

**REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE
SHAREHOLDERS' MEETING CALLED FOR THE APPROVAL
OF THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020**
(art. 153 of Italian Legislative Decree no. 58 of 24 February 1998 - "TUF")

Dear Shareholders,

1. Introduction

This report covers the activities performed by the Board of Statutory Auditors of Geox S.p.A. ("Geox" or the "Company") during the fiscal year ending 31 December 2020, in accordance with the relevant provisions.

The Board of Statutory Auditors was appointed by the Shareholders' Meeting on 16 April 2019: the Board of Statutory Auditors will therefore end its mandate with the Shareholders' Meeting to approve the financial statements as at 31 December 2021.

In accordance with Italian Legislative Decree no. 58/1998 ("TUF") and Italian Legislative Decree no. 39/2010, Deloitte & Touche S.p.A. was appointed by the Shareholders' Meeting of 6 May 2013 for the audit of the Company's accounts for the 2013-2021 term.

2. Supervisory activity

During fiscal year 2020, the Board of Statutory Auditors carried out the supervisory activity provided by law (and, specifically, by Article 149 of the TUF), by the Rules of Conduct for Boards of Statutory Auditors of Listed Companies issued by the National Board of Chartered Accountants and Auditors, by CONSOB recommendations on corporate supervision and board of statutory auditors activities (specifically, Notice No. DAC/RM 97001574 of 20 February 1997 and Notice No. DEM 1025564 of 6 April 2001, as subsequently supplemented with Notice No. DEM/3021582 of 4 April 2003 and Notice No. DEM/6031329 of 7 April 2006) and by the provisions contained in the Corporate Governance Code (July 2018 edition) issued by the Corporate Governance Committee for listed companies of Borsa Italiana S.p.A.. The new Corporate Governance Code (January 2020) came into effect on 1 January 2021, which the Company endorsed on 25 February 2021, beginning all the necessary adaptation work.

2.1. During the fiscal year ending 31 December 2020, the Board of Statutory Auditors monitored compliance with the law and Articles of Association in force as well as compliance with principles of sound management.

To this end, the Board of Statutory Auditors used the information flows generated by the Company, which are considered suitable to ensure that the Statutory Auditors can check compliance of the organisational structure, internal procedures, corporate documents and management bodies' resolutions with legal provisions, Articles of Association and applicable regulations.

To carry out its audit, in 2020 the Board of Statutory Auditors held a total of 17 meetings, in some cases with the participation of the Audit and Risk & Sustainability Committee and received information from the managers of various corporate departments. With regard to the administrative and accounting system and its suitability to correctly represent the management facts, in addition to obtaining necessary information from the corporate departments, the Board of Statutory Auditors, gathered information through regular meetings with the independent auditing firm.

In addition, the Board of Statutory Auditors:

- Participated in the only Shareholders' meeting;
- Participated in the Board of Directors' meetings (11 in total in 2020), during which it was informed on the business carried out and on the main economic, asset and financial transactions carried out by the Company and the Group. Based on the information obtained by the Board of Statutory Auditors, the resolutions and the transactions subsequently carried out are compliant with the law and the Articles of Association and do not show any conflicts of interest with the Company, are not manifestly imprudent, hazardous, atypical or unusual, nor are in breach of the resolutions adopted by the Shareholders' Meeting or such as to jeopardise the integrity of company's assets;
- Participated in all the meetings of the Audit and Risks & Sustainability Committee (11 in 2020);
- Participated in the meetings of the Appointment and Remuneration Committee (5 in 2020);
- Participated in the meetings of the Executive Committee (12 in 2020);

- Regularly met with the Manager in charge of the Accounting documents (the “Manager in charge”);
- Regularly met with Deloitte & Touche S.p.A., the firm in charge of the legal audit of the Company’s financial statements and consolidated financial statements;
- Met with BDO Italia S.p.A., the company in charge of the certification of the Company’s non-financial statement.

Despite the fact that the supervisory bodies had to partially work remotely (including Internal Audit activities) as a result of the restrictions imposed by the authorities, through numerous measures introduced to tackle the Covid-19 epidemiological emergency, it is not believed that these circumstances negatively affected the preparation of the opinion expressed.

With regard to the decision-making process of the Board of Directors, the Board of Statutory Auditors monitored the compliance with law and Articles of Association of the management transactions carried out by the Directors and checked that the resolutions adopted were not in contrast with the interests of the Company.

In this regard, the Board of Statutory Auditors acquired information and monitored, within the scope of its responsibility, the compliance with the principles of sound management and the adequacy of the administrative structure of the Company to ensure observance of the principles.

The Board of Statutory Auditors believes that the principles of sound management have been complied with and, in accordance with the information acquired, that the management decisions were inspired by the principle of correct information and reasonableness.

2.2. The Board of Statutory Auditors acquired from the Directors, including by taking part in the meetings of the Board of Directors and the Executive Committee, periodical information on general performance and its likely development (considering the persistence of the Covid-19 pandemic) as well as on the most significant transactions carried out by the Company, in light of their value or characteristics, including through its subsidiaries.

Among the significant events that occurred during the year, the Board of Statutory Auditors would like to draw Shareholders’ attention to the fact that, on 30 July 2020, the Company implemented its financial policy to support its business and investments over the next three years, by signing a loan agreement for a total of Euro 90 million, obtained thanks to its solid track record in terms of equity and financial indicators. Pursuant to the provisions of Italian

Decree Law no. 23 of 8 April 2020, SACE [export credit insurance company], promptly issued a so-called “Garanzia Italia” (“Italy guarantee””, through the simplified procedure, for 90% of the amount granted by the banks, following an in-depth investigation. This loan will mainly be used to cover personnel costs and investments, as well as working capital dynamics for production facilities and business activities in Italy. The loan has a maximum duration of six years, with a 24-month grace period and quarterly repayments. The loan agreement involves compliance with a number of financial covenants, which will begin to be tested from 30 June 2022.

It should also be noted that the Company deemed it appropriate to suspend payment of rents while stores were temporarily closed and then began to pay rent in proportion to sales performance following their reopening. 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.

Considering that 2020 was characterised by an increase in cyber-attacks, at the same time as the ICT structure being put under pressure due to the need to increase workers’ flexibility as a result of the COVID-19 pandemic, the Company defined an action plan aimed at preventing and defending against potential attacks and strengthening the measures to combat this phenomenon and restore normal operations. This action plan led to the definition of a governance structure for IT risks which includes, inter alia, establishing a Security Committee, introducing a Chief Information Security Officer role and launching a series of monitoring measures for infrastructure and networks.

More generally speaking, 2020 was strongly affected by the Covid-19 pandemic, with people’s mobility being significantly reduced, tourism being substantially wiped out and non-essential businesses being frequently suspended. During 2020, almost a quarter of the Group's distribution network experienced disruptions to operations, with temporary closures in the second and fourth quarters. This situation led to a significant drop in turnover and margin performance, as well as to considerable expenses linked to the increasing level of unsold stock, store closures and the difficulties being faced by clients.

In this context, the Company took the necessary actions to protect the company's liquidity and safeguard employees: in doing so, it managed to cut costs and speed up the process to define a

more streamlined and efficient business model that is more responsive to the new market context.

With regard to the most significant events after the reporting date as of 31 December 2020, the Board of Statutory Auditors would like to highlight the Board of Directors' approval of a document entitled "Business plan scenarios for the 2021-2024 period", which involves an important review of the distribution network, additional investments in the digital channel and a reorganisation process in countries with an unsatisfactory level of profitability.

2.3. The Board of Statutory Auditors did not find any atypical and/or unusual transaction with the Group companies, with third parties or related parties, and this was confirmed by the indications of the Board of Directors, the auditing firm and the Head of the Internal Audit Department.

The Directors' Report contains adequate information on the intra-group transactions and on related-party transactions, which are all fair, in the interest of the Company and entered into at arm's length. The financial impact of related-party transactions is shown in Note 35 to the Company's financial statements and Note 34 to the consolidated financial statements. Their financial impact on cash flow is shown in the cash flow statement.

Their impact on financial flows is reported directly in the cash flow statement. With reference to these transactions, the Board of Statutory Auditors considers that the information that the Directors provided in their Directors' Report and the explanatory notes to the financial statements is adequate.

2.4. The Board of Statutory Auditors, within the limits of its responsibility, has acquired information on and monitored the Company's organisational structure which, according to the Board, is generally adequate.

2.5. During the fiscal year ending 31 December 2020, the Board of Statutory Auditors issued the opinions required by law.

The Board of Statutory Auditors acknowledges that, before the draft financial statements were approved, the Directors approved the results of the impairment test and verified that they complied with the requirements of IAS 36. For further information on the results of the impairment test, please also refer to paragraph 3, "Financial Statements" below.

The Board of Statutory Auditors also verified the correct implementation of the criteria and procedures adopted by the Board of Directors to assess the independence of their members based on the criteria provided by law and by the Corporate Governance Code.

The Board of Statutory Auditors has also provided for the self-assessment of the independence of its members, the results of which confirmed the existence of the conditions required by law and by the Corporate Governance Code; it also attested to the fact that no statutory auditor had interests, on their own account or for third parties, in any operation of the Company during fiscal year 2020.

With reference to fiscal year 2020, the Board of Statutory Auditors also proceeded to carry out the self-assessment process on the composition and on the functioning of the corporate body, the outcome of which will be reported to the Board of Directors.

The members of the Board of Statutory Auditors have complied with the collection of assignments provided for in article 144-*terdecies* of the Issuers' Regulations.

2.6. During fiscal year 2020, no complaints under article 2408 of the Italian Civil Code have been received nor any other complaint filed by third parties.

2.7. The Board of Statutory Auditors has verified that the Company has adopted an internal audit and risk management system, also with reference to the Group, which aims to identify, measure, manage and monitor the Company's main risks.

In order to oversee the adequacy of the Company's internal control system, the Board coordinated its work with the Audit and Risks & Sustainability Committee, the Director in charge of supervising the correct functioning of the Internal Audit and risk Management, the Head of the Internal Audit Department and the Supervisory Body.

Furthermore, in exercising its functions of Internal Control and Audit Committee, in addition to implementing a continuous information flow with the Audit and Risks & Sustainability Committee, the Board of Statutory Auditors held regular meetings with the auditing firm, and acknowledged the certification made by the auditing firm itself with regard to the absence of significant shortfalls in the internal control system.

With reference to the provisions under article 36 of CONSOB Resolution no. 16191 of 29 October 2007, on the basis of the information collected and the work undertaken by the Internal Audit Department, the accounting/information system of the significant subsidiaries established and governed by the laws of non-European Union member states was considered

adequate, as well as satisfying the other conditions required by the aforementioned article 36 of CONSOB Resolution no. 16191 of 29 October 2007.

The Board of Statutory Auditors confirmed that the latest version of the Company's code of ethics was approved by the Board of Directors on 23 February 2018.

The Board of Statutory Auditors also pointed out that the Company has a diversity policy for its corporate bodies that was approved in 2017.

The Board of Statutory Auditors examined the 2020 annual report of the Supervisory Board and has no observations in this regard.

The Board of Statutory Auditors participated in the meetings of the Appointment and Remuneration Committee, acquiring relevant information to perform the supervisory activities for which it is responsible.

The Board of Statutory Auditors also declared that the Audit and Risks & Sustainability Committee operated in compliance with the provisions of the Corporate Governance Code. The collaboration with the Audit and Risks & Sustainability Committee was satisfactory and effective and, among other things, made it possible to co-ordinate their respective activities and carry out a joint evaluation and an effective co-ordination of the overall internal audit and risk management system.

The Board of Statutory Auditors examined the annual report of the Internal Audit Department on the activities carried out in 2020 as well as the audit reports.

The Directors carried out the verifications for which they are responsible with regard to the process of preparing the half-year financial report and the annual financial statements and evaluated, including through regular meetings with the auditing firm, the adequacy of the accounting principles and their consistency for the purposes of the half-year financial report and the annual financial statements.

In light of the supervisory activity carried out, and having regard to the evaluations on the adequacy, effectiveness and actual functioning of the internal control system made by the Audit and Risks & Sustainability Committee and by the Board of Directors, the Board of Statutory Auditors holds that, within the limits of its responsibility, this system is overall adequate.

2.8. The Board of Statutory Auditors oversaw the adequacy of the directives issued by the Company to its subsidiaries in accordance with article 114, paragraph 2 of the TUF, and the correct flow of information between the Company and the subsidiaries and holds that the Company is able to comply with the communication obligations under the law. The information flow towards the central external auditor, comprising the various levels of the corporate control chain, which has been operating over the entire financial year and which is necessary for the control of the annual and periodic accounts, has been considered effective.

The Board of Statutory Auditors also confirms having met, pursuant to art. 151, paragraphs 1 and 2 of the TUF, the Sole Statutory Auditor of the Italian subsidiaries. As a result of these meetings, no issues have emerged that need be reported.

Furthermore, the Board of Directors of the Company has a Global Compliance Program for the Group's foreign entities. It is a governance tool aimed at reinforcing the ethics and professionalism of the Company and to prevent commissions of crimes abroad (such as, for example, offences against the public administration, fraudulent accounting, money laundering, offences committed in breach of occupational safety laws, environmental offences) that could lead to corporate liability and the ensuing reputational risks. The Global Compliance Program was drawn up in light of applicable law and taking into account the Group's corporate structure and the specific applicable legislation in the various national legal systems where the Geox Group operates.

Furthermore, in line with the control measures described above, the Company has successfully completed the process to obtain ISO 37001 certification regarding Anti-bribery management systems.

In accordance with Italian Law no. 179/2017 on "Provisions to ensure the protection of whistleblowers on individuals who have committed offences or irregularities of which they become aware within the framework of a private or public employment relationship" ("Law on Whistleblowing"), the Board of Statutory Auditors also confirmed that the Company has implemented a suitable global Whistleblowing system that is integrated at group level. This system is aimed at proving and promptly managing any offences and/or violations pertaining to questionable conduct and breaches of the Company's Code of Ethics.

2.9. As mentioned, the Company has agreed to abide by the new Corporate Governance Code for listed companies of Borsa Italiana S.p.A., as resulting from the Corporate

Governance and Ownership Structure Report for fiscal year 2020, approved by the Board of Directors on 15 March 2021 and made available on the Company's website. The Report was drafted in accordance with the instructions of the Market Regulations organised and managed by Borsa Italiana S.p.A.

The Report in question describes in detail the governance system adopted by the Company. This system complies with the rules of the governance model required by the above-mentioned Corporate Governance Code and the principles indicated therein are effectively and correctly applied.

The Corporate Governance and Ownership Structure Report for fiscal year 2020 reports the conclusions reached by the Directors with regard to the confirmation of the adequacy and effectiveness of the organisational, administrative and accounting structure of the Company and of the main subsidiaries.

During the oversight activity, no omissions, inappropriate conduct or irregularities have emerged such as to require reporting to the relevant external control and surveillance bodies or to deserve being reported herein.

2.10. The Directors also prepared the Report on the policy regarding remuneration and fees paid, approved by the Board of Directors on 15 March 2021. In the Report, the Directors also described the principles adopted to determine the remuneration of the members of the management bodies and the managers with strategic responsibilities. Furthermore, the report contains a table showing the remuneration paid to the members of the management and control bodies and the other managers with strategic responsibilities, as well as the schedule concerning the information on the interests in the Company that they hold.

2.11. The Board of Statutory Auditors oversaw the Company's administrative and accounting system and its reliability in correctly representing the facts reported therein, by obtaining information from the Manager in charge and the Heads of the relevant departments, examining the documents prepared by the Company and analysing the work made by the statutory auditing firm.

Specifically, the Board of Statutory Auditors has ascertained that the Manager in charge has issued the certification that the documents in the financial statements provide a truthful and correct representation of the asset, economic and financial situation of the Company and of

the investee companies included in the scope of consolidation. Based on the information acquired, the statements made by the Manager in charge are complete.

In light of the supervisory activity carried out, and having regard to the evaluations on the adequacy, effectiveness and effective functioning of the organisational, administrative and accounting structure made by the Board of Directors, the Board of Statutory Auditors holds that, within the limits of its responsibility, the system is overall adequate and reliable as to the representation of the events occurred during the management.

2.12. During the fiscal year ending 31 December 2020, the Board of Statutory Auditors regularly met the auditing firm, Deloitte & Touche S.p.A., to exchange data and information that are relevant under article 150, paragraph 3 of the TUF.

During these meetings, the auditing firm did not communicate any fact or anomaly that is sufficiently relevant to be reported in this report.

2.13. The oversight activities on the audit in accordance with article 19 of Italian Legislative Decree no. 39 of 27 January 2010 was performed by the Board of Statutory Auditors within the above meetings with the auditing firm, which presented the quarterly controls made and the relevant results as well as the auditing strategy and any relevant issue encountered in performing its activity. No critical matters have emerged from these meetings such as to affect the individual financial statements of the Company or the consolidated financial statements.

The Board of Statutory Auditors also evaluated the work plan prepared by Deloitte & Touche S.p.A. and has found it adequate having regard to the characteristics and size of the Group and has overseen the effectiveness of the process of statutory audit and found that the same has been carried out in compliance with the statutory auditing plan and with the International Standard Audit.

The reports of the company Deloitte & Touche S.p.A. on the financial statements and the consolidated financial statements were issued on 30 March 2021 in accordance with articles 14 and 16 of Italian Legislative Decree No. 39 of 27 January 2010.

As regards the statements and certifications, the auditing firm:

- issued a statement that Geox's financial statements (included consolidated) provide a truthful and correct representation of the equity and financial situation of Geox and of

the Group as at 31 December 2020, of the operating result and cash flows for the fiscal year ending that date, in compliance with the International Financial Reporting Standards adopted by the European Union, as well as the provisions issued pursuant to article 9 of Italian Legislative Decree no. 38/2005;

- issued a declaration of consistency pursuant to which the Directors' report accompanying the financial statements and the consolidated financial statements as at 31 December 2020, as well as some specific information contained in the Corporate Governance and Ownership Structure Report referred to in article 123-*bis*, paragraph 4 of the TUF, for which the Company's directors are responsible, are drafted in compliance with the law; and
- stated that, based on the knowledge and understanding of the company's business and related background information acquired during the audit, no remark needs to be made regarding possible significant errors in the Directors' report.

The report also includes the key aspects of the audit, in relation to which, however, no separate opinion is provided, since the same are dealt with in the audit and in the overall assessment conducted in relation to the financial statements. Compared with the previous year, application of IFRS 16 is no longer considered a significant risk, while the impairment of tangible and intangible fixed assets and of third-party assets is now classed as a significant risk. In fact, as a result of the Covid-19 pandemic, the Group's sales network has been affected by the restrictive measures imposed by the various governments, causing a significant drop in sales. Assessing the recoverable value of tangible and intangible fixed assets and of the right-of-use of third-party assets therefore required particular attention; this is also reflected in a dedicated paragraph in the report on the financial statements (both the company's financial statements and the consolidated financial statements), "Covid-19 and its effects on the impairment test", to which reference should be made.

The other key aspects of the review include the valuation of inventories from previous collections (in terms of both the significance of the discretionary component that is inherent to the estimative nature of the fund, and the unique context created by Covid-19) and the valuation of liabilities represented by returns and customer credits

Finally, the audit report expresses an opinion on whether Directors' use of the going concern assumption is appropriate, based on audit evidence gathered up to the date of the report.

On 30 March 2021, the independent auditing firm also presented to the Board of Statutory Auditors, in its capacity as Internal Control and Audit Committee, the additional report as per article 11 of Regulation (EU) No. 537/2014. The Report shows that no significant shortfalls in the internal control system concerning the financial reporting process deserve to be brought to the attention of those responsible for corporate governance. The Board of Statutory Auditors will inform the Board of Directors of the Company with regard to the outcome of the statutory audit, transmitting the additional report for this purpose, together with any observations, pursuant to article 19 of Italian Legislative Decree no. 39/2010. With regard to the previous fiscal year, the Board of Statutory Auditors informed the Board of Directors on the outcome of the statutory audit, as required by law.

As an attachment to the additional report referred to in the previous paragraph, the auditing firm presented to the Board of Statutory Auditors its declaration of independence, as required by article 6 of Regulation (EU) no. 537/2014, which shows that no critical issue exists which might affect their independence. Finally, the Board of Statutory Auditors took note of the transparency report prepared by the auditing firm and published on its website pursuant to article 18 of Italian Legislative Decree no. 39/2010.

2.14. During the fiscal year ending 31 December 2020, the Company did not entrust Deloitte & Touche S.p.A. with non-audit assignments.

Having regard to the declaration of independence issued by Deloitte & Touche S.p.A., owing to the fact that no non-audit work engagements were assigned and the fact that no engagements were assigned to companies belonging to its network by the Company and the Group companies, we do not believe that there are any critical issues with regard to the independence of Deloitte & Touche S.p.A.

2.15. Italian Legislative Decree no. 254/2016, which implemented the EU Directive on non-financial and diversity information, requires large public interest entities (PIEs) to report specific non-financial information and applies to financial statements relating to financial years starting on 1 January 2017. This information concerns environmental and social issues, employee-related issues, respect for human rights, anti-corruption, diversity on the Board of Directors and other aspects concerning sustainability. The Board of Statutory Auditors stated that the Company, in accordance with the recommendations of the Corporate Governance Code and in consideration of the value attributed to corporate social responsibility, expanded the operations of the Audit and Risks Committee, entrusting it with the supervision of

processes, initiatives and activities to keep the Company's commitment for sustainable development, renaming the same "Audit and Risks & Sustainability Committee".

The Board of Statutory Auditors also pointed out that the responsibility for ensuring that the report is drafted and published in compliance with the provisions of the law rests with the Directors. The Board of Directors must monitor compliance with the provisions of Italian Legislative Decree no. 254/2016.

As part of this supervisory activity, the Board of Statutory Auditors pointed out that the Board of Directors entrusted the auditing firm BDO Italia S.p.A. with the auditing of non-financial information. The task assigned pursuant to article 3, paragraph 10 of Italian Legislative Decree No. 254/2016 relates to the limited assurance engagement concerning the consolidated non-financial statements of Geox and the Group companies. The Board of Statutory Auditors met with the representatives of the auditing firm and read the report of the independent auditing firm on the consolidated non-financial statement issued on 30 March 2020 pursuant to article 3, paragraph 10 of Italian Legislative Decree No. 254/2016 and article 5 of CONSOB Regulation No. 20267.

Since the activity carried out by BDO Italia S.p.A. involves a limited review, the opinion is provided in negative form of expression. More specifically, in its report, BDO Italia S.p.A. stated that, based on the work carried out, no aspects emerged that indicate that the non-financial statement of the Geox Group for the year ended on 31 December 2020 was not drafted, in all material respects, in compliance with the requirements of articles 3 and 4 of Italian Legislative Decree No. 254/2016 and with the Global Reporting Initiative Standards.

2.16 Please be reminded that Geox appointed the audit firm Deloitte & Touche S.p.A. to carry out the external audit of its accounts for the 2013-2021 nine-year period; this appointment shall expire upon approval of the financial statements at 31 December 2021. In this regard, during 2020, Geox carried out the process to select the new independent auditing firm, to be appointed for the 2022-2030 nine-year period, in accordance with applicable legislation.

This selection process is prepared by the Company and the Board of Statutory Auditors is responsible for carrying it out, pursuant to article 16, paragraph 3, of Regulation (EU) no. 537/2014; for the purposes of the selection process, the Board of Statutory Auditors availed itself of the operational support of the Geox work group.

Upon completion of the selection activities, the Board of Statutory Auditors, in its capacity as Internal Control and Audit Committee, submitted its recommendation to the Board of Directors, in accordance with the purposes provided for by applicable legislation.

3. Financial Statements

The Board of Statutory Auditors examined the draft financial statements as at 31 December 2020 and reviewed the consolidated financial statements on the same date. To the best of their knowledge and understanding, the Board of Statutory Auditors holds that, in preparing the financial statements and the consolidated financial statements no provisions of law have been derogated from.

As the Board of Statutory Auditors is not responsible for statutory auditing, the Board oversaw the general approach used to draft the financial statements, its compliance with law in general with regard to its preparation and structure and, in this regard, reports as follows.

As shown in the Report on the financial statements for the previous fiscal year, since 1 January 2019 IFRS 16 has been in force, providing a new definition of lease and introducing a criterion based on control of an asset (right of use) to distinguish lease contracts from service contracts, based on: the identification of the asset, the right to replace it, the right to obtain substantially all of the economic benefits from use of the asset and, finally, the right to direct the use of the asset underlying the contract. On 28 May 2020, the IASB published an amendment entitled 'Covid-19-Related Rent Concessions (Amendment to IFRS 16)'. This document states that lessees are entitled to record Covid-19-related rent reductions without having to analyse the contracts to assess whether the definition of 'lease modification', as stated by the IFRS 16, is respected. Lessees who exercise this right may therefore record the effects of the rent reductions directly in the income statement as at the date when the reduction takes effect. This amendment applies to financial statements starting from 1 June 2020, but the Company availed itself of the possibility to apply it in advance, as of 1 January 2020. During 2020, the Company began an important process to negotiate with the main landlords of the properties for which it has operating leases in place; only some of these negotiations have been completed. The introduction of the new amendment generated a total benefit of Euro 2,303 thousand in terms of the result for the year for Geox S.p.A. (Euro 6,783 thousand for the Group's financial statements).

The Directors paid particular attention to the impairment test, also using stress test hypotheses; a brief overview of the results of these activities is provided below:

- with reference to the Group's net invested capital and goodwill, the Directors opted for a “multi-scenario” approach (i.e. the business plan scenarios for the 2021-2024 period, approved by the Board), considering the difficulties involved with making estimates due to Covid-19, in terms of both the duration of the emergency and its effects on consumer demand; the aim of this was to check whether the results of the impairment test would also withstand a stress test. As a result, for all scenarios, the impairment test revealed sufficient coverage to support the Group’s net invested capital and goodwill, meaning that no write-downs were completed;
- with reference to stores, analysis was carried out for all stores (compared with only 131 stores selected as of 31 December 2019); this analysis led to assets referring to 95 stores being totally or partially written down. This decrease is mainly due to the closure of non-performing stores in 2020. The value of written down fixed assets amounts to a total of Euro 20.4 million (Euro 8.8 million of which referring to Right-of-Use), compared with Euro 23.6 million as of 30 June 2020 (and compared with Euro 11.3 million as of 31 December 2019);
- with reference to equity investments, write-downs totalling Euro 23.3 million were completed and a provision for bad and doubtful accounts was set aside for Euro 34.1 million.

Considering the current levels of volatility, the Directors decided not to recognise any additional deferred taxes compared with the amount recognised in 2019.

The Board of Statutory Auditors verified that the provisions of law concerning the preparation of the Directors’ report have been complied with and has no specific remarks in relation thereto. The Board of Statutory Auditors checked compliance with legal provisions regarding the preparation of the directors’ report and, also in this regard, it does not have any observations to report. In particular, with regard to the spread of the Covid-19 pandemic, in line with ESMA and CONSOB recommendations on the relative impacts on financial reporting in listed companies, the Company’s Directors - based on the specific characteristics of the company and the information available - have highlighted the qualitative and quantitative effects of the aforementioned pandemic in relation to significant risks and the business outlook.

The financial statements as at 31 December 2020, prepared by the Directors pursuant to law, and duly submitted to the Board of Statutory Auditors (together with the Directors' Report) show losses for the fiscal year equal to Euro 138,281 thousand.

4. Conclusions

Considering also the results of the activity performed by the independent audit firm, insofar as falling within its scope of responsibility, the Board of Statutory Auditors has not found any reason that would prevent the approval of the financial statements as at 31 December 2020, as drafted and approved by the Board of Directors during the meeting of 15 March 2021, or of the proposal to carry forward the loss for the year made by the Board of Directors.

Milan, 30 March 2021

ON BEHALF OF THE BOARD OF STATUTORY AUDITORS

The Chairman