

Court File No. 32-2670414

GEOX CANADA INC.

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

NOVEMBER 17, 2020

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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

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

NOVEMBER 17, 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. was appointed as proposal trustee (in such capacity, the “**Proposal Trustee**”). The NOI proceedings commenced by Geox Canada under the BIA are herein referred to as the “**NOI Proceedings**”.
2. The primary objectives of the 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 growing its online and multi-channel strategy.
3. On October 6, 2020, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued an order (the “**October 6 Stay Extension Order**”), which, among other things, granted:
 - (i) a priority charge over the Company’s property, assets and undertaking in the principal amount of \$150,000 to secure the fees and disbursements of the Proposal Trustee, the Proposal Trustee’s legal counsel, Fasken Martineau DuMoulin LLP (“**Fasken**”), and the Company’s legal counsel, Aird & Berlis LLP (“**A&B**”), pursuant to section 64.2 of the BIA; and
 - (ii) an extension to the Company of the time to file its proposal from October 8, 2020 to November 22, 2020 (the “**Proposal Period**”).
4. This report is the Proposal Trustee’s second report to Court (the “**Second Report**”). The Proposal Trustee’s first report dated October 1, 2020 (the “**First Report**”) was filed with the Court to, among other things, provide background information on the Company and events leading to the NOI Proceedings, discuss the Company’s post-filing strategy, provide an update on the activities of the Proposal Trustee since the Filing Date and support the Company’s request for the October 6 Stay Extension Order. A copy of the First Report, the October 6 Stay Extension Order and other materials pertaining to the NOI Proceedings are available on the Proposal Trustee’s website at <https://www.richter.ca/insolvencycase/geox-canada-inc/> (the “**Case Website**”).

II. PURPOSE OF THE SECOND REPORT

5. The purpose of this Second Report is to provide the Court with information pertaining to the following:
 - (i) the activities of the Proposal Trustee since the date of the First Report;
 - (ii) an update on Geox Canada’s post-filing restructuring efforts;

- (iii) the Company's actual receipts and disbursements for the period from September 26, 2020 to November 6, 2020, including a comparison of reported to forecast results; and
- (iv) the Proposal Trustee's recommendation that this Court make orders, as requested by the Company, *inter alia*:
 - (a) approving a 45-day extension of the Proposal Period to January 6, 2021 (the "**Extension**"); and
 - (b) approving this Second Report and the activities, actions and conduct of the Proposal Trustee set out herein.

III. TERMS OF REFERENCE

- 6. In preparing this Second 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 Second 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 Auditing 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.
- 7. Parties relying on this Second 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.
- 8. This Second Report should be read in conjunction with the affidavit of Mr. Gino Stinziani sworn November 5, 2020 (the "**Second Stinziani Affidavit**"), as certain information contained in the Second Stinziani Affidavit has not been included herein in order to avoid unnecessary duplication. A copy of the Second Stinziani Affidavit (without exhibits) is attached hereto as **Appendix "A"**.
- 9. Unless otherwise noted, all monetary amounts contained in this Second Report are expressed in Canadian dollars.

IV. ACTIVITIES OF THE PROPOSAL TRUSTEE

- 10. The Proposal Trustee's activities since the First Report have included, *inter alia*, the following:
 - (i) maintaining the Case Website;

- (ii) implementing procedures for the monitoring of the Company's sales and cash flows and for ongoing reporting of variances to the Cash Flow Forecast (as defined in the First Report);
- (iii) assisting the Company with preparing an extended forecast of the Company's receipts and disbursements (the "**Extended Cash Flow Forecast**") for the period from November 7, 2020 to January 21, 2021 (the "**Forecast Period**");
- (iv) meeting and corresponding with the Company and A&B regarding the Extended Cash Flow Forecast, cash management, supplier issues, landlord matters and various other matters in connection with the Company's operations and the NOI Proceedings;
- (v) corresponding with Fasken regarding various matters pertaining to the NOI Proceedings;
- (vi) responding to calls and enquiries from creditors, former employees and other stakeholders in connection with the NOI Proceedings;
- (vii) reviewing materials filed with the Court in respect of the NOI Proceedings;
- (viii) attending before the Court in connection with the October 6 Stay Extension Order; and
- (ix) drafting this Second Report.

V. UPDATE ON GEOX CANADA'S POST-FILING RESTRUCTURING EFFORTS

11. As noted in the First Report, to address its profitability issues and work towards a restructuring of the Geox Canada business, the Proposal Trustee understands that the Company has implemented, and intends to continue to implement, certain strategic initiatives to mitigate the damaging impacts of COVID-19 on its business and to allow the Company to pursue a viable path forward. Those initiatives include, among others, reducing its retail footprint by exiting certain underperforming stores, negotiating with landlords for rent concessions with respect to its remaining lease portfolio, and expanding its focus to e-commerce and a multi-channel strategy, supported by a robust marketing plan and new retail concept developed in conjunction with its parent.

Lease Disclaimers and Terminations

12. As noted in the First Report, in order to reduce its retail footprint as part of its larger restructuring strategy, 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 30 retail stores (the "**Initial Closing Stores**"), which disclaimers became effective on October 9, 2020. Since the date of the First Report, the Company issued and delivered, pursuant to Section 65.2(1) of the BIA, additional notices of disclaimer in respect of two of its remaining retail stores (the "**Additional Closing Stores**"), which disclaimers became

effective on November 7, 2020. Despite the disclaimers becoming effective on November 7, 2020, the Company obtained the agreement of the landlord of the Additional Closing Stores to allow it to remain in those store locations for an additional week to provide the Company with the time it required to remove the inventory and fixtures at the Additional Closing Stores. Prior to vacating the stores, the Company moved its remaining inventory at the Initial Closing Stores and the Additional Closing Stores to its distribution centre and exited those stores. The Proposal Trustee notes that none of the landlords of the Initial Closing Stores or the Additional Closing Stores objected to the disclaimer notices and the objection periods are now expired.

13. In addition to the disclaimer notices described above, the Company delivered a notice to terminate the lease of one of its remaining stores, which the Company was occupying pursuant to a month-to-month holdover arrangement as the original term of the lease had expired prior to the Filing Date. Despite the termination becoming effective on November 7, 2020, the Company obtained the agreement of the landlord to allow it to remain in the store for an additional week to provide the Company with the time it required to remove the inventory and fixtures located at the premises.

Landlord Negotiations

14. As noted in the Second Stinziani Affidavit, prior to and following the Filing Date, the Company, with the support of its advisors, has engaged in negotiations with its landlords to obtain certain rent concessions and mutually acceptable amendments to many of its remaining lease agreements. The Proposal Trustee understands that, as of the date of this Second Report, the Company has reached agreements in principal with all but one of its major landlords.
15. The Proposal Trustee further understands that the Company intends to use the Extension, if granted, to, among other things, continue negotiations with its remaining landlords with a view to reaching mutually acceptable amendments to its lease arrangements and/or exiting certain of these remaining locations if an agreement cannot be reached. The Company will prepare the required documentation to formalize these lease amendments in the coming weeks.

VI. CASH RECEIPTS AND DISBURSEMENTS FROM SEPTEMBER 26 TO NOVEMBER 6, 2020

16. As noted in the First Report, the Company, with the assistance of the Proposal Trustee, prepared, in accordance with Section 50.4(2) of the BIA, a cash flow forecast (the “**Initial Cash Flow Forecast**”), representing a forecast of the Company’s projected receipts and disbursements for the period September 11, 2020 to December 11, 2020.
17. 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 Proposal Trustee has also prepared forecast-to-actual variance analyses with respect to the Company’s weekly receipts and disbursements, as compared to the Initial Cash Flow Forecast.

18. A comparison of the Company's actual cash receipts and disbursements, as compared to the Initial Cash Flow Forecast for the three-week period from September 11, 2020 to September 25, 2020, was summarized in the First Report. A comparison of the Company's actual cash receipts and disbursements, as compared to the Initial Cash Flow Forecast for the 6-week period from September 26, 2020 to November 6, 2020 (the "Comparison Period"), is summarized as follows:

Geox Canada Inc.			
For the Period September 26, 2020 - November 6, 2020			
CAD\$; unaudited			
	Actuals	Forecast	Variance
Receipts			
Receipts	3,156,722	3,619,389	(462,667)
Wage Subsidy	407,271	859,587	(452,316)
Total receipts	3,563,993	4,478,976	(914,983)
Disbursements			
Purchases	-	753,186	753,186
Payroll	840,790	965,922	125,132
Operating expense	1,591,231	1,907,418	316,187
Rent	1,037,554	1,516,833	479,279
Taxes	343,883	236,067	(107,817)
Professional Fees	213,172	236,281	23,110
Total disbursements	4,026,631	5,615,708	1,589,077
Net cash inflow / (outflow)	(462,637)	(1,136,732)	674,094
Opening Cash	2,205,077	1,400,615	804,462
Net cash inflow / (outflow)	(462,637)	(1,136,732)	674,094
Credit Facility advances / (repayment)	-	-	-
Closing Cash	1,742,440	263,883	1,478,556

19. As reflected in the summary table above, the Company reported a net cash outflow of approximately \$0.5 million over the Comparison Period, and the Company had a cash balance of approximately \$1.7 million as at November 6, 2020. The Company has a favourable cash flow variance of approximately \$1.5 million in comparison to the Initial Cash Flow Forecast during the Comparison Period.
20. The favourable cash flow variance of approximately \$1.5 million pertains principally to the following:
- (i) favourable timing differences attributable to payment of operating expenses and purchases; and
 - (ii) favourable permanent differences attributable to lower than forecasted rent due to negotiated rent concessions, and lower than forecasted staff hours at retail stores. The foregoing permanent differences were offset by lower than forecasted receipts from retail stores due to the ongoing impacts of COVID-19.
21. The Company has continued to pay post-filing rent and other operating costs in respect of its remaining retail stores and its head office.
22. As detailed in the First Report, 673753 Ontario Limited ("Traffix") made a demand to the Company for the payment of all pre-filing amounts owed to Traffix in exchange for the release of the Seized Inventory (as defined in the First Report)

in its possession. Subsequent to the First Report, on October 2, 2020, the Company, in consultation with the Proposal Trustee, reached an agreement with Traffix to pay post-filing storage and freight fees to obtain the release of the Seized Inventory. There were no payments made to Traffix in relation to services provided in the pre-filing period. Traffix continues to pursue its claim for amounts owing in the pre-filing period against a U.S. entity related to the Company, but no longer appears to be seeking payment from the Company for these amounts.

VII. EXTENSION OF THE PROPOSAL PERIOD

23. The Company is seeking the Extension.
24. In support of its request for the Extension, the Company, with the assistance of the Proposal Trustee, has prepared the Extended Cash Flow Forecast, a copy of which is attached hereto as **Appendix “B”**, and which is summarized below:

Geox Canada Inc. Extended Cash Flow Forecast For the Period November 7, 2020 - January 29, 2021 CAD,000's; unaudited	
Gross Receipts	7,621
Disbursements	
Purchases	1,497
Payroll	2,055
Operating expense	3,309
Rent	931
Royalties	348
Taxes	527
Professional Fees	554
Total Disbursements	9,221
Net Cashflow	(1,600)
Opening Cash	1,742
Net cash inflow / (outflow)	(1,600)
Closing Cash	142

25. The Extended Cash Flow Forecast reflects that the Company is projected to have sufficient liquidity to fund both operating costs and the costs of the NOI Proceedings for the period of the Extension, if granted.
26. 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 “C”** and **Appendix “D”**, respectively.

27. The Proposal Trustee is of the view that the proposed Extension is appropriate in the circumstances and 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, including to formalize agreements with its landlords and to continue negotiations with the remaining landlord with a view to achieving a viable path forward for those locations;
- (ii) the Extension will afford the Company the time needed to develop a proposal to its creditors;
- (iii) the Company is acting in good faith and with due diligence;
- (iv) 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 Extended Cash Flow Forecast; and
- (v) Geox S.p.A., the Company's principal secured lender, is supportive of the Extension.

VIII. CONCLUSION AND RECOMMENDATION

28. Based on the forgoing, the Proposal Trustee respectfully recommends that this Court grant the relief set out in paragraph 5(iv) in this Second Report.

All of which is respectfully submitted this 17th day of November, 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:



Pritesh Patel, MBA, CFA, CIRP, LIT



Adam Zeldin, CPA, CA, CIRP, LIT

Appendix “A”

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 NOVEMBER 5, 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 (the “**NOI Proceedings**”) under the *Bankruptcy and Insolvency Act* (Canada). 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.

5. On September 28, 2020, I swore an affidavit (the “**First Stinziani Affidavit**”) in support of a motion by Geox for an order (the “**October 6 Order**”), among other things:

- (a) granting a first-ranking priority charge in the amount of \$150,000 in favour of the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Company, 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 the Filing Date; and
- (b) extending the time period for the Company to file a proposal with the Official Receiver to and including November 22, 2020 (the “**Proposal Period**”),

which relief was granted pursuant to an endorsement of the Honourable Madam Justice Conway dated October 6, 2020. Copies of each of the First Stinziani Affidavit, without exhibits, and the October 6 Order are attached hereto and marked as **Exhibits “B”** and “**C**”, respectively.

6. As stated in the First Stinziani Affidavit, the Company intends to use the NOI Proceedings to restructure its operations and file a proposal to its unsecured creditors, with the hopes of exiting the NOI Proceeding and ultimately returning to profitability.

7. 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 November 20, 2020, among other things:

- (a) if necessary, validating the service and filing of the notice of motion, the Company's motion record and the second report of the Proposal Trustee to be filed by the Proposal Trustee in connection with this motion (the "**Second Report**") or, in the alternative, dispensing with same;
- (b) approving the Second Report, and the actions, activities and conduct of the Proposal Trustee set out therein; and
- (c) extending the Proposal Period to and including January 6, 2021.

Disclaimer of Certain Additional Leases

8. Since First Stinziani Affidavit was sworn, in an effort to reduce expenses and restructure its operations, the Company disclaimed an additional two of its leases by delivering on October 8, 2020, the prescribed notice to the following landlords for the following locations:

- (a) Ontrea Inc. for the store at the CF Chinook Centre, Calgary, Alberta; and
- (b) Market Mall Leasholders Inc. for the store at CF Market Mall, Calgary, Alberta.

9. I am advised by my legal counsel, Aird & Berlis LLP, that the prescribed 15 days' notice period for these landlords to object to the disclaimers has now expired.

10. Accordingly, the Company intends to complete an orderly closure and vacate these stores on or before the expiration of the disclaimer period, being November 7, 2020, and will move any remaining inventory back to its distribution centre. The Company intends to pay the post-Filing Date rent up to the expiration of the disclaimer period in accordance with the underlying lease agreements.

11. Additionally, on October 8, 2020, the Company delivered to Les Promenades St. Bruno Leaseholders Inc. a notice to terminate its lease pursuant to the terms of the underlying lease in respect of the store at CF Promenandes St-Bruno, St-Bruno-de-Montarville, Quebec with effect on November 7, 2020. At the time of the Filing Date, the original term of the lease had expired and the Company was on a month-to-month holdover arrangement with the landlord of this location. Accordingly, no disclaimer was necessary in this instance.

Ongoing discussions with Stakeholders

12. Since the Filing Date, the Company has been actively engaged with its stakeholders, with the support of Topco. In particular, the Company, in consultation with the Proposal Trustee, has worked proactively with Topco to ensure an uninterrupted supply chain and ongoing business relationship with most of its significant manufacturers.

13. In addition, the Company and its advisors have been engaged in significant negotiations with its landlords to obtain certain concessions and mutually acceptable amendments to many of its remaining lease arrangements. At this time, the Company is pleased to report that it has reached agreements in principal with all of its landlords except one.

14. The Company intends to use the requested extension to the Proposal Period, should the Court grant such relief, to formalize many of these agreements, as well as continue negotiations with the remaining landlord in the hopes of reaching a viable resolution for those locations, and formulate a proposal to be presented to its unsecured creditors.

Extension of Stay of Proceedings

15. Extending the Proposal Period by an additional forty-five (45) days to January 6, 2021, will allow Geox to continue to work with its stakeholders to advance its restructuring plan and develop a proposal to present to its creditors.

16. Furthermore, the Company continues to actively engage with its landlords to negotiate revised leasing terms, mutually acceptable to the Company and its landlords for those locations that the Company hopes will remain in place following the NOI Proceedings.

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

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

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

20. Furthermore, I understand that the Proposal Trustee supports the requested stay extension sought on this motion, and will be setting out the reasons for its support in the Second Report.

21. 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 November 20, 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 5th day of November, 2020, in accordance with O. Reg 431/20, Declaration Remotely.



GINO STINZIANI



Commissioner for Taking Affidavits

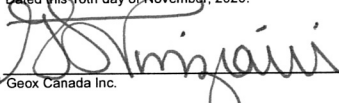
Appendix “B”

Geox Canada Inc. (the "Company")
 Projected Statement of Cash Flow Under Notice of Intention to Make A Proposal ("NOI")
 For the Period November 7, 2020 to January 29, 2021
 (In Canadian Dollars)

Notes	Week Ending											Total		
	13-Nov-20	20-Nov-20	27-Nov-20	4-Dec-20	11-Dec-20	18-Dec-20	25-Dec-20	1-Jan-21	8-Jan-21	15-Jan-21	22-Jan-21		29-Jan-21	
Receipts														
Receipts	1	564,576	513,208	505,576	594,979	651,290	527,536	500,854	794,472	643,593	503,645	465,110	484,338	6,749,178
Wage Subsidy	2	-	-	488,480	-	-	-	-	383,609	-	-	-	-	872,089
Total receipts		564,576	513,208	994,056	594,979	651,290	527,536	500,854	1,178,082	643,593	503,645	465,110	484,338	7,621,267
Disbursements														
Purchases	3	-	160,359	-	-	-	160,359	-	-	-	-	588,166	588,166	1,497,049
Payroll	4	302,192	-	302,192	-	436,608	-	436,608	-	288,918	-	288,918	-	2,055,436
Operating expense	5	155,592	148,686	370,157	366,445	167,248	150,612	431,450	388,522	166,546	147,661	356,910	458,722	3,308,552
Rent	6	-	-	19,791	437,759	-	-	-	473,398	-	-	-	-	930,947
Royalties	7	-	-	-	-	-	-	-	-	-	-	348,269	-	348,269
Taxes	8	-	-	156,258	30,545	-	-	164,827	27,352	-	-	-	148,190	527,172
Professional Fees	9	-	132,914	-	114,872	-	38,143	-	114,872	38,143	-	38,143	76,730	553,815
Total Disbursements		457,784	441,959	848,399	949,621	603,856	349,114	1,032,885	1,004,144	493,607	147,661	1,620,405	1,271,806	9,221,240
Net Cashflow		106,792	71,250	145,657	(354,642)	47,434	178,423	(532,030)	173,938	149,986	355,983	(1,155,296)	(787,468)	(1,599,973)
Opening Cash		1,742,440	1,849,232	1,920,482	2,066,139	1,711,498	1,758,931	1,937,354	1,405,324	1,579,261	1,729,247	2,085,231	929,935	1,742,440
Net cash inflow / (outflow)		106,792	71,250	145,657	(354,642)	47,434	178,423	(532,030)	173,938	149,986	355,983	(1,155,296)	(787,468)	(1,599,973)
Credit Facility advances / (repayment)	10	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Cash		1,849,232	1,920,482	2,066,139	1,711,498	1,758,931	1,937,354	1,405,324	1,579,261	1,729,247	2,085,231	929,935	142,467	142,467

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 16th day of November, 2020.


 Geox Canada Inc. 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 November 16, 2020 and the Report on Cash-Flow Statement by the Person Making the Proposal dated November 16, 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. At the filing date, the Company operated 30 retail stores in Canada. On September 9, 2020, the Company issued notices of disclaimer in respect of 5 of its retail leases and exited the stores by October 9, 2020. The Company issued additional notices of disclaimers to 2 of their stores on October 9, 2020 and a termination notice to 1 of their stores effective November 7, 2020, and will exit the 3 stores by the end of November 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 negotiated rent concessions in place for the head office and retail stores. Rent expense reflects the closure of 8 of the Company's retail stores, as discussed in Note 1.
7. Represents semi-annual royalty payment to Geox S.p.A.
8. Represents forecasted sales taxes and tax on imports. 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.
9. Includes the professional costs of the Proposal Trustee, its counsel, the Company's counsel, and the Company's lease consultant.
10. 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 “C”

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

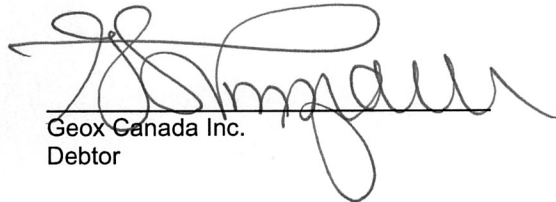
The management of Geox Canada Inc. has developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 16th day of November 2020, consisting of the period from November 7, 2020 to January 29, 2021.

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 16th day of November 2020.



Geox Canada Inc.
Debtor

Gino Stinziani, Director

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 November 7, 2020 to January 29, 2021, 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 November 16, 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.

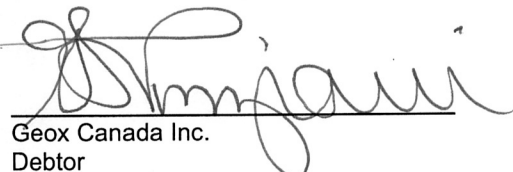
Projection Notes:

The Statement of Projected Cash Flow has been prepared using probable assumptions supported and consistent with the plans of the Company for the period November 7, 2020 to January 29, 2021, 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 16th day of November 2020.


Geox Canada Inc.
Debtor

Gino Stinziani, Director

Name and title of signing officer

Appendix “D”

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 16th day of November 2020, consisting of the period from November 7, 2020 to January 29, 2021, 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 16th day November 2020.

Richter Advisory Group Inc. – Licensed Insolvency Trustee
Per:



Pritesh Patel, MBA, CFA, CIRP, LIT
181 Bay Street, 35th Floor
Toronto, ON M5J 2T3
Phone: 416.488.2305 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 November 7, 2020 to January 29, 2021, 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 November 16, 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 November 7, 2020 to January 29, 2021, 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 16th day November 2020.

Richter Advisory Group Inc. – Licensed Insolvency Trustee
Per:



Pritesh Patel, MBA, CFA, CIRP, LIT
181 Bay Street, 35th Floor
Toronto, ON M5J 2T3
Phone: 416.488.2305 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

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

**SECOND REPORT OF THE
PROPOSAL TRUSTEE**

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Counsel to the Proposal Trustee,
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