

**INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014**

To the Shareholders of
Geox S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Geox Group (the Group), which comprise the statement of financial position as at December 31, 2020, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Geox S.p.A. (the Company) in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Covid-19 and its effects on impairment tests**Description of the key audit matter**

As highlighted in the paragraph “*Covid-19 impacts*” of the Explanatory Notes, the Covid-19 pandemic has had a significant impact on the Group's performance. The measures to contain and contrast the spread of the virus adopted by the public institutions of the various countries have led to a general slowdown in consumption in the product sector in which the Group companies operate.

The most significant impacts of this situation on the Group's consolidated financial statements as at December 31, 2020 were: i) the decrease in revenues, with a consequent significant reduction in profitability; the revenues of the Geox Group noted a reduction of Euro 270,961 thousand in 2020, corresponding to approximately 34% of the turnover, and ii) the recognition, following impairment tests, of losses in the assets related to commercial goodwill (*Key money*), rights of use and other fixed assets relating to certain direct operated stores. As shown in Note 6. “*Net write-downs of fixed assets (Impairment test)*”, these assets were subject to net impairment losses of Euro 12,436 thousand following the impairment test.

As reported by the Directors in the Directors’ Report, the spread of Covid-19 and the resulting restrictions have had, and will likely still have, a significant impact on the Group's business in the coming months. As it stands, they believe that the progress of vaccination campaigns should allow a gradual return to ordinary business conditions in the second half of 2021.

The Directors point out that the expectations of improvement in the next exercise depend on the gradual reduction of the restrictions currently in progress, on the fact that it does not relapse in new periods of lockdown and that the vaccine campaign takes place on schedule, but that the amount of such recovery in terms of revenue is subject to significant uncertainties. In this context, in order to deal with the current and prospective situation, the Directors report that the Group will continue to implement measures aimed at reducing costs, in order to mitigate the effect of reducing revenues, in addition to actions aimed to rationalize its retail network, which will be complemented by a process of further investment and digital transformation that will focus on omnichannel services to benefit both physical and online sales.

These considerations and forecasts are included in the document entitled *Business Plan scenarios for the 2021-2024 period* (hereinafter “*Business Plan scenarios*”) approved by the Directors on March 15, 2021 for the purposes of the 2020 financial statements assessments and reflecting the best estimate, using a multi-scenario approach, of the impact of the Covid-19 pandemic on the future plans of the Group. The forecasts included in this document have been used both for the purposes of impairment tests and for the assessment of the appropriateness of the adoption of the going concern assumption in the preparation of the consolidated financial statements.

In view of the significance of the effects of the Covid-19 on the consolidated financial statements as at December 31, 2020, and in particular of the subjectivity of the estimates relating to the determination of cash flows of the Cash generating Units (CGU) to be verified and of the key variables of the impairment test model, as well as the multiplicity and unpredictability of factors that can influence the market performance in which the Group operates in the current context, we have considered impairment testing as a key area of the audit of the consolidated financial statements of the Group.

Audit procedures performed

In the context of our audit we have, among others, carried out the following procedures, also using the support of experts:

- discussion with the Management in order to obtain information elements considered useful in the circumstances regarding the structure of the impairment test and the business plan scenarios elaborated;
- reasonableness analysis of the main assumptions made by the Directors for the formulation of the different scenarios included in the document Business plan scenarios, including financial provision sources and cash flow forecasts, also by external data analysis, such as forecasts of the future performance of macroeconomic data;
- examination of the methods used by the Management for determining the value in use of the CGU, and analysis of the methods and assumptions used by the Management for the development of impairment tests;
- understanding of the relevant controls carried out by the Group Management on the impairment tests preparation process;
- assessment of the reasonableness of discount rates (WACC) and long-term growth rates (g-rates), through an appropriate identification and observation of external sources usually used in practice and relevant data referring to the main comparables;
- verification of the mathematical accuracy of the model used for the determination of the value of use of the CGU;
- verification of the correct determination of the carrying amount of the invested capital related to the CGU;
- verification of the sensitivity analysis prepared by the Management.

Finally, we examined the adequacy of the information provided by the Group on the effects of Covid-19, as well as the information on impairment tests and its compliance with the requirements of the applicable accounting standards.

Evaluation of inventories related to previous collections

Description of the key audit matter

As disclosed in *Note 17. Inventories*, the net value of inventories at the end of the year amounted to Euro 267,964 thousand. Inventories are recorded net of a provision of Euro 39,649 thousand, considered appropriate by the Directors for the purposes of a prudent valuation of finished products from previous collections and raw materials no longer used. The provision has been accounted for in order to reflect the expected realizable value of inventories, on the basis of the Group estimates determined on the quantity of goods sold at a discount in the past, on the possibility of relocation of some products in the 2021 regular collections and on potential sales of such products through directly operated outlets.

In consideration of the materiality of the amount of inventories recorded in the financial statements, together with the relevance of the discretionary component inherent in the estimative nature of the provision, as well as the particular context generated by the Covid-19 pandemic, which led to significant reductions in sales during the 2020 financial year, we deem that the valuation of the recoverable value of the inventories from previous collections and the related process of determining the provision is a key area for the audit of the Group's consolidated financial statements.

Audit procedures performed

Our audit procedures included, among others, the following:

- understanding of the relevant procedures and controls adopted by the Management for the purpose of identifying and determining the correct assessment of the recoverable value of the inventories from previous collections;
- analysis of the reasonableness of the methods and assumptions used by the Management to identify the recoverable value of the inventories from previous collections;
- check of the completeness and accuracy of the database used by the Management for the calculation of the inventory write-down provision and check of its mathematical accuracy;
- comparison between the estimate of the inventory write-down provision recorded in the previous period with respect to what was subsequently observed and analysis of the nature of any difference, also in order to corroborate the effectiveness of the management estimate processes, even taking into account the peculiarities of the economic situation impacted by Covid-19;
- comparative analysis, in a historical series, for each collection and consequent independent development of estimates on the assessment of the recoverable value of inventories by analyzing the sales prices applied by the Group.

Finally, we have examined the completeness and the compliance of the information disclosed in the notes to the financial statements compared to the requirements of the applicable accounting standards.

Evaluation of the refund liability

Description of the key audit matter As disclosed in *Note 28. Accounts Payables*, the Group accounted for a refund liability for Euro 43,226 thousand on the basis of the potential returns and credit notes to be issued arising from the trade agreements signed with customers, in particular with the franchising ones. For the estimate of the provision, the Group has made certain assumptions based on the quantity of goods returned in the past and their estimated realizable value. The analysis also took into consideration the changed reference context in which the Group's customers operate as a result of the Covid-19 pandemic.

In consideration of the materiality of the amount and the discretionary component present in the estimate of the refund liability, we deem that the valuation of this item is a key area for the audit of the Group's consolidated financial statements.

Audit procedures performed

Our audit procedures included, among others, the following:

- understanding of the relevant procedures and controls adopted by the Management for the purpose of identifying and determining the correct valuation of the refund liability;
- check of the completeness and accuracy of the database used by the Management for the calculation of the refund liability and check of its mathematical accuracy;
- analysis, on a sample basis, of the commercial agreements in place in order to ascertain that the relative terms and conditions have been correctly considered by the Management to determine the refund liability;
- comparison between the estimate of the refund liability in the previous period compared to what was subsequently finalized and analysis of the nature of any difference, also in order to corroborate the effectiveness of the Management estimate processes, even taking into account the peculiarities of the economic situation impacted by Covid-19;
- analysis of the sales trend after year-end in order to obtain an indication of the adequacy of the estimates made by the Management.

Finally, we have examined the completeness and the compliance of the information disclosed in the notes to the financial statements compared to the requirements of the applicable accounting standards.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Geox S.p.A. has appointed us on May 6, 2013 as auditors of the Company for the years from December 31, 2013 to December 31, 2021.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14 paragraph 2 (e) of Legislative Decree 39/10 and art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Geox S.p.A. are responsible for the preparation of the Directors' report and the report on corporate governance and the ownership structure of Geox Group as at December 31, 2020, including their consistency with the related consolidated financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the Directors' report and some specific information contained in the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98, with the consolidated financial statements of Geox Group as at December 31, 2020 and on their compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the above-mentioned Directors' report and some specific information contained in the report on corporate governance and the ownership structure is consistent with the consolidated financial statements of Geox Group as at December 31, 2020 and are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the Group and of the related context acquired during the audit, we have nothing to report.

Statement pursuant to art. 4 of the Consob Regulation for the implementation of Legislative Decree 30 December 2016, no. 54

The Directors of Geox S.p.A. are responsible for the preparation of the non-financial statement pursuant to Legislative Decree 30 December 2016, no. 254.

We verified the approval by the Directors of the non-financial statement.

Pursuant to art. 3, paragraph 10 of Legislative Decree 30 December 2016, no. 254, this statement is subject of a separate attestation issued by other auditor.

DELOITTE & TOUCHE S.p.A.

Signed by
Alessandro Boaro
Partner

Udine, Italy
March 30, 2021

This report has been translated into the English language solely for the convenience of international readers.