

## Xtep announced record-breaking revenue of RMB5,684 million and net profit of RMB590 million in 2022 interim results

On 23 August, Xtep announced its 2022 interim results, where the revenue achieved a new record high of RMB5,683.6 million, up 37.5% year-on-year. Profit attributable to ordinary equity holders of the Company rose by 38.4% to RMB590.4 million, mainly driven by its solid running ecosystem, retail channel upgrade and increased brand awareness; as well as the encouraging performance of the Xtep Kids business.

Assisted by the resilience of the brands, targeted investments and greater efficiency, we are fully confident to accelerate growth and improve profitability of our business in the long term, hence accomplishing the revenue growth targets in the coming years as announced in the "5<sup>th</sup> Five-Year Plan". In 2025, the target revenue of the core Xtep brand would be RMB20 billion, whereas the four new brands are projected to achieve a total revenue of RMB4 billion.



## Xtep Announces New Strategic Brand Positioning "World-class Chinese Running Shoes" to International Market Core Xtep Brand

On 5 September, Xtep hosted the "World-Class Running Shoes of China Xtep" brand strategy upgrade and new product launch conference at the National Aquatics Center in Beijing. At the conference, the Group announced its new strategic brand positioning of "World-class Chinese Running Shoes" and unveiled the new generation "160X 3.0 PRO" under the "championship running shoes" series "160X" to showcase the Group's innovation achievement – its proprietary cushioning technology platform "XTEP ACE".



Apart from top-notch celebrities including Xtep's brand spokesperson Nicholas Tse and brand running ambassador Han Han, various distinguished guests including Duan Shijie, President of the Chinese Athletics Association, Wang Shi, Founder of Vanke Group, Liu Fumin, former Director of the General Administration of Sport of China's sports economy department, Cai Yong, Vice-chairman of the Chinese Athletics Association, Tang Weihong, party committee member of people.cn and Zhang Li, Researcher of China Institute of Sport Science, were also present at the event to show support.

The new "160X 3.0 PRO" adopts the "XTEP ACE" cushioning technology jointly announced by professor Barry C. Barish, Chief Scientist and Nobel Prize-winning physicist and the China Institute of Sport Science. The technology employs the world's first "PISA" supercritical foaming technology to give professional runners excellent rebound and propulsion. It also helps protect the knees of mass runners from injuries. The appraisal report published by international accreditation institution SGS also shows that the "160X 3.0 PRO" is comparable or even superior to the top running shoes of key overseas brands in such core functions as cushioning, slip resistance, wear resistance and rebound.



Guided by its new "World-class Chinese Running Shoes" strategic positioning, Xtep will continue to support road running in Mainland China. Through product development and innovation, sponsorship for sports events and athletes, athletes and running incentive schemes; offering operational support to running groups and organizing 5km/10km races, Xtep will continue to build an international standard running ecosystem.

## Xtep Kids

“Teenagers in a Big Country” assembled in Wenchang  
Xtep Kids ignited aerospace dream

Since Xtep Kids and China Space Museum jointly kicked off the aerospace science public welfare event “Million Youth Questions About Sky Project” in April 2022, we gathered a group of children with keen aerospace ambition this summer to coincide with the launch of the Long March-5B Y3 rocket. They were given in-depth lectures on the mysteries of space by professionals and the rare chance of enjoying an up-close view of the rocket launch and coming to appreciate China’s tremendous strength in aerospace.

BRANDING

## Saucony introduced “Triumph 20” to relive victory



Saucony

“Triumph”, one of the most iterated models in Saucony’s history, officially entered its 20<sup>th</sup> generation this August. The redesigned ergonomic mesh, upper fixing straps, and the 3D FORMFIT system also help consistently ensure stable fit and perfect wrapping for runners. Additionally, the re-tuned PWRRUN+ midsole and upgraded PWRRUN+ material insoles provided a gentle and soft-cushioning feel, taking runners ever closer to victory.

Saucony again sponsored BMW Hood to Coast  
China Relay

Saucony sponsored the BMW Hood to Coast China Relay for the second year. From 6 to 7 August, 500 participating teams of runners from more than 100 cities ran from Hainan to Zhangjiakou, a distance of 145.6 km, night and day. From that, Saucony has come closer to building more emotional connections with runners.

BRANDING

Merrell



## Merrell and XRC created quality cross-country experience

On 13 August, Merrell and the Chongqing Xtep Running Club held a product appreciation event in Chongqing for runners to experience three new cross-country running products – “MTL LONG SKY2”, “AGILITY PEAK4”, and “MOAB SPEED”. More than 30 trail running enthusiasts picked their favourite shoes and embarked on a near 10km run to South Mountain, immersing in the beauty of nature accompanied by Merrell.



BRANDING