

District of Ontario  
Division No. 09 – Mississauga  
Court File No. 32-2670414  
Estate No. 32-2670414

**GEOX CANADA INC.**

**FIRST REPORT OF RICHTER ADVISORY GROUP INC.  
IN ITS CAPACITY AS TRUSTEE UNDER THE  
NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
GEOX CANADA INC.**

**OCTOBER 1, 2020**

## TABLE OF CONTENTS

I.	INTRODUCTION .....	2
II.	PURPOSES OF THE FIRST REPORT .....	2
III.	TERMS OF REFERENCE .....	3
IV.	GENERAL BACKGROUND INFORMATION ON THE COMPANY .....	3
V.	PROPOSED POST-FILING STRATEGY .....	8
VI.	CASH FLOW FORECAST .....	9
VII.	ADMINISTRATION CHARGE.....	11
VIII.	EXTENSION OF THE PROPOSAL PERIOD.....	12
IX.	ACTIVITIES OF THE PROPOSAL TRUSTEE.....	12
X.	CONCLUSION AND RECOMMENDATION.....	13

### APPENDICIES

**APPENDIX “A”** – Certificate of Filing the Notice of Intention to Make a Proposal

**APPENDIX “B”** – Affidavit of Gino Stinziani, sworn September 28, 2020 (without exhibits)

**APPENDIX “C”** – Creditor List

**APPENDIX “D”** – Cash Flow Forecast

**APPENDIX “E”** – Management’s Report on the Cash Flow Forecast

**APPENDIX “F”** – Proposal Trustee’s Report on the Cash Flow Forecast

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ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED  
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF GEOX CANADA INC., OF THE  
CITY OF MISSISSAUGA, IN THE PROVINCE OF ONTARIO

FIRST REPORT OF RICHTER ADVISORY GROUP INC.  
IN ITS CAPACITY AS TRUSTEE UNDER THE  
NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
GEOX CANADA INC.

OCTOBER 1, 2020

## I. INTRODUCTION

1. On September 8, 2020 (the “**Filing Date**”), Geox Canada Inc. (“**Geox Canada**” or the “**Company**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B.-3, as amended (the “**BIA**”), and Richter Advisory Group Inc. (“**Richter**”) was appointed as proposal trustee (in such capacity, the “**Proposal Trustee**”) under the NOI. A copy of the Certificate of Filing issued by the Superintendent of Bankruptcy in respect of the Company’s NOI is attached hereto as **Appendix “A”**.
2. Richter was previously retained by the Company to act as financial advisor to assist the Company’s management and its board of directors in reviewing restructuring alternatives available to the Company as part of its strategic review and planning.
3. The primary objectives of the Company’s NOI proceedings are to: (i) stabilize Geox Canada’s business, (ii) facilitate the ongoing operations of the Company, and (iii) provide the Company with an opportunity to restructure its business and affairs, including, but not limited to, reducing overhead costs, renegotiating the terms of its commercial leases and shifting focus to an online and multi-channel strategy.

## II. PURPOSES OF THE FIRST REPORT

4. The purpose of this first report (the “**First Report**”) is to provide the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) with information pertaining to the following:
  - (i) a limited summary of certain background information about the Company;
  - (ii) the Company’s proposed post-filing strategy;
  - (iii) a forecast of the Company’s receipts and disbursements (the “**Cash Flow Forecast**”) for the period September 11, 2020 to December 11, 2020 (the “**Forecast Period**”), prepared in accordance with Section 50.4(2) of the BIA;
  - (iv) the Company’s actual receipts and disbursements for the period from September 11, 2020 to September 25, 2020, including a comparison to the Cash Flow Forecast;
  - (v) the proposed priority charge over the Company’s property, assets and undertaking in the principal amount of \$150,000 (the “**Administration Charge**”) to secure the fees and disbursements of the Proposal Trustee, the Proposal Trustee’s counsel, Fasken Martineau DuMoulin LLP (“**Fasken**”), and the Company’s counsel, Aird & Berlis LLP (“**Aird & Berlis**”), in accordance with Section 64.2 of the BIA;

- (vi) the Company's request for an extension of the time required to file a proposal (the "**Proposal Period**") to November 22, 2020;
- (vii) the activities of the Proposal Trustee since the Filing Date; and
- (viii) the Proposal Trustee's recommendation that this Court make orders, as requested by the Company, *inter alia*:
  - (a) approving the Administration Charge;
  - (b) approving the extension of the Proposal Period to November 22, 2020; and
  - (c) approving this First Report and the activities, actions and conduct of the Proposal Trustee set out herein.

### **III. TERMS OF REFERENCE**

- 5. In preparing this First Report, the Proposal Trustee has relied upon certain unaudited, draft, and / or internal financial information prepared by representatives of the Company, the Company's books and records, and discussions with representatives of the Company and the Company's legal counsel (collectively, the "**Information**"). In accordance with industry practice, except as otherwise described in this First Report, the Proposal Trustee has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, the Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the *Chartered Professional Accountant of Canada Handbook* and, as such, the Proposal Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
- 6. Parties using this First Report, other than for the purposes outlined herein, are cautioned that it may not be appropriate for their purposes, and consequently should not be used for any other purpose.
- 7. Unless otherwise noted, all monetary amounts contained in this First Report are expressed in Canadian dollars.

### **IV. GENERAL BACKGROUND INFORMATION ON THE COMPANY**

- 8. The Company is a retailer and wholesaler of Geox branded footwear, outerwear, clothing and accessories in Canada. The Company also sells its products through an e-commerce site.
- 9. The Company's business, affairs, financial performance and position, as well as the causes of insolvency, are detailed in the affidavit of Gino Stinziani sworn September 28, 2020 (the "**Stinziani Affidavit**") in support of the within motion. This First Report should be read in conjunction with the Stinziani Affidavit, as certain information contained in the Stinziani

Affidavit has not been included herein in order to avoid unnecessary duplication. A copy of the Stinziani Affidavit (without exhibits) is attached hereto as **Appendix “B”**.

### **Corporate Structure**

10. Geox Canada is a private company incorporated in 2003 under the *Canada Business Corporations Act*. Geox is extra-provincially registered under the laws of Alberta, British Columbia, Ontario and Quebec, the provinces in which it has a physical presence and carries on business. Its registered office is located at leased premises in Mississauga, Ontario (the “**Head Office**”).
11. Geox Canada is an indirect wholly-owned subsidiary of Geox S.p.A. (“**Topco**”), a publicly-traded company formed under the laws of Italy, and the ultimate parent of the Geox global business, comprising several entities located in various jurisdictions around the world (collectively, the “**Geox Group**”).

### **Retail, Wholesale and E-Commerce Operations**

12. As at the Filing Date, Geox Canada operated 30 retail stores across Canada located in popular shopping malls and retail outlets, of which 13 stores are located in Ontario, 6 in Alberta, 6 in Quebec and 5 in British Columbia. All of the Company’s retail locations are leased.
13. In addition to the Company’s retail operations, pursuant to various wholesale arrangements, Geox Canada supplies branded footwear and accessories to certain large retailers / e-commerce platforms, including, The Hudson’s Bay Company, Panda Shoe’s, Brown’s Shoes, Saks Off 5<sup>th</sup> and Amazon.
14. The Company also operates an e-commerce platform where it sells the entire suite of Geox branded products to online consumers in Canada.
15. In 2019, approximately 76% of the Company’s revenue was generated from retail, 20% from wholesale and 4% from its e-commerce operations.

### **Supply Chain**

16. The Company purchases its inventory directly from third-party foreign suppliers located around the world and from a related entity based in Serbia. The Geox Group’s products are developed at Topco’s headquarters in Italy. The Company’s orders are placed locally to meet the need of the Canadian market, but are compiled centrally at Topco headquarters. Product is then shipped direct to Canada and cross-docked to stores and wholesale customers. Inventory is also held in a third-party distribution centre in Canada to support replenishment needs and online demand. Customer returns are serviced through the third-party distribution centre.

## Employees

17. As of the Filing Date, the Company employed 193 employees, comprising of 24 Head Office employees, including managerial and administration staff, and 169 store-level employees. Personnel at the Head Office are responsible for managing and overseeing all Canadian operations, with support from Topco employees.
18. As a result of the COVID-19 pandemic, the Company was forced to temporarily lay-off approximately 90% of its retail employees. Since reopening its retail stores, the Company has hired back approximately 68% of its retail employees and is currently operating at approximately 60% of its pre-pandemic staffing levels.
19. The Company's employees are not represented by a union and are not subject to a collective bargaining agreement. The Company does not sponsor any pension plans for its employees.

## Historical Financial Results

20. Summarized below are the Company's historical financial results for the fiscal years ended December 31, 2018 and 2019, as well as for the period covering the 6-months ending June 30, 2020 (the Company prepares its internal financial statements quarterly).

<b>Geox Canada Inc.</b>			
<b>Statement of Operations</b>			
<b>(CAD\$000's; unaudited)</b>			
	<b>For the year ended 31-Dec-18</b>	<b>For the year ended 31-Dec-19</b>	<b>6 months ended 30-Jun-20</b>
	<b>Consolidated</b>	<b>Consolidated</b>	<b>Consolidated</b>
Total revenues, net	51,576	\$ 48,627	\$ 10,892
Cost of goods sold	(26,515)	(24,601)	(5,855)
<b>Gross Profit</b>	<b>\$ 25,061</b>	<b>\$ 24,025</b>	<b>\$ 5,037</b>
<b>Costs and expenses</b>			
Payroll Costs	\$ 3,701	\$ 3,634	\$ 1,340
Selling, General & Admin Costs	5,600	5,999	2,551
Store & Operating Personnel Costs	19,797	19,935	7,333
<b>Total costs and expenses</b>	<b>\$ 29,098</b>	<b>\$ 29,568</b>	<b>\$ 11,224</b>
<b>EBITDA</b>	<b>\$ (4,037)</b>	<b>\$ (5,543)</b>	<b>\$ (6,187)</b>
Amortization & depreciation	1,577	1,553	728
<b>Earnings Before Interest &amp; Tax</b>	<b>\$ (5,614)</b>	<b>\$ (7,096)</b>	<b>\$ (6,915)</b>

*Source: Information provided by the Applicants*

21. As detailed above, the Company incurred negative earnings before interest and taxes of approximately \$5.6 million and \$7.1 million for the twelve-month periods ending December 31, 2018 and December 31, 2019, respectively and approximately \$7 million for the 6-month period ending June 30, 2020. As discussed in the Stinziani Affidavit, the losses incurred during fiscal 2018 and 2019 are primarily due to unfavorable brick-and-mortar retail market trends, resulting in,

among other things, reduced sales levels, and certain operational challenges, including managing excess inventory and large overhead costs. The losses incurred during fiscal 2020 are, in addition to the issues described above, primarily the result of the impacts of the COVID-19 pandemic, as further discussed below.

22. Historically, the Company's losses have been funded by way of intercompany loan advances from Topco. As further discussed below, Topco was no longer willing to provide financial support to fund the Company's ongoing losses unless and until the Company restructured or implemented a plan to restructure its operations such that Geox Canada would be in a position to operate as a viable business.
23. Set out below is Geox Canada's unaudited balance sheet as at June 30, 2020:

<b>Geox Canada Inc.</b>			
<b>Balance Sheet - as at June 30, 2020</b>			
<b>(CAD,000's; unaudited)</b>			
<b>Assets</b>		<b>Liabilities</b>	
Cash and cash equivalents	\$ 2,458	Accounts payable	\$ 5,029
Accounts receivable, net	1,675	Accrued expenses	1,828
Inventory	17,750	Inter-company liability	8,412
Prepaid expenses and other current assets	(72)	<b>Total current</b>	<b>\$ 15,269</b>
<b>Total current</b>	<b>\$ 21,811</b>	Inter-company Loan	25,540
Property and equipment, net	4,249	<b>Total liabilities</b>	<b>\$ 40,809</b>
<b>Total assets</b>	<b>\$ 26,060</b>	<b>Total shareholders' equity</b>	<b>(14,749)</b>
		<b>Total liabilities and shareholders' equity</b>	<b>\$ 26,060</b>

*Source: Information provided by the Applicants*

24. As presented above, Geox Canada had total assets with a book value of approximately \$26.1 million as at June 30, 2020, which, given the nature of its business, is principally comprised of inventory. The book value of Geox Canada's total liabilities as at June 30, 2020 were approximately \$40.8 million, the majority of which was related to long-term debt owing to Topco of \$25.6 million (as discussed in further detail below). As at June 30, 2020, the date of the most recent internal financial statements, the book value of Geox Canada's total liabilities exceeded the book value of its total assets. Based on a review of the Company's books and records, the Proposal Trustee understands that the financial position of the Company as at the Filing Date has worsened since June 30, 2020.

### **Geox Canada's Creditors**

25. A copy of the creditor list included as part of the Company's NOI filing is attached hereto as **Appendix "C"**.
26. On July 17, 2020, the Company, as borrower, and Topco, as lender, entered into a loan agreement (the "**Topco Loan Agreement**"). The Topco Loan Agreement provides for up to \$35 million (subject to certain limits as imposed by the terms of the Topco Loan Agreement) in revolving credit to the Company (the "**Credit Facility**") for the purpose of repaying any prior indebtedness owing by Geox Canada to Topco and to fund Geox Canada's ongoing working capital

requirements. According to the Company's books and records as at the Filing Date, the outstanding balance, including principal and interest, owing by Geox Canada under the Topco Loan Agreement was \$30.2 million.

27. As noted in the Stinziani Affidavit, the Topco Loan Agreement is subject to certain covenants, pledges and charges and is secured by way of a first-ranking security interest in all of the assets of Geox Canada in favour of Topco (the "**Topco Security**") pursuant to (i) a general security agreement dated July 17, 2020; and (ii) a deed of hypothec dated July 17, 2020 (together, the "**Security Agreements**"). Copies of the Security Agreements are attached as Exhibits "E" and "F" to the Stinziani Affidavit, respectively. As further noted in the Stinziani Affidavit, Topco has registered the Topco Security in Alberta, British Columbia, Quebec and Ontario.
28. The Proposal Trustee has received a written opinion from its independent legal counsel, Fasken, confirming that, subject to typical qualifications and assumptions, the Topco Security is valid and enforceable in accordance with its terms in the provinces of Alberta, British Columbia, Quebec and Ontario.
29. As further noted in the Stinziani Affidavit, Topco has advised the Company that the Credit Facility will be made available to the Company during the NOI proceedings, under the same terms and conditions as existed prior to the Filing Date.
30. In addition to the Topco Security, the Proposal Trustee is aware of certain other registrations in respect of specific leased assets made pursuant to the *Personal Property Security Act* (Ontario) (the "**PPSA**"). A copy of the PPSA search results is attached as Exhibit "C" to the Stinziani Affidavit.
31. In addition to the amounts owed by the Company to Topco, the Company estimates that it had unsecured obligations totaling approximately \$11.6 million as at the Filing Date, of which approximately \$3.7 million represents amounts owing to the Company's landlords. Due to the impacts of the COVID-19 pandemic on the Company's business, Geox Canada has not paid any rent to landlords for its retail locations since March 2020.

#### **Events Leading to the Company's NOI Proceedings**

32. As noted in the Stinziani Affidavit, since its incorporation in 2003, the Company has evolved over the years into a profitable business, earning in excess of \$56 million in annual revenue and approximately \$5.7 million in EBITDA during fiscal 2015. However, due to a number of factors, including market challenges, unsuccessful promotional campaigns in the wholesale channel, over-stocking of inventory and onerous overhead costs, the Company's operations have suffered financial losses since fiscal 2016.
33. In consideration of the foregoing, in 2019, Geox Canada attempted to address its profitability and liquidity issues by commencing a comprehensive assessment of its operations and developing / implementing certain strategic initiatives, including, among others, reducing headcount, inventory levels and overhead costs, and hiring a new management team.

Unfortunately, these strategic initiatives were unsuccessful and revenue and profitability during fiscal 2019 continued on a downward trajectory.

34. In early 2020, under the leadership of the new management team, the Company implemented additional strategic initiatives, including a reduction in inventory purchases, a more systematic approach to merchandising and promotional activities aimed at driving better margins, and a continued effort to reduce payroll costs. As a result of the foregoing initiatives, the Company began to experience improvements in profitability. However, like all retailers, the COVID-19 pandemic has had a devastating impact on Geox Canada's financial results for fiscal 2020. The pandemic resulted in the temporary closure of many stores and shopping centres due to shelter in place orders issued by each province across Canada. While these restrictions have been lifted and stores have reopened, wholesale revenues are significantly down and foot traffic at Geox Canada stores has reduced to approximately 40% to 60% of pre-pandemic levels. The Company's attempts to negotiate with stakeholders prior to the Filing Date in order to minimize the negative financial impacts of COVID-19, including with landlords for rent concessions, were unsuccessful.
35. As a result of the foregoing, and notwithstanding that the Company has experienced a material increase in sales from its e-commerce platform and has benefited from certain government assistance programs to reduce payroll costs, the Company has suffered significant financial losses and mounting obligations since the onset of COVID-19.
36. As discussed above, the Company has been dependent on support from Topco to fund its ongoing losses and continue operations. However, in light of the unfavourable impacts of COVID-19 and Geox Canada's declining financial performance, this source of funding may no longer be available to the Company absent a significant restructuring of the Geox Canada business. Without access to this source of critical funding, the Company would be unable to continue operations.
37. In the circumstances, Geox Canada filed the NOI to provide it with the necessary time to stabilize its business and pursue a restructuring of its business. If Geox Canada is able to implement its proposed post-filing strategy (as discussed immediately below), it expects to secure the continued support of Topco and an eventual return to profitability.

## **V. PROPOSED POST-FILING STRATEGY**

38. To address its profitability issues and work towards a restructuring of the Geox Canada business, the Proposal Trustee understands that the Company intends to implement certain strategic initiatives to mitigate the damaging impacts of COVID-19 and pursue a viable path forward. Those initiatives include, reducing its retail footprint by exiting certain underperforming stores, negotiating with landlords for rent concessions with respect to its remaining lease portfolio, and shifting its focus to an e-commerce and multi-channel strategy, supported by a robust marketing plan and new retail concept.

## Lease Disclaimers

39. Since the Filing Date, the Company has initiated measures to reduce its retail footprint. On September 9, 2020, the Company issued and delivered, pursuant to Section 65.2(1) of the BIA, notices of disclaimer in respect of five of its retail stores (the “Closing Stores”) as detailed in the Stinziani Affidavit. None of the landlords of the Closing Stores have objected to the disclaimer notices and the objection period has now expired. The disclaimers of these leases will become effective on October 9, 2020.
40. The Proposal Trustee understands that the Company intends to sell through its inventory located at the Closing Stores, in accordance with the terms of the underlying lease agreements, and to exit the Closing Stores on or before the expiration of the disclaimer period. Any remaining inventory will be moved to the Company’s distribution centre such that it does not require liquidation sales at these locations.

## VI. CASH FLOW FORECAST

41. The Company, with the assistance of the Proposal Trustee, prepared the Cash Flow Forecast, which, in accordance with Section 50.4(2) of the BIA, was filed with the Official Receiver on September 18, 2020. A copy of the Cash Flow Forecast is attached hereto as **Appendix “D”** and is summarized below:

<b>Geox Canada Inc.</b>	
<b>13-Week Cash Flow Forecast</b>	
<b>For the Period September 11, 2020 - December 11, 2020</b>	
<b>CAD,000's; unaudited</b>	
<b>Gross receipts</b>	<b>10,019</b>
<b>Disbursements</b>	
Purchases	1,130
Payroll	2,383
Operating expense	3,822
Rent	2,845
Taxes	916
Professional fees	405
<b>Total disbursements</b>	<b>11,500</b>
<b>Net cash outflow</b>	<b>(1,480)</b>
<b>Opening cash</b>	<b>1,762</b>
Net cash outflow	(1,480)
<b>Closing cash</b>	<b>281</b>

42. The Cash Flow Forecast indicates that the Company will have sufficient liquidity to fund both operating costs and the costs of these NOI proceedings during the Forecast Period.

43. The Cash Flow Forecast contemplates borrowings of approximately \$500,000 from Topco during the Forecast Period, which are to be advanced under the Topco Loan Agreement and will be subject to the terms and conditions thereof. Repayment of these borrowings is projected to occur prior to the end of the Forecast Period and therefore is not shown in the table above.
44. Management's report on the Cash Flow Forecast as required by Section 50.4(2)(c) of the BIA and the Proposal Trustee's report on the Cash Flow Forecast as required by Section 50.4(2)(b) of the BIA are attached hereto as **Appendix "E"** and **Appendix "F"**, respectively.

#### Cash Receipts and Disbursements from September 11, 2020 to September 25, 2020

45. The Company has continued to provide the Proposal Trustee with its co-operation and access to its books and records as requested by the Proposal Trustee. The Proposal Trustee has implemented various procedures for monitoring the Company's receipts and disbursements on a weekly basis. The Company has also provided the Proposal Trustee with forecast-to-actual variance analyses with respect to the Company's weekly receipts and disbursements, as compared to the Cash Flow Forecast.
46. A comparison of the Company's actual cash receipts and disbursements, as compared to the Cash Flow Forecast for the three-week period from September 11, 2020 to September 25, 2020 (the "**Comparison Period**"), is summarized as follows:

<b>Geox Canada Inc.</b>			
<b>For the Period September 11, 2020 - September 25, 2020</b>			
<b>CAD,000's; unaudited</b>			
	<b>Actuals</b>	<b>Forecast</b>	<b>Variance</b>
<b>Receipts</b>			
Receipts	1,131,407	885,089	246,317
Wage subsidy	397,856	-	397,856
<b>Total receipts</b>	<b>1,529,263</b>	<b>885,089</b>	<b>644,173</b>
<b>Disbursements</b>			
Purchases	-	-	-
Payroll	291,388	375,754	84,366
Operating expense	48,532	526,286	477,754
Rent	514,982	579,432	64,450
Taxes	230,996	230,959	(36)
Professional fees	-	33,754	33,754
<b>Total disbursements</b>	<b>1,085,897</b>	<b>1,746,185</b>	<b>660,288</b>
<b>Net cash inflow / (outflow)</b>	<b>443,366</b>	<b>(861,096)</b>	<b>1,304,462</b>
<b>Opening Cash</b>	1,761,711	1,761,711	-
Net cash inflow / (outflow)	443,366	(861,096)	1,304,462
Credit Facility advances / (repayment)	-	500,000	(500,000)
<b>Closing cash</b>	<b>2,205,077</b>	<b>1,400,615</b>	<b>804,462</b>

47. As reflected in the summary table above, the Company reported a net cash inflow of approximately \$0.4 million over the Comparison Period, and the Company had a cash balance of approximately \$2.2 million as at September 25, 2020. The

Company has a favourable cash flow variance of approximately \$1.3 million in comparison to the Cash Flow Forecast during the Comparison Period.

48. The favourable cash flow variance of approximately \$1.3 million pertains principally to the following:
- (i) favourable timing differences attributable to the receipt of government assisted wage subsidies and the payment of operating expenses (including with respect to the payment of critical vendor deposits) and professional fees. The foregoing timing differences were offset by lower than forecasted receipts from wholesale customers, which variance is expected to reverse in the near-term; and
  - (ii) favourable permanent differences attributable to higher than forecasted receipts from retail sales, over-budgeting of rent expense and lower than forecast staff hours at retail stores.
49. The Company has paid post-filing rent in respect of each of its 30 retail stores and the Head Office.
50. The Proposal Trustee understands that Geox Canada relies on warehousemen and logistics providers (the “3PLs”) to store and ship the Company’s products to its retail stores, wholesale customers and/or consumers. Since the Filing Date, certain of the 3PLs have threatened to seize the Company’s goods in their possession unless Geox Canada issues immediate payment for pre-filing amounts owed to them. The Company views certain of the 3PLs as critical to its business, and any interruption to service could be materially disruptive to ongoing operations. The Company, in consultation with the Proposal Trustee, is reviewing these demands, including the validity of the priority claimed by the respective 3PL, if any, and will determine appropriate next steps on a case by case basis.
51. On September 25, 2020, 673753 Ontario Limited (“**Traffix**”) made a demand (the “**Traffix Demand**”) to the Company for the payment of all pre-filing amounts owed to Traffix in exchange for the release of goods (the “**Seized Inventory**”) in its possession. The Proposal Trustee understands the Seized Inventory was picked up by Traffix from Geox Canada after the Filing Date. Counsel to Traffix asserts its client has enforceable storage liens pursuant to the *Repair and Storage Lien Act* on the Seized Inventory as well as on the inventory delivered by Traffix prior to the Filing Date. Fasken has advised counsel that Traffix’s seizure and refusal to release the Seized Inventory, for which Geox Canada is willing to pay the associated shipping costs, appears to be in violation of the stay of proceedings. The Company, in consultation with the Proposal Trustee, continues to work towards a consensual resolution of this issue.

## **VII. ADMINISTRATION CHARGE**

52. The Company is seeking an order granting, among other things, a charge, in the maximum amount of \$150,000, against the property, assets and undertaking of the Company, to secure the fees and disbursements incurred in connection with services rendered to the Company or in furtherance of the NOI proceedings both before and after the Filing Date by the Proposal Trustee, Fasken and Aird & Berlis.

53. The quantum of the Administration Charge sought by the Company was determined in consultation with the Proposal Trustee.
54. The Administration Charge will rank in priority to all other security interests, including the Topco Security. The Proposal Trustee understands that Topco has consented to the Administration Charge.
55. The creation of the Administration Charge is typical in similar proceedings as is the proposed priority of the Administration Charge as set out in the form of order filed with the Court. The Proposal Trustee is of the view that the Administration Charge (both the amount and the priority ranking) is required and reasonable in the circumstances and, as such, supports the granting and the proposed ranking of the Administration Charge.

### **VIII. EXTENSION OF THE PROPOSAL PERIOD**

56. The Company is seeking a 45-day extension of the Proposal Period to November 22, 2020 (the “**Extension**”).
57. The Proposal Trustee supports the Company’s request for the Extension for the following reasons:
  - (i) the Extension will provide the Company, with the assistance of legal counsel and the Proposal Trustee, the opportunity to advance its restructuring plan and develop a viable proposal to its creditors;
  - (ii) the Company is acting in good faith and with due diligence;
  - (iii) it is the Proposal Trustee’s view that the Extension will not prejudice or adversely affect any group of creditors, as Geox Canada is projected to have sufficient funds to pay post-filing services and supplies, as contemplated in the Cash Flow Forecast; and
  - (iv) Topco, the Company’s principal secured lender, is supportive of the Extension.
58. While it is too early to determine whether a viable proposal will be presented by the Company to its creditors, in the Proposal Trustee’s view, the Company’s request for the Extension is appropriate in the circumstances.

### **IX. ACTIVITIES OF THE PROPOSAL TRUSTEE**

59. The Proposal Trustee’s activities since the Filing Date have included, *inter alia*, the following:
  - (i) sending a notice, within five days of the Filing Date, of the NOI proceedings to all known creditors of Geox Canada with claims of \$250 or more, in accordance with the BIA. Notice was also sent to certain other persons, including creditors with claims less than \$250, applicable tax authorities and any other party that requested a copy;

- (ii) establishing and maintaining a website at <https://www.richter.ca/insolvencycase/geox-canada-inc/> where material documents pertaining to the NOI proceedings are available in electronic form;
- (iii) implementing procedures for the monitoring of the Company's sales and cash flows and for ongoing reporting of variances to the Cash Flow Forecast;
- (iv) assisting the Company with preparing the Cash Flow Forecast and filing same with the Office of the Superintendent of Bankruptcy pursuant to the BIA;
- (v) meeting and corresponding with the Company and its legal counsel regarding the Cash Flow Forecast, cash management, supplier issues, landlord matters and various other matters in connection with the Company's operations and its NOI proceedings;
- (vi) reviewing and approving the lease disclaimers issued in respect of the Closing Stores;
- (vii) responding to calls and enquiries from creditors and other stakeholders in connection with the NOI proceedings;
- (viii) reviewing materials filed with the Court in respect of the NOI proceedings; and
- (ix) drafting this First Report.

## **X. CONCLUSION AND RECOMMENDATION**

60. Based on all of the forgoing, the Proposal Trustee respectfully recommends that this Court grant the relief set out in paragraph 4(viii) in this First Report.

All of which is respectfully submitted this 1<sup>st</sup> day of October, 2020.

**Richter Advisory Group Inc.**  
**in its capacity as Trustee *in re* the Proposal of**  
**Geox Canada Inc.**  
**And not in its personal capacity**

Per:



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**Pritesh Patel, MBA, CFA, CIRP, LIT**



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**Adam Zeldin, CPA, CA, CIRP, LIT**

# Appendix “A”



Industry Canada  
Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada  
Bureau du surintendant  
des faillites Canada

District of Ontario  
Division No. 09- Mississauga  
Court No. 32-2670414  
Estate No. 32-2670414

In the Matter of the Notice of Intention to make  
a proposal of:

**Geox Canada Inc.**  
Insolvent Person

**RICHTER ADVISORY GROUP INC /RICHTER GROUPE  
CONSEI**

Licensed Insolvency Trustee

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Date of the Notice of Intention: September 08, 2020

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CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL  
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: September 08, 2020, 12:49

E-File/Dépôt Electronique

Official Receiver

Federal Building- Hamilton, 55 Bay Street N, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902



# Appendix “B”

District of Ontario  
Division No. 09 – Mississauga  
Court File No. 32-2670414  
Estate No. 32-2670414

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3,  
AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
GEOX CANADA INC., OF THE CITY OF MISSISSAUGA, IN THE PROVINCE OF  
ONTARIO

**AFFIDAVIT OF GINO STINZIANI  
(SWORN SEPTEMBER 28, 2020)**

I, **GINO STINZIANI**, of the City of Toronto, in the Province of Ontario, **MAKE  
OATH AND SAY AS FOLLOWS:**

1. I am a director of GEOX Canada Inc. (“**Geox**” or the “**Company**”) and, as such, I have personal knowledge of the matters to which I hereinafter depose. Where the source of my information or belief is other than my own personal knowledge, I have identified the source and the basis for my information and believe it to be true. All amounts herein are expressed in Canadian dollars unless otherwise indicated.

2. The Company is the Canadian subsidiary of Geox Holland BV, a company formed under the laws of Belgium, which is a subsidiary of Geox S.p.A. (“**Topco**”), a company formed under the laws of Italy, which acts as an operating holding company, and which has business in various jurisdictions. Geox, as part of this larger retail group, carries on business as a retailer and wholesaler of footwear and outerwear across Canada.

3. Similar to many other retailers operating in Canada, Geox has been significantly impacted by the Covid 19 pandemic during an already volatile retail market.

4. On September 8, 2020 (the “**Filing Date**”), Geox filed a Notice of Intention to Make a Proposal (“**NOI**”, and the proceedings commenced pursuant to the NOI, the “**NOI Proceedings**”) under the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”). Richter Advisory Group Inc. was appointed proposal trustee *in re* the proposal of Geox (in such capacity, the “**Proposal Trustee**”). Attached hereto and marked as **Exhibit “A”** is a copy of the Certificate of Filing of a Notice of Intention to Make a Proposal that was filed commencing the NOI Proceedings.

5. The Company intends to use the NOI Proceedings to restructure its operations and file a proposal to its unsecured creditors, and, ultimately, return to profitability.

6. This Affidavit is sworn in support of a motion brought by Geox in these NOI Proceedings, seeking an order, substantially in the form of the draft order attached at Tab 3 of the Company’s motion record returnable October 6, 2020, among other things:

- (a) if necessary, abridging the time for service and filing of the notice of motion and the Company’s motion record or, in the alternative, dispensing with same;
- (b) declaring that the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Company shall be entitled to the benefit of and are granted a charge, which charge shall not exceed an aggregate amount of \$150,000 (the “**Administration Charge**”) on the Company’s current and future property, assets and undertakings of every nature and kind whatsoever and wherever situated, including all proceeds thereof, as security for their professional fees and disbursements incurred at their

standard rates and charges, both before and after September 8, 2020, being the date that the Company commenced these proceedings by filing the NOI;

- (c) approving the first report of the Proposal Trustee to be filed by the Proposal Trustee in connection with this motion (the “**First Report**”), and the activities of the Proposal Trustee set out therein; and
- (d) extending the time period for the Company to file a proposal with the Official Receiver to and including November 22, 2020 (the “**Proposal Period**”).

## **Overview**

### *Corporate Overview*

7. Geox was incorporated under the *Canada Business Corporations Act* on March 31, 2003 and is extra-provincially registered in each of Alberta, British Columbia, Quebec and Ontario, where its retail stores and customers stores are located. Attached hereto and marked as **Exhibit “B”** is a copy of Geox’s Federal Corporation Information as of September 25, 2020.

8. The Company is an indirect wholly-owned subsidiary of Topco, a publicly-traded company listed on the Italian Bourse. The Company’s registered office is in Mississauga, Ontario.

9. Geox currently operates thirty stores from leased premises across Canada selling footwear and outerwear through multiple channels including its thirty retail stores, a network of third-party wholesale customers and, more recently, through its own website direct to consumers. All of the Company’s retail stores are leased. The location of the Company’s retail stores are as follows: five in British Columbia, six in Alberta, thirteen in Ontario and six in Quebec. These stores are located within well-known retail malls and outlets.

10. As will be discussed further below, the profitability across the stores varies considerably. In particular, the terms of the leases for some of the locations have a significant impact on the profitability of the stores. Leading up to the NOI Proceedings, the Company had been actively engaging its primary stakeholders in an attempt to lower expenses and return the Company to profitability. Although the Company had implemented many cost cutting measures, the Covid 19 pandemic halted these efforts.

*Officers, Directors, Employees*

11. Geox's current directors are comprised of:

- (a) Gino Stinziani;
- (b) Livio Libralesso, who is also the Chief Executive Officer of Topco; and
- (c) Nicola Torchetti.

12. Mr. Libralesso is also the sole officer of the Company, holding the positions of President and Secretary.

13. Geox currently has 193 employees: 169 store-level employees and 24 head-office employees, none of which are unionized.

14. Geox sources its products through several third-party suppliers all over the world and through a related-company factory based in Serbia. The product is developed at Topco's headquarters in Italy and orders are prepared locally for the need of the Canadian market but compiled centrally. The product is shipped directly to Canada and cross-docked to stores and wholesale customers. Inventory is also held in a third-party distribution centre to support replenishment needs and online demand. The distribution centre manages the consumer returns as well.

15. The Company's head office in Mississauga is responsible for managing and overseeing all Canadian operations. The office is supported by Topco's headquarter in Italy in all functions and is provided with the key objectives and tools aimed at achieving its goals. Although the management reports directly to the Company's local manager, there is a dotted-line relationship with the global director for each related function in order to ensure a consistent and global approach in maintaining the brand's direction and integrity.

## ASSETS

16. Given the nature of the Company's business, its assets are comprised largely of inventory, including footwear, outerwear, clothing and accessories.

## LIABILITIES

### *Secured Creditors*

17. Attached are (i) search results under the *Personal Property Security Act* (Ontario) with a file currency of September 21, 2020; (ii) search results under the *Personal Property Security Act* (British Columbia) with a file currency of September 22, 2020; (iii) search results under the *Personal Property Security Act* (Alberta) with a file currency of September 22, 2020; and (iv) a search of the Register of Personal and Movable Real Rights under the Civil Code of Québec with a file currency of September 19, 2020 (collectively, the "**PPSA Reports**"). I have been advised by Kyle Plunkett of Aird & Berlis LLP ("**A&B**"), counsel to Geox, that the PPSA Reports indicate that the following secured creditors have made registrations against Geox:

- (a) Topco, with respect to an all asset registration, in each of the above-referenced provinces; and

- (b) Honda Canada Finance Inc., with respect to a certain financed motor vehicle, in the province of Ontario.

A copy of the PPSA Reports are compiled and attached hereto and marked as **Exhibit “C”**.

*Secured Indebtedness to Topco*

18. Geox and Topco entered into a loan agreement dated July 17, 2020 (the “**Topco Loan Agreement**”), whereby the Topco agreed to extend or make available to Geox a loan of up to \$35,000,000 (the “**Credit Facility**”) for the purposes of repaying existing loans previously owed by the Company to Topco and providing for ongoing working capital. Based on Geox’s books and records, which I believe are accurate in all material respects, the aggregate principal and interest owing under the Topco Loan Agreement is \$30,200,000, as of the Filing Date. A copy of the Topco Loan Agreement is attached as **Exhibit “D”**. Topco has historically provided funding for Geox.

19. The Topco Loan Agreement is subject to certain covenants, pledges and charges and is secured by way of, among other things, a first-ranking security interest in all of the assets of Geox in favour of Topco pursuant to (i) a general security agreement dated July 17, 2020; and (ii) a deed of hypothec dated July 17, 2020, each granted in favour of Topco (together, the “**Security Agreements**”). Copies of the Security Agreements are attached hereto and marked as **Exhibits “E”** and “**F**”, respectively.

20. Topco has advised the Company that it will continue to make available the Credit Facility to the Company during the pendency of the NOI Proceedings subject to the terms and conditions of the Topco Loan Agreement, and provided that Topco continues to have a first ranking security interest in the Company’s assets and property (subject only to permitted liens, including the proposed Administration Charge described herein). Counsel to the Proposal Trustee is reviewing

the Topco security and the Proposal Trustee will report on the outcome of that review in the First Report. The availability under the Topco Loan Agreement is expected to be sufficient to fund the Company's operations through the NOI Proceeding.

#### *Unsecured Creditors*

21. The unsecured creditor pool of \$11,629,844 as at the Filing Date, is largely comprised of suppliers, manufacturers and landlords located in Canada and abroad.

#### *Judgment Creditors*

22. I am advised by Kyle Plunkett of A&B, Canadian counsel to Geox, and do verily believe that, based on public searches conducted by A&B in each of Ontario, Quebec, Alberta and Vancouver, British Columbia, there are no judgments and issued writs of execution against Geox as of the date hereof.

#### **CAUSES OF INSOLVENCY**

23. Since its founding in 2003, Geox's business grew quickly over the years and, by 2015, according to Geox's internal financial records, was generating annual sales of approximately \$56.0 million, of which approximately 30% was through wholesale clients, with the balance generated through its own retail stores. In 2015, according to Geox's internal financial records, Geox generated earnings before interest and taxes of about \$5.7 million.

24. Starting in 2016, the Company began to experience market challenges and its financial performance suffered accordingly. By 2018, according to Geox's internal financial records, sales had decreased to approximately \$51.6 million, representing a decrease of 8% from 2015 levels, and the Company was experiencing negative earnings before interest and taxes, resulting in a \$5.6 million loss. The loss was driven by several factors, including:

- (a) The significant drop in wholesale sales as a result of the product's poor performance on the wholesale market, partially driven by an aggressive promotional calendar. Wholesale sales dropped 43% from 2015 to 2018, while profitability in this channel went from a profit of \$2.6 million to a loss of \$2.7 million. The losses were further amplified by the liquidation of excess retail inventory at a significant loss to wholesale customers; and
- (b) From 2015 to 2018, the retail network sales grew from \$40 million to \$42.1 million, but profitability dropped from a profit of \$3.1 million to a loss of \$2.9 million. The Company focused on improving its top line at the cost of significantly reduced margins, a large investment in payroll and in improving service levels while rents and associated costs kept rising. To achieve, higher sales, the Company also invested heavily in inventories which depreciated quickly and generated losses through the wholesale division when attempting to liquidate such inventories.

25. In 2019, the Company began an assessment of its operations and developed a plan to begin the process of returning to profitability. The plan included, among others, the following active steps:

- (a) review of the store payroll costs to bring these costs in line with the needs of the business;
- (b) significant reduction in the inventories purchased and held by the Company;
- (c) reduction of poorly performing stores as their leases came due, or by way of negotiations with landlords to exit those stores prior to the lease expiry;
- (d) restructuring and reduction of overhead costs;

- (e) hiring and on-boarding of a new management team including a country manager, head of wholesale sales, and head of retail operations; and
- (f) relocating its Distribution Centre from New Jersey to the Greater Toronto Area in order to better service the Canadian Market.

26. Despite the best efforts of the Company to implement this restructuring plan, according to Geox's internal financial records, 2019 performances resulted in sales of approximately \$48.6 million, a further drop of 6% from 2018 levels. As a result, earnings before interest and taxes continued to drop and the company suffered a further loss of \$7.1 million, according to Geox's internal financial records. In 2019, the Company generated 6% of its direct to consumers sales through e-commerce and expects this proportion to grow exponentially in the next years.

27. In 2020, following the appointment of a new management team, a major reduction in purchases, a more systematic approach to merchandising and promotional activities aimed at driving better margins, and a continued effort to reduce payroll costs, the Company began to see some improvements in profitability and performances.

28. However, the onset of the COVID-19 pandemic caused the stores to shut down completely for a significant period of time and halted revenues at both the wholesale and retail levels. Despite significant sales increases online, it was not enough to offset the significant lost sales from other channels.

29. The Company did, however, apply for and receive support from government programs to minimize staff costs, but, ultimately, this assistance was insufficient to offset the significant losses. The Company was also unable to obtain sufficient concessions from its landlords to mitigate store rent costs. Further, Topco advised the Company that it was no longer willing to

provide financial support to Geox absent a significant restructuring of its operations and cost structure.

30. In the face of mounting payroll, landlord and other liabilities, coupled with the fact that (i) negotiations with stakeholders were proving unsuccessful, (ii) store traffic continued to trend downwards from pre-pandemic levels (it is estimated that store traffic is down approximately 40% to 60% compared to pre-pandemic levels since the stores re-opened), and (iii) Topco was unwilling to continue to fund the significant losses of Geox, the Company felt it had no option but to initiate formal restructuring proceedings and, accordingly, filed an NOI.

31. During the NOI Proceedings, the Company intends to revisit the terms of its commercial leases and proactively engage with its landlords in an effort negotiate terms that reflect the new reality of the situation.

32. The Company also intends to focus and drive an aggressive ecommerce and multi-channel strategy supported by a significant marketing plan and a new retail concept better aligned with the new reality, and continue operating in Canada in fewer markets, with a leaner structure and with a focus to return to break-even position in the short term.

### **Disclaimer of Certain Leases**

33. Since the Filing Date, in an effort to reduce expenses and restructure its operations, the Company disclaimed five of its leases by delivering on the day following the Filing Date, the prescribed notice to the following landlords for the following locations:

- (a) Viking Rideau Corporation for store at the CF Rideau Centre, Ottawa, Ontario;
- (b) Oshawa Centre Holdings Inc. for the store at the Oshawa Centre, Office Galleria;
- (c) IC SPG POC at Edmonton LP for the store at Premium Outlet Collection Edmonton International Airport;

- (d) 1260642 Alberta Ltd. and Aimco Re GP Corp., as general partner and on behalf of Aimco Realty Investors LP, for the store at The Core, Toronto Dominion Square, Calgary, Alberta; and
- (e) Ivanhoe Cambridge Inc. for the store at Tsawwassen Mills, at Tsawwassen First Nation, British Columbia.

34. I am advised by A&B that the prescribed 15 days' notice period for these landlords to object to the disclaimers has now expired.

35. Accordingly, the Company intends to complete an orderly closure and vacate these stores on or before the expiration of the disclaimer period, being October 9, 2020. The Company also intends to pay the post-Filing Date rent for this period in accordance with the underlying lease agreements. The Company intends to move its inventory back to its distribution centre such that it does not require liquidation sales at these locations.

### **Administration Charge**

36. As part of its motion, Geox is seeking a first-ranking charge on all of the assets, property and undertakings of Geox in the maximum amount of \$150,000 to secure the fees and disbursements of Geox's legal counsel, and the Proposal Trustee, and its independent legal counsel, incurred in connection with services rendered to Geox or in furtherance of the NOI Proceedings, as applicable, both before and after the filing of the NOI (the "**Administration Charge**").

37. I believe that the Administration Charge is necessary in order to retain the professional assistance required to continue the restructuring of Geox's business within the NOI Proceedings as well as developing its proposal to its creditors.

38. Geox has worked with the Proposal Trustee to estimate the proposed quantum of the Administration Charge and believes it to be reasonable and appropriate in view of the services to be provided by the beneficiaries of the Administration Charge in the circumstances.

39. It is also contemplated that during the pendency of the NOI Proceedings that the Company will to rely on a combination of business revenues and funding under the Topco Loan Agreement to fund the Company's working capital requirements and expenses, including legal fees incurred in respect of the NOI Proceedings.

40. I understand that Topco is supportive of the proposed Administration Charge.

41. I also understand from the Proposal Trustee that it has set out its support of the quantum and appropriateness of the proposed Administration Charge in the First Report.

#### **Extension of Stay of Proceedings**

42. Extending the Proposal Period by an additional forty-five (45) days to November 22, 2020, will allow Geox to work with its stakeholders to advance its restructuring plan and develop a proposal to its creditors.

43. I believe that the Company has been acting in good faith and with due diligence to bring this motion to, among other things, continue to productively engage with its stakeholders in order to restructure its affairs and present a proposal that will be satisfactory to its unsecured creditors.

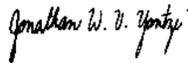
44. I am not aware of any creditors who would be materially prejudiced by an extension of the stay of proceedings to November 22, 2020. The cash flow forecast prepared by Geox, with the assistance of the Proposal Trustee, attached to the First Report, reflects that Geox will have sufficient liquidity to cover the restructuring costs throughout the proposed extension of the stay of proceedings.

45. I also understand that Topco, the Company's only secured lender, supports the relief being sought by the Company.

46. Furthermore, I understand the Proposal Trustee supports the approval of the Administration Charge and the requested stay extension sought on this motion, and will be setting out the reasons for its support in the First Report.

47. I make this affidavit in support of the motion brought by the Company in these NOI Proceedings, seeking an order, substantially in the form of the draft order attached at Tab 3 of the Company's motion record returnable October 6, 2020, and for no improper purpose.

**SWORN** remotely by Gino Stinziani, via videoconference, stated as being located in the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 28th day of September, 2020, in accordance with O. Reg 431/20, Declaration Remotely.



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Commissioner for Taking Affidavits

Jonathan Yantzi

*Gino Stinziani*

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**GINO STINZIANI**

# Appendix “C”

District of:  
Division No. -  
Court No.  
Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)

In the matter of the Notice of Intention to make a Proposal of  
Geox Canada Inc.  
In the City of Mississauga  
of the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
151 MORTAGNE S E N C	7055 BOUL TASCHEREAU, BUR 640 BROSSARD QC J4Z1A7		9,968.38
151 MORTAGNE S E N C	6955 BOUL TASCHEREAU BROSSARD QC J4Z 1A7		7,594.94
2 WHEEL GEAR INC	5040 MAINGATE DRIVE MISSISSAUGA ON L4W1X5		2,862.21
A.V.THOMAS LEATHER & ALLIED	NO.12 RACE COURSE ROAD, GUINDY CHENNAI RACE COURSE, 600032 IN		42,342.61
ADVANCED SERVICE SOLUTIONS	500 LAPP ROAD MALVERN PA 19355 USA		4,710.50
AIRPORT CORPORATE CENTRE-JOINT	5400 YONGE ST, SUITE 300 TORONTO ON M2N5R5		97,033.75
ALECTRA UTILITIES	P.O. BOX 3700 CONCORD ON L4K5N2		403.69
ALINA PRIVATE LIMITED	# 12 RACE COURSE ROAD GUINDY INDUSTRIAL ESTATE, 600032 IN		126,676.66
ARTISAN COMPLETE LTD.	100 BENTLEY STREET MARKHAM ON L3R3L2		333.90
BELAIRE AGENCY INC.	863 ANTONIO ST. PICKERING ON L1W1T4		2,407.28
BELL CANADA	5099 CREEKBANK ROAD, B4 MISSISSAUGA ON L4W5N2		2,046.23
BURLINGTON HYDRO INC.	1340 BRANT STREET BURLINGTON ON L7R3Z7		668.83
CARRAWAY INC.	6900 AIRPORT ROAD MISSISSAUGA ON L4V1E8		5,298.57
CHANGZHOU SUXING CENTURY	EAST OF BENNIU TOWN XINBEI DISTRICT BENNIU TOWNSHIP, 213131 CN		143,724.21
CLEAN SCENE FACILITY DIVISION	13-47 RACINE ROAD TORONTO ON M9W6B2		1,864.12

District of:  
 Division No. -  
 Court No.  
 Estate No.

- FORM 33 -  
 Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

In the matter of the Notice of Intention to make a Proposal of  
 Geox Canada Inc.  
 In the City of Mississauga  
 of the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
COMINAR REAL ESTATE INVESTMENT	2305 ROCKLAND SUITE 41 MONT ROYAL QC H3P 3E9		102,735.80
CONTRACT S.R.L SOCIETA'UNIPERS	VIA GIUSEPPE TONIOLO, 20/A BREDA DI PIAVE, 31030 TV IT		17,607.48
CRITEO CANADA CORP.	500 KING STREET WEST 3RD FLOOR TORONTO ON M5V1L9		5,891.63
CUSHMAN & WAKEFIELD	333-7TH AVENUE SW, SUITE 900 CALGARY AB T2P 2Z1		68,875.70
DALIAN POWER IMP.AND EXP.CO	NO.239 ZHONGNAN ROAD DALIAN CITY, 116000 CN		29,722.24
DE PFYFFER AGENCIES INC	107-1868 GLEN DRIVE VANCOUVER BC V6A4K4		1,518.87
DELTA B ELECTRIC INC.	30 TITAN ROAD # 15 TORONTO ON M8Z5Y2		1,961.94
DHL GLOBAL FORWARDING	6200 EDWARDS BLVD SUITE 100 MISSISSAUGA ON L5T2V7		333.18
E 1 ELECTRICAL LTD	B 1145 44 AV SE CALGARY AB T2G4X4		254.10
ENPHONE TRADING CO LTD	NO.89 HZYR TEH RD. TA LI DISTRICT DALI CITY, 412 TW		195,667.64
FAIRVIEW POINTE CLAIRE LEASEHO	6801 TRANS CANADA HIGHWAY POINTE-CLAIRE QC H9R 5J2		98,424.52
FIG Translation	1282 SHERBROOKE ST E MONTREAL QC H2L1M1		1,435.10
FREEMAN AUDIO VISUAL CANADA	2365 MATHESON BVLD EAST MISSISSAUGA ON L4W5B3		1,748.90
GARDA CASH-IN-TRANSIT LIMITED	1390 BARRE STREET MONTREAL QC H3C1N4		2,415.05
GARDAWORLD CASH SERVICES	1390 BARRE STREET MONTREAL QC H3C1N4		7,891.38

District of:  
 Division No. -  
 Court No.  
 Estate No.

- FORM 33 -  
 Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

In the matter of the Notice of Intention to make a Proposal of  
 Geox Canada Inc.  
 In the City of Mississauga  
 of the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
GEOX SPA	VIA FELTRINA CENTRO 16 BIADENE DI MONTEBELLUNA, TV 31044 IT		30,595,575.97
GEVIK MALKHASSIAN	24 BELLAIR STREET TORONTO ON M5R2C7		6,000.00
GOOGLE LLC	1600 AMPHITHEATRE PKWY MOUNTAIN VIEW CA 94043 USA		14,771.37
GROUPE CHAUCASE INC	1533 LEROUX SAINT-LAZARE QC J7T2S4		3,259.54
GUPTA H.C.OVERSEAS (I) PVT.LTD	NEAR TUBEWELL COLONY BYE PASS ROAD ARTONI, 282007 IN		120,563.25
HALTON HILLS SHOPPING CENTRE	P.O.BOX 15659,STATION A TORONTO ON M5W 1C1		141,573.80
HI WAY CO LTD	N.252,SEC.4,CHANGPING RD XIBAU VILLAGE DAYA TOWNSHIP, 428 TW		309,195.71
HOLDSUN GROUP LTD	UNIT 701,7/F, CITICORP CENTRE, 18 W CAUSEWAY BAY HK HK		45,599.56
HOME FUN SHOES CO.LTD.	7F.NO.18-1 JINHUA STREET JHONGJHENG DISTRICT, 100		159,557.90
HOPE VICTOR ENTERPRISES CO LTD	1F NO.127 MEI TSUEN ST. DA LI DISTRICT CENTRAL DISTRICT, 400 TW		157,364.63
HSBC BUSINESS MASTERCARD	PO BOX 11749 STATION MAIN MONTREAL QC H3C6T4		6,615.53
IC SPG POC AT EDMONTON LP	1 OUTLET COLLECTION WAY #1 EDMONTON AB T9E 1J5		5,041.53
INTEGRA SRL	VIA RAFFAELLO SANZIO,32 REGGIO NELL'EMILIA, RE 42124 IT		2,621.74
IVANHOE CAMBRIDGE	900 MAPLE AVENUE-PO BOX 201 BURLINGTON ON L7S 1M9		178,812.18
IVANHOE CAMBRIDGE II INC	1 BASS PRO MILLS DRIVE CONCORD ON L4K 5W4		214,916.06

District of:  
 Division No. -  
 Court No.  
 Estate No.

- FORM 33 -  
 Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

In the matter of the Notice of Intention to make a Proposal of  
 Geox Canada Inc.  
 In the City of Mississauga  
 of the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
IVANHOE CAMBRIDGE II INC	1 BASS PRO MILLS DRIVE CONCORD ON L4K5W4		7,560.14
IVANHOE CAMBRIDGE II INC METRO	4720 KINGSWAY SUITE 604 BURNABY BC V5H 4J5		164,039.92
IVANHOE CAMBRIDGE INC.	2700 BOUL. LAURIER, BUREAU 1000 QUEBEC QC G1V 2L8		147,894.76
IVANHOE CAMBRIDGE INC.	5000 CANOE PASS WAY TSAWWASSEN BC V4M0B3		1,321.17
J LINC	CP# 23, SUCC. ST-JACQUES MONTREAL QC H3C1C5		929.20
JIANGSU GUOTAI INTERNATIONAL	15-17F.,GUOTAI MANSION,RENMIN ROAD SHI DISTRICT SUBDISTRICT, 215600 CN		72,869.54
JIM BROTHER'S CORPORATION	NO.380,HUA SHAN ROAD,TATU SHIAN DADU TOWNSHIP, 432 TW		836,179.83
LAMBA FOOTWEAR INDUSTRIES	KHASRA N.238 AND 239,11KM MILES SIKANDRA, 282007 IN		66,499.55
LAVERY LAWYERS	1 PLACE VILLE MARIE STE4000 MONTREAL QC H3B4M4		5,969.51
LE CARREFOUR LAVAL (2013) INC	3003 LE CARREFOUR BLVD LAVAL QC H7T 1C7		211,245.98
LEINER SHOES PVT.LTD.	UG-11, DARYACHA,39 HAUZ KHAS VILLA HAUZ KHAS, 110016 IN		225,939.48
LES PROMENADES ST BRUNO	1 BOUL DES PROMENADES SAINT-BRUNO-DE-MONTARVILLE QC J3V 5K1		106,319.91
LYNDEN CANADA CO	PO BOX 56197, POSTAL STATION A TORONTO ON M5W4L1		112,976.38
MANULIFE FINANCIAL	PO BOX 187, STN WATERLOO WATERLOO ON N2J3Z9		1,497.83
MARIE CLAUDE BOILY	321 RUE STE-MARIE SAINTE-MARTHE-SUR-LE-LAC QC J0N1P0		1,025.02

District of:  
 Division No. -  
 Court No.  
 Estate No.

- FORM 33 -  
 Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

In the matter of the Notice of Intention to make a Proposal of  
 Geox Canada Inc.  
 In the City of Mississauga  
 of the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
MARKET MALL LEASEHOLDS INC	214-3625 SHAGANAPPI TRAIL NW CALGARY AB T3A 0E0		71,043.32
MELBOURNE SZANDROWSKI	2110 MATHESON BLVD EAST 100 HEAD OFFICE MISSISSAUGA ON L4W5E1		1,488.99
MINISTER OF FINANCE	P.O BOX 9443 STN PROV GOV VICTORIA BC V8W9W7		39,152.79
MINISTERE DU REVENU	38000 DE MARLY RUE QUEBEC QC G1X4A5		47,843.06
MIRABEL OUTLET CENTRE GENERAL	P.O. BOX 15627, STATION A TORONTO ON M5W 1C1		91,835.88
MOHIB SHOES PVT.LTD.	18 SAMI STREET PERIAMET CHENN PERIAMET, 600003 IN		101,888.15
MULTI-MATERIAL BRITISH COLUMBI	1 ST.CLAIR AVE. WEST,7TH FLOOR TORONTO ON M4V1K6		2,848.55
MUSICWORKS	860 LASALLE BLVD,UNIT # 207 SUDBURY ON P3A1X5		1,093.72
N.M.HASHIM & CO.	NO.1,KUMARAPPA STREET PARK TOWN, 600003 IN		188,191.08
NICHOLAS PETRONE	220 AV. LOXLEY BEACONSFIELD QC H9W1L1		11,017.50
NICOLE ANASTASOPOULOS	#145 - 19 STREET LAVAL QC H7N1E7		928.99
NOVEXCO	100 STEELCASE RD E UNIT 103 MARKHAM ON L3R1E8		3,778.83
OASIS ELECTRICAL LTD.	18145 CLAYTONHILL DRIVE SURREY BC V3S7N6		640.50
ONTREA INC MARKVILLE SHOPPING	5000 HWY 7 E MARKHAM ON L3R 4M9		90,141.46
ONTREA INC RE:SHERWAY GARDENS	25 THE WEST MALL BOX 101 ETOBICOKE ON M9C 1B8		208,263.41

District of:  
Division No. -  
Court No.  
Estate No.

- FORM 33 -  
Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)

In the matter of the Notice of Intention to make a Proposal of  
Geox Canada Inc.  
In the City of Mississauga  
of the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
ONTREA INC. C/O THE CADILLAC	20 QUEEN STREET WEST 5TH FLOOR TORONTO ON M5H 3R3		137,576.04
ORLANDO CORPORATION	6205 B AIRPORT RD 5TH FLOOR MISSISSAUGA ON L4V1E3		27,541.29
OSHAWA PUC NETWORKS INC.	100 SIMCOE STREET SOUTH OSHAWA ON L1H7M7		542.91
OXFORD IN TRUST FOR SQUARE ONE	200 BAY STREET, SUITE 900 TORONTO ON M5J 2J2		161,700.18
PAKKAR LEATHER EXPORT COMPANY	"AL-MAMMOOR", N.8,2ND FLOOR, 11/23 PERIAMET, 600003 IN		13,741.04
PAO SUN INTERNATIONAL LTD	12F.-1, NO.575, JIN FA ROAD NORTH DISTRICT, 404 TW		114,504.12
PARK ROYAL SHOPPING CENTRE	100 PARK ROYAL SOUTH, 3RD FLOOR WEST VANCOUVER BC V7T 1A2		68,931.61
PRETTY SHOES SARL	QI LOTISSEMENT SNCI LOT N22 AIN S CASABLANCA, 20000 MA		67,774.68
PT KARYAMITRA BUDISENTOSA	JL.JAKSA AGUNG SUPRAPTO.39-41,KAV.3 GENTENG, 60272 ID		130,905.14
PT SUNG HYUN INDONESIA	DUSUN PAJEJERAN DESA GUNUNGGANSIR KECAMATAN BEJING, 67154 ID		294,172.60
QINGDAO MAISHA INTERNATIONAL	ROOM 1101-1102,N.11 BLDG.N.170HAIER QINGDAO CITY, 266108 CN		125,216.04
QUADREAL PROPERTY GROUP	2901 BAYVIEW AVE UNIT # C100 TORONTO ON M2K 2S3		135,171.33
RECEIVER GENERAL FOR CANADA	TECHNOLOGY CENTRE 875 HERON RD OTTAWA ON K1A1A2		29,314.22
REMCO FORWARDING LIMITED	5101 ORBITOR DRIVE MISSISSAUGA ON L4W5R8		13,177.90

District of:  
 Division No. -  
 Court No.  
 Estate No.

- FORM 33 -  
 Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

In the matter of the Notice of Intention to make a Proposal of  
 Geox Canada Inc.  
 In the City of Mississauga  
 of the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
RICE SHOE CO.LTD	NO.90, LN.191, CHENG GONG E RD. YUANL YUANLIN TOWNSHIP, 510 TW		156,613.19
RICHLAND(LIAONING)INT L CO LTD	NO.35 RENMIN ROAD DALIAN CITY, 116000 CN		37,142.99
S & A DISTRIBUTION, INC.	29 W 34TH ST - FL3 NEW YORK NY 10001 USA		2,698,790.07
S H & M CO LTD	39 NOKSANSANDAN 381 (SAMBAEKPAKSIBIL) -R012 SONGJEONG-DONG, 618-270 KR		516,978.44
SAVINO DEL BENE CORP. (CANADA)	7900 GOREWAY DR UNIT 08 BRAMPTON ON L6T5W6		554,369.32
SGX CO LTD	NO.7, THONG NHAT HIGHWAY, SONG DI AN TOWN, 820000 VN		162,382.94
SHANGHAI DRAGON IMP&EXP CO LTD	ROOM 1316-2, N.345 JINXIANG RD PILOT HEHE VILLAGE, 201315 CN		78,796.22
SHAW CABLE PAYMENT CENTRE	PO BOX 2468 STN MAIN CALGARY AB T2P4Y2		380.71
SHOES DIFFUSION	LOTISSEMENT S.N.C.I. LOT N.15 KM.10 CASABLANCA, 20600 MA		89,301.25
SHRED-IT INTERNATIONAL ULC	PO BOX 15781, STATION A TORONTO ON M5W1C1		384.76
STEWARDSHIP ONTARIO	1 ST CLAIR AVE WEST, 7TH FLOOR TORONTO ON M4V1K6		1,829.59
T.E.C. LEASEHOLDS LIMITED	220 YONGE ST PO BOX 511 SUITE 110 TORONTO ON M5B 2H1		220,684.37
TADROSS ASSOCIATES, INC.	80-80TH STREET BROOKLYN NY 11209 USA		3,373.13
TATA INTERNATIONAL LIMITED	48/B PHASE II, SIPCOT INDUSTRIAL ESTATE, SIPCOT RANIPET INDUSTRIAL ESTATE, 632403 IN		17,549.74

District of:  
 Division No. -  
 Court No.  
 Estate No.

- FORM 33 -  
 Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

In the matter of the Notice of Intention to make a Proposal of  
 Geox Canada Inc.  
 In the City of Mississauga  
 of the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
TELUS	P.O BOX 7575 VANCOUVER BC V6B8N9		601.76
TEMPLETON DOC LIMITED PARTNERSHIP	7899 TEMPLETON STATION RD RICHMOND BC V7B 0B7		102,499.27
TEXTYLE INTERNATIONAL NV	BEDRIJVENLAAN 5 MALINES, 2800 BE		77,622.63
THE CADILLAC FAIRVIEW CORP LTD	20 QUEEN STREET WEST,5TH FLOOR TORONTO ON M5H 3R3		206,774.61
THE JOHN FORSYTH SHIRT CO. INC.	2645 SKYMARK AVENUE SUITE 105 MISSISSAUGA ON L4W4H2		36,801.92
THE OUTLET COLLECTION	300 TAYLOR ROAD NIAGARA ON THE LAKE ON L0S 1J0		64,539.95
THE RIGHT WAY	1995 WESTON ROAD P.O BOX 79690 TORONTO ON M9N3W9		1,042.99
THRIVE ENTERPRISE CO LTD	NO.143,YUANGSHEH RD.,NANKANG VILLA CHANGHUA CITY, 500 TW		114,649.59
TONE-GAR SECURITY SERVICES INC	645 WESTMOUNT ROAD EAST UNIT 14 KITCHENER ON N2E3S3		7,789.51
TORONTO HYDRO ELECTRIC SYSTEM	P,O,BOX 4490 STATION "A" TORONTO ON M5W4H3		2,439.41
TRAFFIX	1-375 WHEELABRATOR WAY MILTON ON L9T3C1		7,765.00
ULINE	BOX 3500 RPO STREETSVILLE MISSISSAUGA ON L5M0S8		883.69
UPS SCS INC	PO BOX 4901, STATION A TORONTO ON M5W0A7		74,545.36
VAST WELL ENTERPRISE LIMITED	FLAT B,3/F,WING CHEONG COMMERC.BLDG SHEUNG WAN HK		278,976.92
VEGA LEATHER INDUSTRIES INC.	1350 CHABANEL ST WEST MONT-ROYAL QC H4N1H4		3,209.91

District of:  
Division No. -  
Court No.  
Estate No.

- FORM 33 -  
Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)

In the matter of the Notice of Intention to make a Proposal of  
Geox Canada Inc.  
In the City of Mississauga  
of the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
VERSATECH DRAFTING AND DESIGN	6 HIGHCLIFF CRES TORONTO ON M1M1A6		2,593.35
VIKING RIDEAU CORPORATION	50 RIDEAU ST SUITE 300 OTTAWA ON K1N 9J7		157,738.85
WEBRANKING SRL	VIA ORATORIO, 12A CORREGGIO, RE 42015 IT		5,323.61
XLOG SRL	VIA DELLE INDUSTRIE, 39 SIGNORESSA DI TREVIGNANO, 31040 TV IT		60,570.13
YORKDALE SHOPPING CENTRE	1 YORKDALE ROAD 500 TORONTO ON M6A 3A1		453,246.28
<b>Total</b>			43,286,773.19

  
\_\_\_\_\_  
Geox Canada Inc.  
Insolvent Person

# Appendix “D”

Geox Canada Inc. (the "Company")

Projected Statement of Cash Flow Under Notice of Intention to Make A Proposal ("NOI")  
For the Period September 11, 2020 to December 11, 2020  
(In Canadian Dollars)

Notes	Week Ending											Total			
	18-Sep-20	25-Sep-20	2-Oct-20	9-Oct-20	16-Oct-20	23-Oct-20	30-Oct-20	6-Nov-20	13-Nov-20	20-Nov-20	27-Nov-20		4-Dec-20	11-Dec-20	
<b>Receipts</b>															
Receipts	1	460,730	424,360	492,447	629,408	521,449	587,739	481,752	906,594	963,257	881,269	686,822	849,017	786,587	8,671,430
Wage Subsidy	2			397,856				461,731				488,480			1,348,067
<b>Total receipts</b>		<b>460,730</b>	<b>424,360</b>	<b>890,303</b>	<b>629,408</b>	<b>521,449</b>	<b>587,739</b>	<b>943,483</b>	<b>906,594</b>	<b>963,257</b>	<b>881,269</b>	<b>1,175,302</b>	<b>849,017</b>	<b>786,587</b>	<b>10,019,497</b>
<b>Disbursements</b>															
Purchases	3	-	-	376,593	-	-	-	-	376,593	-	-	-	376,593	-	1,129,779
Payroll	4	375,754	-	375,754	-	295,084	-	295,084	-	302,192	-	302,192	-	436,608	2,382,668
Operating expense	5	141,632	384,654	331,125	365,642	283,340	158,705	389,790	378,816	209,185	198,164	394,522	400,595	185,436	3,821,606
Rent	6	579,432	-	768,437	-	-	-	-	748,396	-	-	-	748,396	-	2,844,661
Taxes	7	-	230,959	-	32,350	203,717	-	-	-	198,755	-	-	-	250,321	916,102
Professional Fees	8	-	33,754	67,509	33,754	-	33,754	67,509	33,754	-	33,754	-	101,263	-	405,054
<b>Total Disbursements</b>		<b>1,096,817</b>	<b>649,368</b>	<b>1,919,418</b>	<b>431,746</b>	<b>782,141</b>	<b>192,460</b>	<b>752,383</b>	<b>1,537,560</b>	<b>710,133</b>	<b>231,918</b>	<b>696,714</b>	<b>1,626,847</b>	<b>872,364</b>	<b>11,499,870</b>
<b>Net Cashflow</b>		<b>(636,087)</b>	<b>(225,009)</b>	<b>(1,029,115)</b>	<b>197,661</b>	<b>(260,692)</b>	<b>395,279</b>	<b>191,100</b>	<b>(630,965)</b>	<b>253,124</b>	<b>649,351</b>	<b>478,588</b>	<b>(777,830)</b>	<b>(85,777)</b>	<b>(1,480,373)</b>
<b>Opening Cash</b>		1,761,711	1,125,624	1,400,615	371,500	569,161	308,469	703,749	894,848	263,883	517,007	1,166,358	1,144,946	367,115	1,761,711
Net cash inflow / (outflow)		(636,087)	(225,009)	(1,029,115)	197,661	(260,692)	395,279	191,100	(630,965)	253,124	649,351	478,588	(777,830)	(85,777)	(1,480,373)
Credit Facility advances / (repayment)	9		500,000									(500,000)			-
<b>Closing Cash</b>		<b>1,125,624</b>	<b>1,400,615</b>	<b>371,500</b>	<b>569,161</b>	<b>308,469</b>	<b>703,749</b>	<b>894,848</b>	<b>263,883</b>	<b>517,007</b>	<b>1,166,358</b>	<b>1,144,946</b>	<b>367,115</b>	<b>281,338</b>	<b>281,338</b>

The projected statement of cash flow has been prepared pursuant to the requirements of Section 50.4(2) of the *Bankruptcy and Insolvency Act* and solely for that purpose.

Dated this 18th day of September, 2020.

  
 \_\_\_\_\_  
 Nick Torchetti  
 Name of Signing Officer

The projected statement of cash flow has been prepared pursuant to the requirements of section 50.4(2) of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the attached Trustee's Report on Cash-Flow Statement dated September 18, 2020 and the Report on Cash-Flow Statement by the Person Making the Proposal dated September 18, 2020.

Richter Advisory Group Inc., in its capacity as Trustee  
 Under the Notice of Intention To Make a Proposal of  
 Geox Canada Inc.  
 And not in its personal capacity

Per:   
 \_\_\_\_\_  
 Pritesh Patel, LIT  
 Senior Vice President

**Key assumptions**

1. The Company operates through three major divisions, wholesale (the "**Wholesale Division**"), retail (the "**Retail Division**"), and e-commerce (the "**E-commerce Division**") and receipts are comprised of collections from the three divisions. With respect to receipts generally, the cash flow forecast assumes a reduced revenue plan based on Management's best estimate in light of Covid-19
  - Receipts from the Wholesale Division represent the sale of goods to various retail stores and distributors, and are based on current customer purchase orders and historical payment terms.
  - Receipts from the Retail Division represent the sale of goods through the Company's retail stores. The Company currently operates from 30 retail stores in Canada. On September 9, 2020, the Company issued notices of disclaimer in respect of 5 of its retail leases. The Company will exit these 5 stores on or before October 9, 2020.
  - Receipts from the E-Commerce Division represent the sale of goods through the Company's online store and is projected based on historical sales trends.
2. Represents the forecasted receipts to be collected from the Canada Emergency Wage Subsidy.
3. The Company purchases inventory from various third party vendors. Inventory is purchased one season in advance and is based on the reduced revenue plan.
4. Payroll expenses include salaries and wages, payroll taxes and remittances, and employee benefits paid to the Company's employees. Payroll expenses are forecasted based on current head office headcount and projected store hours for store employees, which are projected to increase during the holiday season.
5. Operating expenses represent various expenses including bank charges, utilities, freight, warehouse and shipping, and insurance. The forecast assumes the Company pays its operating expenses weekly, which is consistent with historical practice.
6. Represents post-filing rent expense and is based on the current rent rates and agreements in place for the head office and retail stores. Rent expense reflects the closure of 5 of the Company's retail stores, as discussed in Note 1.
7. Represents forecasted sales taxes and non-resident taxes on royalties & interest paid to Geox S.p.A in August. The Company files sales taxes on a monthly basis. The Company is projected to be in a net payable position with respect to sales taxes.
8. Includes the professional costs of the Proposal Trustee, its counsel, the Company's counsel, and the Company's lease consultant.
9. Advances from Geox S.p.A pursuant to the Loan Agreement dated July 17, 2020 between Geox S.p.A and Geox Canada Inc.

# Appendix “E”

District of: ON  
Division No.: 09-Mississauga  
Court No.: 32-2670414  
Estate No.: 32-2670414

- FORM 30 -  
Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2) (c) of the Act)

In the matter of the Notice of Intention to make a Proposal of  
Geox Canada Inc.  
In the City of Mississauga  
of the Province of Ontario

The management of Geox Canada Inc. has developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 18<sup>th</sup> day of September 2020, consisting of the period from September 11, 2020 to December 11, 2020.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Toronto, Province of Ontario, this 18<sup>th</sup> day of September 2020.



Nick Torchetti, Director

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Geox Canada Inc.  
Debtor

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Name and title of signing officer

District of: ON  
Division No.: 09-Mississauga  
Court No.: 32-2670414  
Estate No.: 32-2670414

- FORM 30 - Attachment  
Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2) (c) of the Act)

In the matter of the Notice of Intention to make a Proposal of  
Geox Canada Inc.  
In the City of Mississauga  
of the Province of Ontario

**Purpose:**

Geox Canada Inc. filed a Notice of Intention to Make a Proposal on September 8, 2020. The purpose of this Statement of Projected Cash Flow is to present the estimated cash receipts and disbursements of Geox Canada Inc. (the "Company"), for the period September 11, 2020 to December 11, 2020, relating to the filing of a Notice of Intention to Make a Proposal on September 8, 2020. This Statement of Projected Cash Flow has been prepared by management on September 18, 2020 based on available financial information at that date in accordance with Section 50.4(2) of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the Trustee's Report on the Cash Flow Statement. Readers are cautioned that this information may not be appropriate for other purposes.

**Projection Notes:**

The Statement of Projected Cash Flow has been prepared using probable assumptions supported and consistent with the plans of the Company for the period September 11, 2020 to December 11, 2020, considering the economic conditions that are considered the most probable by management. As the cash flow is based upon various assumptions regarding future events and circumstances, variances will exist and said variances may be material. Accordingly, we express no assurance as to whether the projections will be achieved.

**Assumptions:**

(a) Projected Cash Receipts

The projected cash receipts are estimated by management, based upon the collection experience of the Company.

(b) Projected Cash Disbursements

The projected cash disbursements are based upon historical data adjusted to reflect the current level of activity and best estimates of the Company.

Remittances for source deductions and sales taxes are included in the disbursement assumptions based on historical run rates and projected sales and expenditures.

Dated at the City of Toronto, Province of Ontario, this 18<sup>th</sup> day of September 2020.



Nick Torchetti, Director

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Geox Canada Inc.  
Debtor

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Name and title of signing officer

# Appendix “F”

District of: ON  
Division No.: 09-Mississauga  
Court No.: 32-2670414  
Estate No.: 32-2670414

FORM 29  
Trustee's Report on Cash-Flow Statement  
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the matter of the Notice of Intention to make a Proposal of  
Geox Canada Inc.  
In the City of Mississauga  
of the Province of Ontario

The attached statement of projected cash flow of Geox Canada Inc., as of the 18<sup>th</sup> day of September 2020, consisting of the period from September 11, 2020 to December 11, 2020, has been prepared by the management of the insolvent person for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Toronto in the Province of Ontario, this 18<sup>th</sup> day September 2020.

Richter Advisory Group Inc. – Licensed Insolvency Trustee

Per:



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Pritesh Patel, MBA, CFA, CIRP, LIT  
181 Bay Street, 35<sup>th</sup> Floor  
Toronto, ON M5J 2T3  
Phone: 416.488.2345 Fax: 416.488.3765

District of: ON  
Division No.: 09-Mississauga  
Court No.: 32-2670414  
Estate No.: 32-2670414

FORM 29 – ATTACHMENT  
Trustee's Report on Cash-Flow Statement  
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the matter of the Notice of Intention to make a Proposal of  
Geox Canada Inc.  
In the City of Mississauga  
of the Province of Ontario

**Purpose:**

Geox Canada Inc. filed a Notice of Intention to Make a Proposal on September 8, 2020. The purpose of this Statement of Projected Cash Flow is to present the estimated cash receipts and disbursements of Geox Canada Inc. (the "Company"), for the period September 11, 2020 to December 11, 2020, relating to the filing of a Notice of Intention to Make a Proposal on September 8, 2020.

This Statement of Projected Cash Flow has been prepared by management on September 18, 2020, based on available financial information at that date in accordance with Section 50.4(2) of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the Trustee's Report on the Cash Flow Statement. Readers are cautioned that this information may not be appropriate for other purposes.

**Projection Notes:**

The Statement of Projected Cash Flow has been prepared using probable assumptions supported and consistent with the plans of the Company for the period September 11, 2020 to December 11, 2020, considering the economic conditions that are considered the most probable by management.

As the cash flow is based upon various assumptions regarding future events and circumstances, variances will exist and said variances may be material. Accordingly, we express no assurance as to whether the projections will be achieved.

**Assumptions:**

(a) Projected Cash Receipts

The projected cash receipts are estimated by management, based upon the collection experience of the Company.

(b) Projected Cash Disbursements

The projected cash disbursements are based upon historical data adjusted to reflect the current level of activity and best estimates of the Company.

Remittances for source deductions and sales taxes are included in the disbursement assumptions based on historical run rates and projected sales and expenditures.

Dated at the City of Toronto in the Province of Ontario, this 18<sup>th</sup> day September 2020.

Richter Advisory Group Inc. – Licensed Insolvency Trustee

Per:



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Pritesh Patel, MBA, CFA, CIRP, LIT  
181 Bay Street, 35<sup>th</sup> Floor  
Toronto, ON M5J 2T3  
Phone: 416.488.2345 Fax: 416.488.3765

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF GEOX CANADA INC., OF THE CITY OF MISSISSAUGA, IN THE PROVINCE OF ONTARIO**

Court File No. 32-2670414

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST  
PROCEEDING COMMENCED AT TORONTO**

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**FIRST REPORT OF THE  
PROPOSAL TRUSTEE**

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