GEOX

PRESS RELEASE - 2018 RESULTS

TOTAL SALES AMOUNTED TO EURO 827.2 MILLION (-6.5% AT CURRENT FOREX, -5.5% AT CONSTANT FOREX), RECORDING AN IMPROVEMENT THANKS TO A POSITIVE PERFORMANCE (+2.0%) IN THE FOURTH QUARTER, SUPPORTED BY COMPARABLE SALES IN DIRECTLY-OPERATED STORES (+3.4% IN THE FOURTH QUARTER, DRIVEN BY DIRECT E-COMMERCE CHANNEL +22%)

ADJUSTED EBITDA[1] OF EURO 48.2 MILLION (EURO 74.0 MILLION IN 2017)

NET RESULT: EURO -5.3 MILLION (EURO 15.4 MILLION IN 2017)

ADJUSTED NET RESULT[1]: EURO 2 MILLION (EURO 22.8 MILLION IN 2017)

POSITIVE NET FINANCIAL POSITION OF EURO 2.3 MILLION (EURO -5.4 MILLION AT DECEMBER 31ST, 2017)

THE BOD HAS PROPOSED A DIVIDEND OF EURO 0.025 PER SHARE (EURO 0.06 IN 2017)

PROPOSAL SUBMITTED TO THE SHAREHOLDERS' MEETING FOR A NEW LONG-TERM INCENTIVE SYSTEM FOR MANAGEMENT, BASED ON A 2019-2021 STOCK GRANT PLAN TO SUPPORT STRATEGIC BUSINESS PLAN OBJECTIVES

Biadene di Montebelluna, February 27th, 2019 – Geox S.p.A., a leading brand in classic and casual footwear, listed on the Milan Stock Exchange (GEO.MI), today approved its 2018 results.

Mario Moretti Polegato, Chairman and Founder of Geox, commented:

"In 2018, our industry faced yet another year of incredibly important challenges. Despite these difficult circumstances, Geox nonetheless managed to demonstrate the value and the great potential of its brand

Faced with these significant developments in the system in which it operates, Geox has launched an in-depth strategic, organisational and distribution review process with its 2019-2021 Strategic Business Plan. Thanks also to the hiring of new important managers (with a high degree of professionalism, coming from some of the best companies in the industry) in the most significant areas and in the most strategic markets, this process aims at providing Geox with a truly client-centric and omnichannel operating model that is increasingly leaner, allowing the Group to respond quickly and effectively to new consumer requirements and sudden changes in the markets.

The aim is to make the relevance and desirability of the Geox brand significantly grow again, expanding the target audience to also include new types of customers who, as of today, are not yet attracted by our message, and offering everyone complete coherence in terms of how they see the brand and their buying experience, regardless of the channel they choose.
The last months of 2018 recorded the first positive results of the actions described in the Strategic Business Plan: retail channel sales are improving slightly, mainly thanks to e-commerce performance

[1] Does not include non-recurring unusual expenses equal to Euro 9.8 million (Euro 10 million in 2017) relating to the overall HR organisational review and the optimization of the store network.

(directly managed since July 2018) and there is increasing media interest in our brand, in terms of both traditional media and the main social networks, thanks also to targeted marketing investments (Geox Dragon Formula E project and involvement of key influencers to talk about the brand's values).
The Group undoubtedly faces some important challenges, but its solidity and the developments implemented make us even more convinced and determined to pursue strategic objectives that are more in line with our brand, as stated by the 2019-2021 Strategic Business Plan."

GENERAL SCENARIO

2018 was characterised by difficult market conditions experienced by all industry players. These have also guided a number of specific choices made by Geox.
The industry experienced extremely unusual weather conditions across all the Group's main regions. In particular, March was exceptionally cold, while September and the first half of October were exceptionally warm. These conditions inevitably affected the start of both the spring-summer and autumn-winter seasons, leading to a drop in initial demand for products and, as a result, less stock replenishment during the season.
In addition to this: a widespread drop in consumer confidence in all the main markets caused by certain economic-political issues; increased competition due to a number of operators, mainly in the sportswear industry, moving into the casual and urban style segments; increasing growth in e-commerce to the detriment of physical store networks.
2018 was also characterised by a higher number of promotions by the main brands (a direct result of the reduction in sales caused by the unusual weather conditions and drop in footfall). These promotions, mainly affecting profitability, took place during both the full-price season and the sales period, in order to combat the expected increase in inventories.
In this difficult context, Geox therefore believed it appropriate to adopt prudent policies to reduce business risk. These policies have been implemented through continued optimization of the mono-brand store network, and selective and significant cancellation of orders from clients facing financial difficulties or in countries where economic/political conditions have unexpectedly worsened, also as a result of currency devaluation.

These actions have inevitably had an impact on annual sales but have nonetheless allowed the Group to further strengthen its already solid position, reduce its working capital to sales ratio and optimise its net financial position, which is slightly positive.

Initiatives to boost operating efficiency also continued, together with careful cost management, allowing for a further improvement in profitability and for adjusted EBITDA to reach a slightly better level than expected (5.8% on sales).

FY18 NON RECURRING ITEMS

The net result for the 2018 financial year has nonetheless been significantly affected by a number of extraordinary and non-recurring expenses, for a total of Euro 9.8 million, attributable to:

- The changes caused by the new organisation to support the Strategic Business Plan, which have led to some alterations to the HR structure
- The contribution of external strategic advisers
- One-off costs for the insourcing of the online channel
- Supporting and optimising the mono-brand store network (including also franchised stores)
- Some minor disputes relating to previous financial years that arose and were promptly defined

Net of these extraordinary expenses, the Group would have recorded a positive result of Euro 2 million.

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SALES PERFORMANCE IN 2018

Consolidated sales in 2018 amounted to Euro 827.2 million (Euro 884.5 million in 2017), down 6.5% (-5.5% at constant forex). Positive performance was recorded in the last quarter of the year (+2.0%), mainly thanks to the good performance of the e-commerce channel (+12% in 2018 and +22% in the last quarter alone).

Sales by distribution channel

(Thousands of Euro)	2018	%	2017	%	Var. %
Wholesale	**369,914**	**44.7%**	**400,995**	**45.3%**	**(7.8%)**
Franchising	98,342	11.9%	121,404	13.7%	(19.0%)
DOS*	358,964	43.4%	362,130	40.9%	(0.9%)
Geox Shops	**457,306**	**55.3%**	**483,534**	**54.7%**	**(5.4%)**
Net sales	**827,220**	**100.0%**	**884,529**	**100.0%**	**(6.5%)**

* Directly Operated Store

Sales generated by wholesale stores, representing 44.7% of Group revenues (45.3% in 2017), amounted to Euro 369.9 million (-7.8% at current forex, -6.6% at constant forex). This decline is due to a combination of factors: a more selective approach towards certain partners and certain markets aimed at reducing business risk, which led to the cancellation of a number of orders; fewer reorders owing to the unusual weather conditions experienced both at the start of the spring-summer season and at the start of the autumn-winter season; fewer sales of discounted goods from previous seasons; a more unfavourable exchange rate effect.

Sales generated by directly-operated stores, DOS, representing 43.4% of Group revenues, recorded a reduction at Euro 359.0 million (-0.9% at current exchange rates, +0.1% at constant forex). The network effect is slightly positive as the new openings and taking over the direct management of previously franchised stores substantially compensated for the closures planned as part of the completion of the rationalization programme. The negative performance is therefore mainly due to the unusual weather conditions in March and September, which had an impact on footfall and sales volumes in stores. Good performance was recorded in the fourth quarter (+6.9%), also thanks to a positive network effect.

Comparable sales generated by directly-operated stores report a decline of -2.3%, recovering from the -4.3% recorded at the end of September, -4.7% at the end of June and -8.9% at the end of March. In the fourth quarter alone, comparable sales were up 3.4% (+1.1% in the fourth quarter of 2017), thanks in particular to good performance in November (+4.1%) and December (+5.3%).

To date (week I - week VIII), comparable sales are slightly positive.

Sales generated by the franchising channel, which account for 11.9% of Group revenues, amounted to Euro 98.3 million, reporting a decline of 19.0% (-18.3% at constant forex). Performance in the franchising channel mainly reflects the planned rationalization of the store network in the last quarters, with a net reduction of 55 stores in 2018 (over

10% of the entire franchising network) due to closures and, above all, conversions into DOS, combined with comparable sales performing slightly below the levels recorded by directly-operated stores.

Sales by region

(Thousands of Euro)	2018	%	2017	%	Var. %
Italy	239,824	29.0%	257,520	29.1%	(6.9%)
Europe (*)	354,707	42.9%	382,893	43.3%	(7.4%)
North America	50,508	6.1%	56,893	6.4%	(11.2%)
Other countries	182,181	22.0%	187,223	21.2%	(2.7%)
Net sales	**827,220**	**100.0%**	**884,529**	**100.0%**	**(6.5%)**

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

Sales generated in Italy, representing 29.0% of Group revenues (29.1% in 2017), amounted to Euro 239.8 million, compared with Euro 257.5 million in 2017 (-6.9%). This trend is mainly due to the aforementioned optimization of the mono-brand store network (18 net closures in 2018) and to the unusual weather conditions (above all in March and September), with the subsequent effects on reorders and comparable sales. Positive performance was recorded in the fourth quarter with an increase in comparable sales generated by directly-operated stores (+4.8%).

Sales generated in Europe, representing 42.9% of Group revenues (43.3% in 2017), amounted to Euro 354.7 million, compared with Euro 382.9 million in 2017, recording a decline of 7.4%. As was the case in Italy, this performance was mainly due to the aforementioned rationalization of the mono-brand store network (25 net closures in 2018) and to the unusual weather conditions at the start of the spring and autumn seasons. Performance in the fourth quarter was substantially stable, with an increase in comparable sales generated by directly-operated stores.

North America recorded a turnover equal to Euro 50.5 million, reporting a decline of -11.2% (-7.2% at constant forex) mainly due to the negative performance of the wholesale channel, which has been subject of a careful review and selection process for partners, with a focus on players more in line with the Group's planned strategy to improve brand perception. Comparable sales, on the other hand, slightly increased in terms of both full year and fourth quarter results. There were 5 net closures in 2018.

The Rest of the World recorded a -2.7% decline in turnover compared with 2017 (+0.9% at constant forex), with a slightly positive trend in LFL sales for directly-operated stores and the wholesale channel. During the year, the network of stores operating through licence agreement also underwent a rationalization process, now totalling 138 from the 168 that were in place at the end of 2017.

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Sales by product category

(Thousands of Euro)	2018	%	2017	%	Var. %
Footwear	744,044	89.9%	796,664	90.1%	(6.6%)
Apparel	83,176	10.1%	87,865	9.9%	(5.3%)
Net sales	**827,220**	**100.0%**	**884,529**	**100.0%**	**(6.5%)**

Footwear sales represented approximately 90% of consolidated sales, amounting to Euro 744.0 million, down -6.6% (-5.7% at constant forex) compared with 2017. Apparel accounted for 10% of consolidated sales, amounting to Euro 83.2 million compared with Euro 87.9 million in 2017 (-5.3% at current forex, -3.8% at constant forex) and recorded double-digit growth in the fourth quarter thanks to customers' positive reactions to the new collection.

Mono-brand store network - Geox shops

As of December 31st, 2018, there was a total of 1,015 "Geox Shops", of which 444 DOS. During 2018, 57 new Geox shops were opened and 137 were closed.

	12-31-2018		12-31-2017		2018		
	Geox Shops	of which DOS	Geox Shops	of which DOS	Net Openings	Openings	Closings
Italy	286	143	304	137	(18)	5	(23)
Europe (*)	285	154	310	155	(25)	8	(33)
North America	37	37	42	42	(5)	2	(7)
Other countries (**)	407	110	439	105	(32)	42	(74)
Total	**1,015**	**444**	**1,095**	**439**	**(80)**	**57**	**(137)**

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

(**) Includes Under License Agreement Shops (138 as of December 31 2018, 168 as of December 31 2017). Sales from these shops are not included in the franchising channel.

Cost of sales and gross profit

The cost of sales was equal to 50.0% of sales, compared with the 51.7% recorded in 2017, producing a gross margin of 50.0% (48.3% in 2017).

The percentage improvement in gross margin is thanks to the specific measures taken to improve supply chain efficiency and to the greater weight of sales generated by the DOS channel which is characterised by higher profitability.

Operating expenses and EBIT

Sales and distribution expenses were equal to 5.6% of sales, up slightly compared with the previous year (5.3% in 2017).

General and administrative expenses amounted to Euro 325.5 million, reporting an increase of Euro 7.9 million compared with the previous year. This increase is mainly due to the higher number of DOS stores compared with the same period of the previous year, and to the increase in logistics costs.

Advertising and promotion expenses amounted to Euro 26.7 million, equal to 3.2% of revenues, compared to Euro 22.6 million in 2017. This increase is linked to the fact that more marketing initiatives were implemented to support sales and the brand's image.

The operating result amounted to Euro 15.2 million, equal to 1.8% of sales, compared with Euro 40.2 million in 2017 (4.5% of sales).

Furthermore, extraordinary expenses of Euro 9.8 million were recorded in 2018, mainly due to the organisational review and store network optimization.

EBIT amounted to Euro 5.4 million (0.6% of sales), compared with Euro 30.1 million in 2017 (3.4% of sales).

EBITDA

EBITDA amounted to Euro 38.3 million, equal to 4.6% of sales, compared with Euro 64.0 million in 2017 (equal to 7.2% of sales).

Net of unusual expenses and income, adjusted EBITDA amounted to Euro 48.2 million, equal to 5.8% of sales, compared with Euro 74.0 million in 2017 (equal to 8.4% of sales).

Taxes

Income taxes for 2018 amounted to Euro 5.9 million, compared with Euro 11.4 million in 2017.

THE GROUP'S BALANCE SHEET AND FINANCIAL POSITION

The Group's balance sheet shows a positive net financial position of Euro 2.3 million, improving from Euro -5.4 million as of December 31st, 2017, after fair value adjustment of derivatives, which had a positive effect of Euro 9.1 million (Euro -20.5 million as of December 31st, 2017).

Net operating working capital as a percentage of revenues was equal to 25.3%, compared to 25.6% in 2017.

This variation is mainly due to:

- an increase in warehouse stock for products from the 2018 spring/summer and autumn/winter seasons. This is mainly due to the decline in comparable sales recorded by directly operated stores, compared to the level of growth expected;
- the reduction in trade receivables, mainly linked to sales performance;
- an increase in trade payables, in line with the timing of purchases of finished products.

Over the course of the year, investments totalling Euro 37.4 million were made, up Euro 6.5 million compared with the previous year and dividends paid for Euro 15.6 million.

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

The Board of Directors has also approved the 2018 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 582.7 million, compared to Euro 627.0 million in 2017. In 2018, a loss of Euro 6.9 million was recorded, compared with a profit of Euro 11.9 million in 2017.

Shareholders' equity at December 31st, 2018 amounted to Euro 355.5 million compared to Euro 365.0 million at the end of 2017, with a positive net financial position of Euro 31.1 million (Euro 60.3 million at December 31st, 2017).

The financial statements at December 31st, 2018 will be submitted to the Shareholders' Meeting for approval, scheduled for April 16th, 2019.

DIVIDEND PROPOSAL

The Board of Directors has decided to propose a dividend equal to Euro 0.025 per share to the Shareholders' Meeting, corresponding to a total of approximately Euro 6.5 million. If approved by the Shareholders' Meeting, this dividend will be paid from 05/22/2019 (the coupon detachment date will be 05/20/2019, with a record date of 05/21/2019).

BUSINESS OUTLOOK AND SIGNIFICANT SUBSEQUENT EVENTS

With regard to business outlook for 2019, management would like to highlight the following points:

- Initial order collection for the upcoming 2019 spring/summer season (as reported last November) shows a reduction of -9.1% in the wholesale channel, with the industrial margin increasing in line with expectations. Overall, the rationalization process for the wholesale channel, aimed at supporting the Group's solidity and image, is expected to continue in 2019, although this will have less of an impact on turnover than in the previous year. These expectations should nonetheless be confirmed by the performance of initial order collection for the 2019 autumn/winter collection, currently ongoing, and by the assumption that there will be more reorders during the seasons.
- The mono-brand store network is expected to remain substantially stable: directly-operated stores are expected to carry greater weight, thanks to a number of targeted openings (especially in China) and the conversion of a limited number of stores that were previously franchised, as stated in the Business Plan. This will more than compensate for the closures of a number of non-performing directly-operated stores.
- Dos performance trend is slightly positive in Jan-Feb 2019, fueled by online. Retail excellence program's impact is expected to gradually gain traction through the course of the year.
- The ongoing restyling plan will continue, aimed at improving performance, with the introduction of new window displays, new assortment strategies and new policies for in-store visuals.
- Relevant projects and investments in IT will also continue, in line with the Business Plan, in order to support the business and guarantee a truly omnichannel operating model.
- The initiatives to further increase productivity, ensure a lean organization and boost operating efficiency, which have already been successfully implemented over the last few years, shall continue in 2019.
- The direct e-commerce channel is expected to continue to grow at a strong pace and may also benefit from a number of advanced CRM tools that have been launched, made possible thanks to an increasing dedicated in-house team.
- Investments in digital communication will continue in order to accelerate a more modern perception of the brand.

Based on the above, management would like to highlight how, under these changed business and market conditions, overall sales performance indicators based on initial order collection in the wholesale channel are gradually diminishing in importance; in fact sales will increasingly depend on actual performance of re-orders and replenishment in the wholesale channel throughout the season and on comparable sales of the mono-brand network, both online and offline.

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OTHER RESOLUTIONS PASSED BY THE BOD

PROPOSAL SUBMITTED FOR THE 2019-2021 STOCK GRANT PLAN

Based on the proposal put forward by the Appointment and Remuneration Committee, the Board of Directors has passed a resolution to submit a medium-long term incentive plan to the next Shareholders' Meeting, convened for April 16th, 2019, for approval. This Plan involves the free issue of up to 5 million ordinary Company shares (2019-2021 Stock Grant Plan), to the benefit of the Chief Executive Officer, Corporate General Manager, Executives with strategic responsibilities and other senior managers and employees who are considered key resources for Geox or other Group Companies.

The Plan has a three-year vesting period and, as a result, the shares may be assigned from the date of Shareholders ' meeting approval of the financial statements for the year ending December 31st, 2021. Shares being assigned will also depend on and be proportional to the achievement of performance results based on the accumulated consolidated net income reported in Geox Group's 2019-2021 Strategic Business Plan.

The Plan states that these shares, at the discretion of the Board of Directors and in accordance with applicable legal provisions, may come (a) from a free share capital increase pursuant to article 2349, paragraph I, of the (Italian) Civil Code, to be made using a profit reserve that is non-distributable for the purpose of said share capital increase and/or (b) from shares that may have been purchased on the market and/or held by the Company in another form, subject to an ordinary Shareholders' meeting authorising the purchase and making 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:
(i) involve and provide an incentive to beneficiaries whose work is considered to be of fundamental importance for the achievement of the Group's objectives;
(ii) increase beneficiaries' loyalty by providing an incentive to remain within the Group;
(iii) attract new, highly-qualified professionals;
(iv) 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 Plan Regulations and the explanatory report will be made available to the public in accordance with and following the procedures provided for by applicable legislation.

PROPOSAL FOR A FREE SHARE CAPITAL INCREASE FOR A MAXIMUM OF EURO 1,200,000 TO SUPPORT THE INCENTIVE PLAN BASED ON FINANCIAL INSTRUMENTS AND SUBSEQUENT AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board of Directors has approved a free share capital increase pursuant to article 2349, paragraph 1, of the (Italian) Civil Code, which will be submitted to the Extraordinary Shareholders' Meeting for approval ("Share Capital Increase"), subject to the revocation of the share capital increase resolution passed by the Shareholders' Meeting on December 18th, 2008 ("2008 Share Capital Increase"), to support one or more share incentive plans and excluding the Shareholders' option right pursuant to art. 2441, paragraphs 5, 6 and 8 of the (Italian) Civil Code, and subsequent amendment to the articles of association. More specifically, the proposal to revoke the previous resolution has been approved considering the fact that the 2008 Share Capital Increase expires in 2020, and the fact that this would have ceased to be effective in its role of supporting the stock option plans in force or any future plans approved to act as an incentive for the company's management team and the management of Geox Group. Furthermore, the current 2016-2018 Stock Option Plan cannot be exercised as the performance objectives linked to net profit have not been met and the deadline for the rights to accrue expires when the Board of Directors approves the consolidated financial statements for the year ending December 31st, 2018. The Board of Directors has also passed a resolution to waive the possibility to allow beneficiaries to exercise all or part of their stock options even if performance objectives are not met. Lastly, the expiry of the 2008 Share Capital Increase, i.e. December 31st, 2020, would not be compatible with future stock option plans given that the Company is not planning to adopt further incentive plans during 2019, except for the 2019-2021 Stock Grant Plan, submitted to the upcoming Ordinary Shareholders' Meeting for approval.
Considering the above, the Board of Directors has proposed to amend the Articles of Association with reference to article 5 "Share Capital", inserting the provision for a free share capital increase pursuant to article 2349 of the (Italian) Civil Code.

The Board of Directors has also passed a resolution to submit the proposal for a free divisible share capital increase to the Shareholders' Meeting for approval, in order to support one or more Stock Grant Plan(s), including the 2019-2021 Stock Grant Plan, for a maximum nominal amount of Euro 1,200,000, corresponding to a maximum number of 12,000,000 ordinary Company shares, to be issued in several tranches under the terms and conditions stated by the aforementioned Plan, with a subsequent proposal to amend article 7 of the Articles of Association.
This proposal also states that the free share capital increase shall be made using a non-distributable profit reserve, the creation of which shall also be submitted to the upcoming Ordinary Shareholders' Meeting for approval. The shares issued as a result of the share capital increase will have regular dividend rights and shall be attributed to the beneficiaries by the Board of Directors subject to the predefined performance objectives being met.
When approving the share capital increase, the Extraordinary Shareholders' Meeting will also be called upon to grant the Board of Directors the necessary powers to define, inter alia, the procedures and terms and conditions to be followed for the share capital increase.

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

During the same meeting, the Board of Directors passed a resolution to submit a plan to buy back and hold treasury shares to the Shareholders' Meeting for approval, with the aim 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 any extraordinary financial transactions in line with the Company's development strategy, as well as to be used for current and any future Stock Grant Plans.
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 October 20th, 2020), subject to the revocation of the previous plan authorised by the Shareholders' Meeting on April 17th, 2018.
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' Regulations 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 finance*, 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 does not hold any treasury shares.

AMENDMENT TO ARTICLE 17 OF THE ARTICLES OF ASSOCIATION (DIRECTORS' APPOINTMENT, TERM OF OFFICE, REPLACEMENT AND REMUNERATION)

During today's meeting, the Board of Directors approved an amendment to article 17 of the Articles of Association, entitled "Directors' appointment, term of office, replacement and remuneration". In particular, the approved changes refer to the maximum number of candidates to be indicated on the list for the appointment of members of the board of directors, as well as indications regarding the minimum number of candidates who possess the necessary independence requirements pursuant to applicable legislation. The Board of Directors has also passed a resolution providing clarification on the appointment of the Board of Directors should the lists not contain - cumulatively - a sufficient number of candidates for the appointment of the Board of Directors.
The Articles of Association, duly amended following the change to article 17, will be made available to the public, in accordance with the law, at the Company's registered office in via Feltrina Centro 16, 31044 Biadene di Montebelluna (TV), and on the authorised storage system for regulated information, called eMarket Storage, available at the address www.emarketstorage.com, as well as on the Company's website www.geox.biz, under the section Governance - "Articles of Association" while the explanatory report regarding the amendement to the Articles of Association in question shall be made publicly available, as of today, in the same ways listed above.

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NEW ACCOUNTING STANDARDS IN FORCE FROM JANUARY 1ST, 2019: IFRS 16

On January 13th, 2016, the IASB published **IFRS 16 – *Leases*** to replace IAS 17 – *Leases*, and the interpretations IFRIC 4 - *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases—Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The new standard provides a new definition of a lease and introduces criteria based on the control (right of use) of an asset in order to distinguish between lease contracts and service provision contracts, identifying the following determining factors: identification of the asset, the right to replace the asset, the right to obtain substantially all economic benefits from using the asset and, lastly, the right to direct the use of the asset underlying the contract.
The standard establishes a single model for the recognition and measurement of lease contracts for the lessee, which states that leased assets, including those under operating leases, must be recognised under assets with a corresponding entry under financial payables. On the contrary, the standard does not include significant changes for lessors.
The standard came into force on January 1St, 2019, although it was possible to apply it earlier.

Geox completed a preliminary assessment of the potential impacts of applying the new standard at the transition date (January 1St, 2019). This process was broken down into various stages, including a complete mapping of the contracts that could potentially include a lease and the analysis of these contracts in order to ensure that they include the main significant provisions for IFRS 16 purposes.

Geox chose to apply this standard retrospectively. However, it has recorded the accumulated effect of applying the standard on shareholders' equity at January 1St, 2019, in accordance with IFRS 16, paragraphs C7-C13. In particular, in relation to lease contracts that were previously classified as operating leases, Geox will record:

a) a financial liability, equal to the current value of future residual payments at the transition date, discounted using the incremental borrowing rate applicable at the transition date for each contract;
b) a right-to-use equal to the value of the financial liability at the transition date, net of any accrued income and prepaid expenses and accrued expenses and deferred income referring to the lease and recorded in the balance sheet at the closing date of these financial statements.

The majority of Geox's lease contracts refer to stores. The methods used to calculate the financial liabilities and rights of use are based on the analysis of the contractual terms and conditions of each lease, including any renewal options.

The Group has estimated that adopting IFRS 16 at the date of transition, January 1St, 2019, will lead to rights of use for approximately Euro 327 million and a financial liability of approximately Euro 326 million being recorded.

When applying IFRS 16, Geox intends to use the exemption permitted by paragraph 5(a) of IFRS 16 in relation to short-term leases for the contracts with a duration of less than one year and the exemption permitted by paragraph 5(b) of IFRS 16 for the contracts related to low-value assets.

Adopting the new standards will affect some income statement entries, including Ebitda and Ebit, after accounting for the depreciation of the right of use and the interest on the liability that will replace the lease costs.

Assuming that there are no variations to the number of stores in the network at 01/01/2019, this impact is currently estimated in the range of +8/+9 percentage points with regard to EBITDA margin, +0/+0.5 percentage points with regard to EBIT margin and +0/-0.5 percentage points with regard to EBT margin.

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

The manager responsible for the preparation of the company's financial documents, Mr. Livio Libralesso, hereby declares, in accordance with paragraph 2, article 154 bis of the "Testo Unico della Finanza" *(Italian Consolidated Law on Finance)*, 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

INVESTOR RELATIONS

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

Livio Libralesso
General Manager - Corporate, CFO

PRESS OFFICE
Juan Carlos Venti: tel: +39 0423 281914; cell. +39 335 470641; juancarlos.venti@geox.com

GEOX GROUP

Geox Group operates in the classic and casual footwear sector for men, women and children, with a medium/high price level, and in the apparel sector. The success of Geox is due to the constant focus on the application of innovative solutions and technologies on the product that guarantee both impermeability and breathability.
Geox is one of the leading brands in the "International Lifestyle Casual Footwear Market". Geox technology is protected by 38 different patents and by 24 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.

ATTACHMENTS

- Consolidated income statement
- Reclassified consolidated balance sheet
- Reclassified consolidated cash flow statement

N.B.: figures relating to 2018 and 2017 have been drawn up according to the IAS/IFRS accounting standards and have undergone a full financial audit. The balance sheet and cash flow statement have been reclassified according to a chart normally used by the management and investors to assess the Group's results. These reclassified financial statements do not comply with the presentation standards required by the International Financial Reporting Standards (IFRS) and they therefore should not be seen as replacements for the latter. However, they do have the same content, meaning they are easily reconcilable with international financial reporting standards.

CONSOLIDATED INCOME STATEMENT

(Thousands of Euro)	2018	%	2017	%
Net sales	**827,220**	**100.0%**	**884,529**	**100.0%**
Cost of sales	(413,456)	(50.0%)	(456,914)	(51.7%)
Gross profit	**413,764**	**50.0%**	**427,615**	**48.3%**
Selling and distribution costs	(46,416)	(5.6%)	(47,268)	(5.3%)
General and administrative expenses	(325,489)	(39.3%)	(317,624)	(35.9%)
Advertising and promotion	(26,652)	(3.2%)	(22,561)	(2.6%)
Operating result	**15,207**	**1.8%**	**40,162**	**4.5%**
Restructuring charges	(9,847)	(1.2%)	(10,020)	(1.1%)
EBIT	**5,360**	**0.6%**	**30,142**	**3.4%**
Net financial expenses	(4,792)	(0.6%)	(3,392)	(0.4%)
PBT	**568**	**0.1%**	**26,750**	**3.0%**
Income tax	(5,859)	(0.7%)	(11,367)	(1.3%)
Tax rate	*n.m.*		*42.5%*	
Net result	**(5,291)**	**(0.6%)**	**15,383**	**1.7%**
EPS (Earnings per shares)	**(0.02)**		**0.06**	
EBITDA	**38,344**	**4.6%**	**63,989**	**7.2%**
Restructuring charges	(9,847)		(10,020)	
EBITDA adjusted	**48,191**	**5.8%**	**74,009**	**8.4%**

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

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RECLASSIFIED CONSOLIDATED BALANCE SHEET

(Thousands of Euro)	Dec. 31, 2018	Dec. 31, 2017
Intangible assets	50,161	52,061
Property, plant and equipment	65,826	61,326
Other non-current assets - net	39,085	42,567
Total non-current assets	**155,072**	**155,954**
Net operating working capital	**209,115**	**226,277**
Other current assets (liabilities), net	**(17,665)**	**(19,562)**
Net invested capital	**346,522**	**362,669**
Equity	340,760	349,483
Provisions for severance indemnities, liabilities and charges	8,054	7,808
Net financial position	(2,292)	5,378
Net invested capital	**346,522**	**362,669**

OPERATING WORKING CAPITAL AND OTHER CURRENT ASSETS (LIABILITIES)

(Thousands of Euro)	Dec. 31, 2018	Dec. 31, 2017(*)
Inventories	312,052	283,227
Accounts receivable	133,090	162,460
Accounts payable	(236,027)	(219,410)
Net operating working capital	**209,115**	**226,277**
% of sales for the last 12 months	***25.3%***	***25.6%***
Taxes payable	(8,723)	(8,810)
Other non-financial current assets	30,637	25,368
Other non-financial current liabilities	(39,579)	(36,120)
Other current assets (liabilities), net	**(17,665)**	**(19,562)**

(*) Breakdown of Net Working Capital at December 31, 2017 was reclassified in order to include the impacts of the new accounting principle IFRS 15 and maintain the comparability with 2018 figures

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RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT

(Thousands of Euro)	2018	2017
Net result	**(5,291)**	**15,383**
Depreciation, amortization and impairment	32,984	33,846
Other non-cash items	1,449	10,052
	29,142	**59,281**
Change in net working capital	7,061	23,195
Change in other current assets/liabilities	(5,018)	16,076
Cash flow from operations	**31,185**	**98,552**
Capital expenditure	(37,358)	(30,841)
Disposals	458	4,373
Net capital expenditure	**(36,900)**	**(26,468)**
Free cash flow	**(5,715)**	**72,084**
Dividends	(15,552)	(5,184)
Change in net financial position	**(21,267)**	**66,900**
Initial net financial position - prior to fair value adjustment of derivatives	**15,148**	**(51,620)**
Change in net financial position	(21,267)	66,900
Translation differences	(691)	(132)
Final net financial position - prior to fair value adjustment of derivatives	**(6,810)**	**15,148**
Fair value adjustment of derivatives	9,102	(20,526)
Final net financial position	**2,292**	**(5,378)**

CAPEX

(Thousands of Euro)	2018	2017
Trademarks and patents	656	531
Opening and restructuring of Geox Shop	21,162	16,393
Pruduction plant	494	698
Industrial plant and equipment	2,788	2,695
Logistic	2,321	3,054
Information technology	6,769	6,653
Others	3,168	817
Total	**37,358**	**30,841**