europe (*) | 250,293 | 46.8% | 344,258 | 42.7% | (27.3%) |
| North America | 24,772 | 4.6% | 46,189 | 5.7% | (46.4%) |
| Other Countries | 134,909 | 25.2% | 186,958 | 23.2% | (27.8%) |
| **Total revenues** | **534,897** | **100.0%** | **805,858** | **100.0%** | **(33.6%)** |

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

Sales generated in Italy, representing 23.4% of Group revenues (28.3% in 2019), amounted to Euro 124.9 million, compared with Euro 228.5 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 and is also the country where the Group has the highest number of physical stores. The rationalisation of the store network over the course of the year also affected annual performance (46 net closures, equal to 17% of the network).
In this context, all channels were affected by the pandemic emergency. Directly operated stores, which had recorded a positive start to the year, were affected by the temporary closures, recording a drop in sales for the year substantially 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. The franchising channel was particularly affected by the reduction in the store network during the period (37 net closures, equal to 30% of the network).

Performance of the e-commerce channel was particularly impressive, recording +79% at the end of December.

*During the fourth quarter, sales generated in Italy amounted to Euro 22.7 million, down 48.9% compared with Euro 44.4 million in the fourth quarter of 2019. In addition to the difficult context described above, the trend for the quarter was also affected by the rationalisation of the store network. LFL sales performance was equal to -48%, with the direct e-commerce channel growing by +81%.*

Sales generated in Europe, representing 46.8% of Group revenues (42.7% in 2019), amounted to Euro 250.3 million, compared to Euro 344.3 million in 2019, recording a decline of 27.3%, mainly due, as was the case for Italy, to the effects of the spread of the epidemic, which led to stores being temporarily closed mainly in the second and fourth

quarters. Annual performance was also affected by the rationalisation of the store network over the course of the year (24 net closures, equal to 9% of the network).
After the year got off to a positive start (approximately +5%), like-for-like sales generated by directly operated stores recorded a decline of around 31% at the end of the year.
The direct e-commerce channel for the European market also recorded an excellent trend: +39%. Lastly, with regard to the wholesale and franchising channels, performance was negative but slightly better than in Italy, as these were not as badly affected by the timing of deliveries.

*During the fourth quarter, sales in Europe amounted to Euro 44.4 million, down 34.6% (-34.5% at constant forex) compared with Euro 67.8 million in the fourth quarter of 2019. LFL sales performance was equal to -38% for the period, with the direct e-commerce channel growing by +44%.*

North America recorded a turnover of Euro 24.8 million (4.6% of revenues), down 46.4% (-45.0% at constant forex). The period of closure in the first half of the year was longer in the USA and Canada, starting from mid-March and lasting until mid-June.
In 2020, LFL sales performance for directly operated stores was down by approximately 45%. Over the course of the year, there were 13 net store closures (35% of the network).
The e-commerce channel recorded +28% growth. The wholesale channel, on the other hand, recorded a decline of 28%.

*During the fourth quarter, sales generated in North America amounted to Euro 6.5 million, down 46.3% (-42.8% at constant forex) compared with Euro 12.0 million in the fourth quarter of 2019. LFL sales performance was equal to -43% for the period, with the direct e-commerce channel growing by +35%.*

A turnover of Euro 134.9 million was recorded in the Rest of the World (25.2% of revenues compared with 23.2% in 2019), down 27.8% compared with 2019 (-24.9% at constant forex), with a particularly different trend between the Asia Pacific area and Eastern Europe.

In China, Hong Kong and Macau, the reduction in turnover (-40.2% at current forex, -39.3 % at constant forex) was mainly concentrated in the first part of the year, due to the restrictions on people's mobility and the closure of stores at the end of January/start of February. Stores here reopened at the beginning of March; from the start of April until mid-May, stores in Japan were temporarily closed, again following the containment measures imposed by the government to reduce the spread of the pandemic. Overall, LFL sales generated by directly operated stores recorded around a -28% drop at the end of 2020, with performance gradually improving in the second half of the year. Signs of recovery are now being seen particularly in China, where LFL sales for directly operated stores went from -50% in the first quarter of the year to +4% in the fourth quarter. At the end of the year, the direct e-commerce channel for the entire area recorded a performance of +17%.

*During the fourth quarter, sales generated in the APAC area amounted to Euro 9.2 million, down 25.9% compared with the fourth quarter of 2019. The trend for this quarter was particularly affected by the reduction in initial order collection for the wholesale channel. LFL sales performance for the period was equal to -7.6% (+4% in China alone), with the direct e-commerce channel growing by +21%.*

Eastern Europe, on the other hand, recorded sales of Euro 101.3 million (18.9% of revenues compared with 16.2% in 2019), down by 22.5%. All directly operated stores temporarily closed towards the end of March, and then gradually reopened in June. New lockdown measures were then introduced in a number of countries from November onwards. LFL sales performance for directly operated stores amounted to approximately -17%. The e-commerce channel recorded very good performance (+79% compared with December 2019).

*During the fourth quarter, sales generated in Eastern Europe amounted to Euro 22.4 million, down 13.1% compared with Euro 25.8 million in the fourth quarter of 2019. LFL sales performance was equal to -3% for the period, with the direct e-commerce channel growing by +41%. Russia recorded positive performance (+5%), mainly thanks to good LFL sales performance in directly operated stores (+13%).*

*Sales by product category*

Footwear sales represented 89.2% of consolidated sales, amounting to Euro 477.4 million, down 33.8% compared with 2019 (-33.2% at constant forex). Apparel sales represented 10.8% of consolidated sales, amounting to Euro 57.5 million (-32.4% at current forex, -31.1% at constant forex).

| **(Euro thousand)** | **2020** | **%** | **2019** | **%** | **Var. %** |
|---|---|---|---|---|---|
| Footwear | 477,379 | 89.2% | 720,804 | 89.4% | (33.8%) |
| Apparel | 57,518 | 10.8% | 85,054 | 10.6% | (32.4%) |
| **Total revenues** | **534,897** | **100.0%** | **805,858** | **100.0%** | **(33.6%)** |

## GROUP PERFORMANCE: OTHER INCOME STATEMENT ITEMS

In addition to being affected by the drop in turnover caused by the dynamics described above, results for the year were also affected both by extraordinary expenses linked to the COVID-19 emergency, amounting to approximately Euro 44 million (extraordinary inventory write-down, impairment, provisions for receivables) and by monetary costs of around Euro 28 million for stores on the days they remained closed. In this regard, the Group has implemented decisive measures to boost the efficiency of all the main cost items, leading to total savings of around Euro 60 million. Please find below the dynamics for each line of the income statement.

### Cost of sales and gross profit

The cost of sales was equal to 56.7% of sales, compared with the 50.5% recorded in 2019, producing a gross margin of 43.3% (49.5% in 2019).

Margin performance was particularly affected by an extraordinary inventory write-down equal to Euro 18.4 million, mainly linked to the 2020 collections, as a result of the excess stock caused by stores being closed during the lockdown. Net of this write-down, the margin would have been equal to 46.8%, down by approximately 270 basis points compared with 2019. This reduction is mainly due to three factors: (i) the lower contribution made by sales generated by the DOS channel following a long period of inactivity after the onset of COVID-19; (ii) the fact that stores were closed during the full-price period, meaning that the summer sales had a greater weighting during the year and the average discount was therefore higher, despite a reduction in promotions compared with the same period in the previous year; (iii) a number of inefficiencies at Geox's production plant in Serbia, which came to light after production was halted in the second quarter due to COVID-19 and, subsequently, caused by the high level of absenteeism linked to the pandemic.

## Operating expenses and EBIT

Total operating expenses (general and administrative costs, sales and distribution costs and advertising) amounted to Euro 342.8 million for the year compared with Euro 401.9 million in 2019, with a saving of approximately Euro 59 million (-14.7%).

In particular:
- Sales and distribution costs amounted to Euro 41.4 million, down compared with last year (Euro 44.2 million in 2019). This result was achieved thanks to savings (Euro 9.3 million) deriving from the lower business volumes in the period, compensating for some non-standard provisions, equal to Euro 6.6 million, linked to credit exposure vis-à-vis a number of counterparties facing difficulties after their business was halted due to COVID-19.
- General and administrative expenses amounted to Euro 278.3 million, compared with Euro 331.6 million in 2019, down by approximately Euro -53 million (-16.1%). The reduction compared with last year is mainly down to the following factors:
(i) lower costs for directly operated stores (DOS) for Euro 37.5 million, mainly due to the reduction in personnel costs (for a total of Euro 23.2 million) as a result of the use of social 'safety nets' for staff (approx. Euro 10 million), the actions taken by management to improve the efficiency of said costs and the reduction in the store network (Euro 13.2 million), together with the savings in terms of rent costs, including government subsidies, for Euro 12.9 million;
(ii) lower structural costs for Euro 14.0 million, of which Euro 7.0 million deriving from the use of social 'safety nets' for staff and Euro 7.0 million referring to the measures taken by the Group to improve efficiency;

- advertising and promotion expenses amounted to Euro 23.0 million, down compared with the Euro 26.2 million recorded in the same period of the previous year. This reduction is substantially due to the fewer marketing initiatives during the period, as a result of the lockdown.

Adjusted EBIT, before the net write-downs of fixed assets and restructuring charges, amounted to Euro -111.0 million compared with Euro -3.1 million in 2019, therefore being mainly affected by the reduction in turnover.

## Net asset impairment

As described above, 2020 was severely affected by the global spread of COVID-19, which represents an external impairment indicator due to its intensity and unpredictability. The result of the impairment test led to a net write-down equal to Euro 12.4 million, referring to 95 stores which have either been fully or partially written down.

## Taxes

Income taxes for 2020 amounted to Euro 4,444 million, compared with Euro -429 million in 2019.
It should be noted that the tax amount has been affected by the prudent choice not to make a provision for deferred tax assets equal to Euro 25.1 million, referring to the tax losses generated during 2020 in relation to which, as at the date of this report, 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 recorded in the financial statements.
The management's assessment as to the likelihood of deferred taxes being recovered through future taxable income is based on a number of alternative scenarios which have varying degrees of probability regarding how likely they are to occur. These scenarios were necessary given the extremely volatile nature of any forecasts made at the moment. In light of the above, the preferred option is to wait until there is a clearer picture of when the health emergency may be over.

*Mono-brand store network - Geox shops*

As of 31 December 2020, there was a total of 867 "Geox Shops", of which 410 DOS. During 2020, 32 new Geox Shops were opened and 139 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.

| | 12-31-2020 | | 12-31-2019 | | 2020 | | |
|---|---|---|---|---|---|---|---|
| | **Geox Shops** | **of which DOS** | **Geox Shops** | **of which DOS** | **Net Openings** | **Openings** | **Closings** |
| Italy | 226 | 139 | 272 | 148 | (46) | 2 | (48) |
| Europe (*) | 246 | 142 | 270 | 159 | (24) | 4 | (28) |
| North America | 24 | 24 | 37 | 37 | (13) | 0 | (13) |
| Other countries (**) | 371 | 105 | 395 | 110 | (24) | 26 | (50) |
| **Total** | **867** | **410** | **974** | **454** | **(107)** | **32** | **(139)** |

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

(**) Includes Under License Agreement Shops (135 as of December 31 2020, 134 as of December 31 2019). Sales from these shops are not included in the franchising channel.

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

The net financial position at the end of December (before IFRS 16) was equal to Euro -99.8 million (Euro +6.5 million at 31 December 2019).
The Group deemed it appropriate to suspend payment of some rents while stores were temporarily closed and then began to pay rent in proportion to sales performance following their reopening, until reaching an agreement with the various landlords.
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. These closed talks with landlords have undoubtedly proven to be challenging, but the Group has already signed a significant number of agreements and others are in an advanced phase of negotiation; however, the Group is also convinced that the right course of action is to terminate the relative agreement if solutions cannot be found that reflect current market values.
At 31 December 2020, the overdue part of the rental payments that were suspended or only partially paid amounted to approximately Euro 14 million, mainly referring to the second quarter (Euro 8 million), i.e. during the most severe phase of the lockdown.

Net operating working capital as a percentage of revenues was equal to 33.2%, compared to 22.7% in 2019. This variation is mainly due to the reduction in turnover, given that working capital amounted to Euro 177.5 million, down compared with the Euro 182.7 million recorded in 2019.

The COVID-19 emergency has led the entire sector to face a significant 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 led to a temporary negative cash flow during the second quarter. This was caused by the abnormal increase in working capital as a result of the lack of takings from stores, unsold stock and unpaid receivables.

During 2020, investments were made for a total of Euro 18.2 million, compared with Euro 33.4 million in 2019, mainly linked to the store restyling programme (Euro 7.7 million), aimed at improving performance, and IT investments (Euro 6.0 million).

Given the current context, the Group will continue with its initiatives to protect the company's cash flow and to reduce operating costs.

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

The Board of Directors has also approved the 2020 financial statements for the parent company Geox S.p.A., together with the report on corporate governance and ownership set-ups and the non-financial statement.

Revenues amounted to Euro 379.3 million, compared to Euro 548.5 million in 2019. In 2020, a loss of Euro 138.5 million was recorded, Euro 57.5 million of which refers to the write-down of equity investments and financial receivables regarding a number of foreign subsidiaries. In 2019, the Company had recorded a loss of Euro 33.6 million.

Shareholders' equity at 31 December 2020 amounted to Euro 164.1 million compared to Euro 308.5 million at the end of 2019, with a negative net financial position of Euro 116.0 million, excluding the effects of IFRS 16 (positive for Euro 17.9 million at 31 December 2019).

The financial statements at 31 December 2020 shall be submitted to the Shareholders' Meeting for approval, scheduled for 22 April 2021.

## UPDATE ON THE STRATEGIC REDEFINITION OF THE GROUP'S DISTRIBUTION NETWORK

Over the last year, the ongoing pandemic and digitalisation process have driven management to review its business model across all markets, with a view to making it more streamlined, more efficient and better suited to the current operating conditions. This new business model has an omnichannel approach in terms of both distribution and operations, with the physical channel developing its role as a service hub at the same time as ensuring that contractual rent conditions are in line with the current scenario.

The main measures that have been approved by management are as follows:

- A plan to close around 75/80 loss-making stores (EBIT in 2019 amounting to Euro -5 million) between 2020 and 2022; this plan was approved in January 2020 before the pandemic broke out in Europe.
- An updated rationalisation plan (approved in January 2021) covering the next three years, which will see Geox pull out of 110 smaller and less profitable stores at the end of their life cycle; these stores do not have the right characteristics to take on the strategic importance that is required in a market where it is crucial to guarantee perfect integration with the e-commerce channel. These closures will have a neutral effect (based on 2019 results) on EBIT for the channel, but will bring benefits in terms of the overall efficiency of the business and of working capital. These measures will be accompanied by the opening of around 20 larger stores in more strategic locations, not to mention the restyling of stores with the highest potential. These measures will also be accompanied by further investments and a process of digital transformation and growth for the Group, focusing on omnichannel services to boost sales in the physical network at the same time as also entering the marketplaces of a number of important partners. The Group will also continue to invest in the e-commerce channel by opening a new, directly run website in Russia and strengthening partnerships with strategic players in China.
- It is confirmed that effective rationalisation measures shall continue in Canada, USA, Japan, the United Kingdom and Germany if rent costs are no longer deemed to be in line with current market conditions.

With regard to this last point, it should be noted that the reorganisation process launched in Canada on 08/09/2020 has been successfully completed (please refer to the relative press release).

In fact, the Ontario Superior Court of Justice formally closed the *Notice of Intention to make a proposal (NoI)* proceedings filed by Geox Canada Inc., with ratification of the debt settlement proposal approved by the creditors' committee on 28/01/2021 with the favourable vote of 98%.

In this context, please find below the main points arising from the conclusion of these proceedings:

- 20 directly operated stores (out of a total of 30) are to be kept open, mainly in the areas of Toronto, Vancouver and Montreal, with a major review of the contractual terms and conditions previously in force. Rents for 12 of these stores have been converted to become variable depending on sales performance, while the fixed rate has been significantly reduced for the remaining eight locations (around a 35% reduction on average). In 2019, rent for these 20 stores amounted to a total of 3.7 million Canadian dollars (Euro 2.5 million at the current exchange rate). A penalty-free withdrawal clause has also been included in the contracts for all of these stores.
- The Group has pulled out of ten stores (seven of which were already closed at the end of 2020), mainly in the area of Alberta (Calgary and Edmonton), deeming them to be non-strategic (loss-making in 2019); no penalties were incurred for doing so.
- Agreement reached for outstanding debt (mainly relating to unpaid rent in 2020), through a payment of approximately 475 thousand Canadian dollars (around Euro 300 thousand at the current exchange rate). With regard to the Group's balance sheet, the effect of cancelling this outstanding debt amounts to around 3.7 million Canadian dollars (around Euro 2.5 million at the current exchange rate).

Thanks to this action taken, Geox can now begin a new phase of healthy and sustainable growth in Canada, where it has already been operating for over 15 years, with a streamlined and efficient network of physical stores that is perfectly integrated with its e-commerce channel. As well as confirming the high levels of brand recognition and Geox's solid position in the country, the excellent performance recently recorded by the e-commerce channel (+62% in 2020 and around +100% since the beginning of 2021) also gives us a clear sign that we are right to be confident about the future.

The reorganisation measures being taken in the USA, Japan and the UK are also at an advanced stage.

## SIGNIFICANT SUBSEQUENT EVENTS

### UPDATE ON STORE OPERATIONS - COVID-19

A second wave of COVID-19 began in October, forcing governments in many countries to reintroduce measures to restrict people's mobility and, in some cases, even real lockdowns, in order to contain the rise in infections. As at March 14th, 2021, the majority of these restrictions, mainly affecting Europe and Canada, are being updated depending on the spread of the virus; they are therefore very susceptible to change. On average, these measures are currently expected to last for most of March and into the beginning of April. With regard to Italy, restrictive measures are currently set to remain in place until 6 April, with all stores remaining closed in the so-called 'red' zones and stores inside shopping malls being forced to close at weekends in the rest of the country.
As a result of these measures, 89 directly operated stores (DOS) are temporarily closed at the moment (12 in Italy, 26 in Germany, 33 in France, 6 in Canada, 4 in the UK, 4 in Hungary and 4 in the Netherlands), equal to 23% of the entire DOS network. In addition, there are 92 DOS located inside shopping centres in Italy (82), Spain (8) and Nice (2) which have been ordered by their respective governments to close every weekend. Including these stores, temporary closures are currently affecting a total of 46% of the network of directly operated stores.
As a result of these government measures, 69 franchises are also temporarily closed at the moment (including 17 in Portugal, 7 in France, 14 in the Czech Republic, 9 in Greece and 6 in Italy), equal to 22% of the network. In addition, there are another 44 franchises inside shopping centres, mainly in Italy (40), which must remain closed at weekends. Including these stores, the share of the franchised store network that is temporarily closed at weekends rises to 36%.

In the areas where the Group operates in the Asia-Pacific region, there are currently no new lockdowns and almost all of the Geox network is operational.

Overall, the ongoing health crisis is nevertheless continuing to substantially reduce tourist flows all over the world.

## UPDATE ON THE SUPPLY OF RAW MATERIALS AND FINISHED PRODUCTS

The Group's products are produced in the Far East, the Mediterranean Basin and at the plant it owns in Serbia. Overall, the effects of the COVID-19 pandemic are still being felt, but the system as a whole is currently operational, albeit in a context that is still characterised by a certain degree of instability, especially in terms of shipping. 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 are leading to increases in freight costs and air transport costs.

In February, there was an escalation of political and social tensions, with serious repercussions on the population, in one of the countries (Myanmar) where the Group's suppliers have part of their production activities. Despite not having direct relations with the country in question, the Group is constantly monitoring this continuously evolving situation, striking a careful balance between the need to reduce purchases, where possible, in order to mitigate risk and the need to take account of the social impact of suddenly pulling out of said production sources.

The factories in this country are currently operational but, as noted above, the situation is constantly changing and is forcing us to be extremely prudent and careful along the entire supply chain; we are continuously monitoring events in order to promptly identify any worsening of the situation.

## BUSINESS OUTLOOK

As things stand, there is great uncertainty regarding both the duration and the extent of new containment/lockdown measures in all of the group's main markets.
Sales performance in the first ten weeks of 2021 has continued to be affected by temporary store closures in the main European markets; comparisons with the previous year are penalised by the fact that the effects of the pandemic only began to be felt in March 2020.
A positive trend, on the other hand, is being recorded in the main markets where temporary store closures are currently not an issue: in Russia, like-for-like sales in directly operated stores are up +18% (+18% compared with 2019); In China, a growth of +76% has been recorded (albeit below 2019 levels).
The direct e-commerce channel has recorded an even stronger growth rate since the beginning of the year (+72%). The Group is also beginning to roll out digital showcases in a number of European marketplaces.
From the beginning of March onwards, like-for-like sales performance will benefit from a more favourable basis for comparison, considering the fact that, on average, over 70% of the directly operated store network was temporarily closed in March and April 2020.
Based on the information currently available, we can expect the stores that are closed at the moment to gradually start reopening from the first half of April 2021, although there is still a great deal of uncertainty, also when considering the new waves of contagion experienced to date.
For these reasons, the first part of the year is expected to still be affected by temporary store closures, with improvements being seen in the second quarter (also compared with the previous quarter).
In the second half of the year, vaccination campaigns should help to support a gradual return to 'business as usual'.
Sustained growth is expected to continue for the direct e-commerce channel throughout the year, thanks also to continuous investments and the ongoing development of both recently launched projects (marketplaces) and those coming soon (direct e-commerce channel in Russia and strengthened partnerships in China).
The Group also continues to be focused on its initiatives to protect the company's cash flow and cut operating costs, as was the case throughout 2020. In particular, over the course of the year, cash flows are expected to benefit from the sale of certain products from the 2020 collections which, despite being paid for, have actually never been presented to or seen by customers due to store closures; cash flows will also benefit from these products being sold via the Group's outlets.
In the meantime, the Group shall continue to invest and pursue its initiatives aimed at transforming and boosting the efficiency of its business model, based on customer centricity, a fully omnichannel approach and segmented distribution.

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## OTHER RESOLUTIONS PASSED BY THE BOD

### PROPOSAL TO ADOPT A 2021-2023 (STOCK GRANT) AND CASH-BASED EQUITY INCENTIVE PLAN

Based on the proposal put forward by the Remuneration Committee, the Board of Directors has passed a resolution to submit a proposal to the Shareholders' Meeting, scheduled for 22 April 2021, to approve a medium/long-term incentive scheme entitled "2021-2023 (Stock Grant) & Cash-Based Equity Plan" (the "Plan"), which involves up to 7,696,626 ordinary shares in the Company being assigned for free (the so-called "Equity Component") as well as the payment of a gross cash sum of up to Euro 1,320,000 in the event of any overachievement of targets (the so-called ("Cash Component"); this plan is for the Chief Executive Officer and Executives with Strategic Responsibilities, as well as for Senior Managers and Key People within Geox and the Group's other companies.

The Plan has a three-year vesting period and, as a result, the shares may be assigned from the date of Board approval of the consolidated financial statements for the year ending 31 December 2023.

Allocation of the Equity Component to beneficiaries is subject to them remaining in their employment/directorship role until 31 December 2023 and to a number of profitability objectives being met, linked to EBIT in 2022 and the target EBITDA in 2023 (the latter is stated in the scenarios of the 2021-2024 business plan), in addition to a number of other Group financial-asset and liability targets for 2023.

The Cash Component will be subject to an overachievement target being met.

The Plan states that the shares to be allocated, at the discretion of the Board of Directors and in accordance with applicable legal provisions, may come (a) from the free share capital increase pursuant to article 2349, paragraph I, of the (Italian) Civil Code, approved by the Shareholders' Meeting on 16 April 2019; a proposal to extend the time frame for said share capital increase until 31 December 2025 will be submitted to the Extraordinary Shareholders' Meeting, called for 22 April 2021, for approval, and/or (b) from shares that may have been purchased on the market and/or held by the Company in another form, based on the authorisation from the Shareholders' Meeting to make the relative purchase and make the treasury shares available pursuant to articles 2357 et seq. of the (Italian) Civil Code.
By implementing this Plan, the Company intends to promote and pursue the following objectives:

- involve and provide an incentive to beneficiaries whose work is considered to be of fundamental importance for the achievement of the Group's objectives;
- increase beneficiaries' loyalty by providing an incentive to remain within the Group;
- share and align beneficiaries' interests with those of the Company and the shareholders over the medium-long term, recognising the contribution made by the management team to increasing the Company's value.

The information document on the "2021-2023 (Stock Grant) & Cash-Based Equity Plan" (drawn up pursuant to Art. 84-bis of CONSOB regulation no. 11971/1999 and subsequent amendments and integrations) and the relative explanatory report will be made available to the public in accordance with the time frames and procedures provided for by applicable legislation.

With reference to medium/long-term variable remuneration, the Company does not expect the minimum threshold of the 2019-2021 stock grant plan to be met (60% of the performance target linked to the accumulated net income for 2019-2021) due to the economic and financial crisis caused by the COVID-19 health emergency. Today (15 March 2021), the Board of Directors also passed a resolution to waive the possibility, provided for by the last paragraph of point 7 of the 2019-2021 Stock Grant Plan regulation, to fully or partially assign Shares to Beneficiaries even if Performance Objectives are not met.

**PROPOSAL TO AMEND THE RESOLUTION PASSED BY THE EXTRAORDINARY SHAREHOLDERS' MEETING ON 16 APRIL 2019 IN RELATION TO THE FREE, DIVISIBLE SHARE CAPITAL INCREASE PURSUANT TO ARTICLE 2349, PARAGRAPH 1, OF THE ITALIAN CIVIL CODE, FOR THE STOCK GRANT PLAN, UP TO A MAXIMUM NOMINAL AMOUNT OF EURO 1,200,000 CORRESPONDING TO A MAXIMUM NUMBER OF 12,000,000 ORDINARY SHARES OF THE COMPANY; THE PROPOSAL IS TO EXTEND THE DEADLINE FOR SUBSCRIBING THE SHARE CAPITAL INCREASE IN QUESTION AND MAKE THE RESULTING AMENDMENTS TO ARTICLE 5 OF THE COMPANY'S ARTICLES OF ASSOCIATION.**

The Board of Directors has also passed a resolution to submit to the Extraordinary Shareholders' Meeting for approval an amendment to the shareholders' meeting resolution of 16 April 2019, regarding the free share capital increase pursuant to article 2349, paragraph 1, of the Italian Civil Code, for the stock grant plan, up to a maximum nominal amount of Euro 1,200,000 corresponding to a maximum number of 12,000,000 ordinary shares of the Company, each with a par value of Euro 0.10 ("Share Capital Increase"); the purpose of this amendment is to extend the deadline to subscribe the Share Capital Increase to 31 December 2025 and to make the subsequent amendment to article 5 of the Company's articles of association.

The reason behind this amendment is to allow the Share Capital Increase in question to be used, in addition to the 2019-2021 stock grant plan, also for the "2021-2023 (Stock Grant) & Cash-Based Equity Plan", which is subject to the approval of the Ordinary Shareholders' Meeting scheduled for 22 April 2021, bringing it in line with the time frames provided for by said Plan with regard to allocating ordinary shares in the Company to the beneficiaries.

**AUTHORISATION TO BUY BACK AND HOLD TREASURY SHARES IN ACCORDANCE WITH ARTICLES 2357 AND 2357-TER OF THE (ITALIAN) CIVIL CODE**

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 22 October 2022), subject to the revocation of the previous plan authorised by the Shareholders' Meeting on 22 April 2020.

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.

**AMENDMENTS TO THE ARTICLES OF ASSOCIATION TO COMPLY WITH ITALY'S 'BUDGET LAW' NO. 160/2019 LAYING DOWN PROVISIONS ON GENDER QUOTAS IN THE ADMINISTRATION AND SUPERVISORY BODIES OF LISTED COMPANIES. AMENDMENTS TO ARTICLES 16, 17 AND 22 OF THE COMPANY'S ARTICLES OF ASSOCIATION.**

The Board of Directors has passed a resolution to submit a proposal to the Extraordinary Shareholders' Meeting scheduled for 22 April 2021 to approve amendments to the articles of association in order to comply with Italian Law no. 160 of 27 December 2019, laying down provisions on gender quotas in the administration and supervisory bodies of listed companies, with the consequent amendments to articles 16, 17 and 22 of the Company's articles of association.

**APPROVAL OF THE NON-FINANCIAL STATEMENT**

The Board of Directors of Geox S.p.A., which met today, carefully examined and subsequently approved the Non-Financial Statement at 31 December 2020, drawn up separately from the financial statements pursuant to Italian Legislative Decree no. 254 of 30 December 2016, implementing EU directive no. 2014/95.
The Non-Financial Statement has been drawn up in accordance with the Global Reporting Initiative Sustainability Reporting Standards *(GRI Standards)* and describes the most important activities carried out in 2020 with regard to social, environmental and economic issues, as well as the results achieved. Given Geox Group's strong commitment to these issues, this report also presents Geox Group's medium/long-term objectives to grow and develop, keeping in mind the interests of its various stakeholders.

## 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 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) | 2020 | % | 2019 | % |
|---|---|---|---|---|
| **Net sales** | **534,897** | **100.0%** | **805,858** | **100.0%** |
| Cost of sales | (303,074) | (56.7%) | (407,030) | (50.5%) |
| **Gross profit** | **231,823** | **43.3%** | **398,828** | **49.5%** |
| Selling and distribution costs | (41,395) | (7.7%) | (44,181) | (5.5%) |
| General and administrative expenses | (278,329) | (52.0%) | (331,581) | (41.1%) |
| Advertising and promotion | (23,049) | (4.3%) | (26,177) | (3.2%) |
| **Operating result** | **(110,950)** | **(20.7%)** | **(3,111)** | **(0.4%)** |
| Restructuring charges | (1,134) | (0.2%) | (3,245) | (0.4%) |
| Net asset impairment | (12,436) | (2.3%) | (9,367) | (1.2%) |
| **EBIT** | **(124,520)** | **(23.3%)** | **(15,723)** | **(2.0%)** |
| Net financial expenses | (8,129) | (1.5%) | (8,607) | (1.1%) |
| **PBT** | **(132,649)** | **(24.8%)** | **(24,330)** | **(3.0%)** |
| Income tax | 4,444 | | (429) | |
| *Tax rate* | *n.s.* | | *n.s.* | |
| **Net result** | **(128,205)** | **(24.0%)** | **(24,759)** | **(3.1%)** |
| **EBITDA** | **(13,727)** | **(2.6%)** | **96,252** | **11.9%** |
| **EBITDA adjusted** | **(81,737)** | **(15.3%)** | **25,222** | **3.1%** |

**EBITDA reconciliation:**

| | | |
|---|---|---|
| EBIT | (83,935) | (15,723) |
| D&A tangible and intangible assets | 16,524 | 33,844 |
| Impairment (no IFRS 16) | 1,926 | 9,367 |
| D&A Right-of-use | 33,653 | 68,764 |
| Impairment Right-of-use | 11,216 | - |
| **EBITDA** | **(20,616)** | **96,252** |
| Rent under IFRS 16 | (33,754) | (71,030) |
| **EBITDA excl. IFRS 16** | **(54,370)** | **25,222** |

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, 2020** | **Dec. 31, 2019** |
|---|---|---|
| Intangible assets | 35,834 | 44,131 |
| Property, plant and equipment | 50,413 | 61,231 |
| Right-of-use assets | 241,808 | 298,685 |
| Other non-current assets - net | 47,686 | 40,774 |
| **Total non-current assets** | **375,741** | **444,821** |
| **Net operating working capital** | **177,528** | **182,721** |
| **Other current assets (liabilities), net** | **(8,462)** | **(21,899)** |
| **Net invested capital** | **544,807** | **605,643** |
| Equity | 167,208 | 302,698 |
| Provisions for severance indemnities, liabilities and charges | 9,849 | 8,114 |
| Net financial position | 367,750 | 294,831 |
| **Net invested capital** | **544,807** | **605,643** |

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

| **(Thousands of Euro)** | **Dec. 31, 2020** | **Dec. 31, 2019** |
|---|---|---|
| Inventories | 267,964 | 284,589 |
| Accounts receivable | 87,718 | 122,178 |
| Trade payables | (178,154) | (224,046) |
| **Net operating working capital** | **177,528** | **182,721** |
| ***% of sales for the last 12 months*** | ***33.2%*** | ***22.7%*** |
| Taxes payable | (13,057) | (10,502) |
| Other non-financial current assets | 35,093 | 23,458 |
| Other non-financial current liabilities | (30,498) | (34,855) |
| **Other current assets (liabilities), net** | **(8,462)** | **(21,899)** |

## RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT

| (Thousands of Euro) | 2020 | 2019 |
|---|---|---|
| **Net result** | **(128,205)** | **(24,759)** |
| Depreciation, amortization and impairment | 110,793 | 111,975 |
| Other non-cash items | 26,317 | 2,001 |
| | **8,905** | **89,217** |
| Change in net working capital | (29,825) | 31,115 |
| Change in other current assets/liabilities | (5,677) | 284 |
| **Cash flow from operations** | **(26,597)** | **120,616** |
| Capital expenditure | (18,212) | (33,383) |
| Disposals | 183 | 1,204 |
| **Net capital expenditure** | **(18,029)** | **(32,179)** |
| **Free cash flow** | **(44,626)** | **88,437** |
| Increase in right-of-use assets | (18,317) | (39,751) |
| Treasury shares | - | (5,051) |
| Dividends | - | (6,480) |
| **Change in net financial position** | **(62,943)** | **37,155** |
| **Initial net financial position - prior to fair value adjustment of derivatives** | **(296,020)** | **(6,810)** |
| IFRS 16 First time adoption - effect on financial debt | - | (325,932) |
| **Initial net financial position - prior to fair value adjustment of derivatives** | **(296,020)** | **(332,742)** |
| Change in net financial position | (62,943) | 37,155 |
| Translation differences | 1,264 | (433) |
| **Final net financial position - prior to fair value adjustment of derivatives** | **(357,699)** | **(296,020)** |
| Fair value adjustment of derivatives | (10,051) | 1,189 |
| **Final net financial position** | **(367,750)** | **(294,831)** |

## CAPEX

| (Thousands of Euro) | 2020 | 2019 |
|---|---|---|
| Trademarks and patents | 578 | 615 |
| Opening and restructuring of Geox Shop | 7,747 | 17,513 |
| Production plant | 110 | 377 |
| Industrial plant and equipment | 2,334 | 2,933 |
| Logistic | 560 | 2,262 |
| Information technology | 5,958 | 8,156 |
| Offices furniture, warehouse and fittings | 925 | 1,527 |
| **Total cash capex** | **18,212** | **33,383** |
| Right-of-Use | 20,123 | 39751 |
| **Total capex** | **38,335** | **73,134** |

| | |
|---|---|
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