Court File No.:
CV-25-00744295-00CL

OSB Estate No.:
33-165908

2455034 ONTARIO LIMITED PARTNERSHIP
(formerly RioCan-HBC Limited Partnership)

2455034 ONTARIO INC.
(formerly RioCan-HBC General Partner Inc.)

2491815 ONTARIO LIMITED PARTNERSHIP
(formerly HBC YSS 1 Limited Partnership)

2491815 ONTARIO INC.
(formerly HBC YSS 1 LP Inc.)

2491816 ONTARIO LIMITED PARTNERSHIP
(formerly HBC YSS 2 Limited Partnership)

2491816 ONTARIO INC.
(formerly HBC YSS 2 LP Inc.)

2681842 ONTARIO LIMITED PARTNERSHIP
(formerly RioCan-HBC (Ottawa) Limited Partnership)

2681845 ONTARIO INC.,
(formerly RioCan-HBC (Ottawa) Holdings Inc.)

2681842 ONTARIO INC.
(formerly RioCan-HBC (Ottawa) GP, Inc.)

FIRST INTERIM REPORT OF THE RECEIVER

(Subsection 246(2) of the *Bankruptcy and Insolvency Act*)
July 9, 2026

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33-165908

FIRST INTERIM REPORT OF THE RECEIVER
(Subsection 246(2) of the *Bankruptcy and Insolvency Act*)

In the Matter of the Receivership of

2455034 ONTARIO LIMITED PARTNERSHIP
(formerly RioCan-HBC Limited Partnership)
2455034 ONTARIO INC.
(formerly RioCan-HBC General Partner Inc.)
2491815 ONTARIO LIMITED PARTNERSHIP
(formerly HBC YSS 1 Limited Partnership)
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(formerly HBC YSS 1 LP Inc.)
2491816 ONTARIO LIMITED PARTNERSHIP
(formerly HBC YSS 2 Limited Partnership)
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(formerly HBC YSS 2 LP Inc.)
2681842 ONTARIO LIMITED PARTNERSHIP
(formerly RioCan-HBC (Ottawa) Limited Partnership)
2681845 ONTARIO INC.,
(formerly RioCan-HBC (Ottawa) Holdings Inc.)
2681842 ONTARIO INC.
(formerly RioCan-HBC (Ottawa) GP, Inc.)

(collectively, the "**JV Entities**")

F T I
CONSULTING

INTRODUCTION

1. Pursuant to the Order of the Honourable Mr. Justice Osborne (the "**Receivership Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated and effective June 3, 2025 (the "**Date of Appointment**"), FTI Consulting Canada Inc. was appointed as receiver and manager (the "**Receiver**") without security of all of the assets, undertakings and properties of 2455034 Ontario Limited Partnership (formerly RioCan-HBC Limited Partnership), 2455034 Ontario Inc. (formerly RioCan-HBC General Partner Inc.), 2491815 Ontario Limited Partnership (formerly HBC YSS 1 Limited Partnership), 2491815 Ontario Inc. (formerly HBC YSS 1 LP Inc.), 2491816 Ontario Limited Partnership (formerly HBC YSS 2 Limited Partnership), 2491816 Ontario Inc. (formerly HBC YSS 2 LP Inc.), 2681842 Ontario Limited Partnership (formerly RioCan-HBC Ottawa Limited Partnership), 2681845 Ontario Inc. (formerly RioCan-HBC (Ottawa) Holdings Inc.), and 2681842 Ontario Inc. (formerly RioCan-HBC (Ottawa) GP, Inc.), (collectively, the "**JV Entities**" and each individually, a "**JV Entity**") acquired for, or used in relation to a business carried on by the JV Entities, including the five owned real properties (the "**Owned Real Properties**"), a 50% non-managing interest in two co-owned retail mall properties (the "**Co-Ownership Interests**"), and five leasehold interests (the "**Leasehold Interests**" and, together with the Owned Real Properties and the Co-Ownership Interests, the "**JV Properties**"). The application was brought pursuant to section 243 of the *Bankruptcy and Insolvency Act* , R.S.C. 1985, c. B-3, as amended (the "**BIA**"), and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. 43, as amended, and shall be referred to herein as the "**Receivership**".

2. In addition to the Receiver's reports filed with the Court during the Receivership proceedings to date, this report has been prepared pursuant to section 246(2) of the BIA, and is the first interim report of the Receiver (the "**First Interim Report**"). The purpose of this First Interim Report is provide information in respect of the following:

   (a) the JV Properties;

(b) the activities of the Receiver undertaken for the period from the Date of Appointment to November 30, 2025;

(c) the Receiver's interim statement of receipts and disbursements for the period from the Date of Appointment to November 30, 2025;

(d) the status of the JV Properties of which the Receiver took control of as of November 30, 2025;

(e) expected recoveries for unsecured creditors; and

(f) information about the anticipated completion of the Receivership.

3. A copy of the First Interim Report, as well as other documentation pertaining to the Receivership including motion materials and orders of the Court, can be found on the website established by the Receiver at https://cfcanada.fticonsulting.com/RioCanHBCJV (the "**Case Website**").

TERMS OF REFERENCE

4. In preparing this First Interim Report, the Receiver has relied upon unaudited financial information of the JV Entities, the JV Entities' books and records, financial information, forecasts and analysis, and discussions with and information provided by various parties including the employees of 1242939 B.C. Unlimited Liability Company (formerly Hudson's Bay Company ULC/Compagnie De La Baie D'Hudson SRI) ("**HBC**") and related entities who managed the JV Entities, RioCan Real Estate Investment Trust (together with its affiliates, "**RioCan**") and its advisors, Alvarez & Marsal Canada Inc. as court-appointed monitor of HBC in its proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA Proceedings**"), and HBC's legal and financial advisors (collectively, the "**Information**").

5. Except as described in this First Interim Report:

(a) the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and

(b) the Receiver has not examined or reviewed any financial forecasts and projections referred to in this First Interim Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.

6. The Receiver has prepared this First Interim Report pursuant to section 246(2) of the BIA and this First Interim Report should not be relied on for any other purposes.

7. Future oriented financial information reported or relied on in preparing this First Interim Report is based on assumptions regarding future events; actual results may vary from forecast and such variations may be material.

8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined are as defined in the Receivership Order or previous Reports of the Receiver.

THE JV PROPERTIES

9. For efficiency, the JV Properties segregated into owned properties (the "**Owned Real Properties**"), co-owned interests (the "**Co-Ownership Interests**"), and leasehold interests (the "**Leasehold Interest**") will be referred to herein by the names stated below:

Owned Real Properties	
585 Ste-Catherine St. W, Montreal, QC	"**Montreal**"
674 Granville St., Vancouver, BC	"**Vancouver**"
200 8th Avenue S.W., Calgary, AB	"**Calgary**"
3030 Howard Avenue, Windsor, ON	"**Devonshire**"
73 Rideau St., Ottawa, ON	"**Ottawa**"
Co-Ownership Interests	
240 Leighland Avenue, Oakville, ON	"**Oakville**"
509 and 545-547 Bayfield St., Barrie, ON	"**Georgian**"
Leasehold Interests	
Yorkdale Shopping Centre	"**Yorkdale**"
Scarborough Town Centre	"**Scarborough**"
Square One Shopping Centre	"**Square One**"
Carrefour Laval	"**Laval**"
Promenades St. Bruno	"**St. Bruno**"

ACTIVITIES UNDERTAKEN SINCE THE DATE OF APPOINTMENT

CONTROL OF THE JV PROPERTIES

10. Following the Court's issuance of the Receivership Order on June 3, 2025, the Receiver took possession or control of the JV Properties described in the Receiver's statement prepared pursuant to sections 245(1) and 246(1) of the BIA (the "**Notice and Statement of Receiver**"). These steps included, but were not limited to, the following:

    (a) completing walkthroughs of each location, securing and controlling access to the JV Properties;

    (b) engaging RioCan Management Inc. ("**RMI**") as property manager for each of the JV Properties, and engaging security via RMI to monitor and safeguard the JV Properties;

(c) reviewing existing insurance policies to ensure appropriate and adequate coverage, and renewing or extending such policies where applicable;

(d) freezing the JV Entities' bank accounts; and

(e) securing the JV Entities' books and records.

NOTICE AND STATEMENT OF RECEIVER

11. On or before June 13, 2025, the Receiver caused to be sent a copy of the Notice and Statement of Receiver to the Superintendent of Bankruptcy and all known creditors of the JV Entities.

ESTABLISHMENT OF CASE WEBSITE AND RECEIVER CONTACTS

12. The Receiver is maintaining the Case Website to provide information regarding the Receivership to stakeholders. A copy of the Notice and Statement of Receiver as well as other documentation pertaining to the Receivership, including motion materials, Court Orders and the Receiver's reports to the Court can be found on the Case Website.

13. In addition to the Case Website, the Receiver created a dedicated email address (riocanhbcjv@fticonsulting.com), and a dedicated telephone number (+1 (647) 946-8381 or +1 (833) 445-2417), at which the Receiver can be contacted.

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS TO NOVEMBER 30, 2025

14. The Receiver's consolidated interim statement of receipts and disbursements from the Date of Appointment to November 30, 2025 are summarized in the table below:

Consolidated Schedule of Receipts and Disbursements As at November 30, 2025	
(CAD 000's)	
Operating Receipts	
Other Receipts	$ 2,806
Total Operating Receipts	2,806
Operating Disbursements	
Lease Obligations	(2,654)
Utilities	(1,237)
Property Taxes	(5,294)
Security	(830)
Property Management Fee	(1,264)
Insurance	(683)
Sales Taxes	(1,014)
Critical Capital Expenditure	(109)
Sales Process Assessments Costs	(372)
Operating Expenses	(277)
G&A and Overhead Costs	(27)
Other Costs	(223)
Total Operating Disbursements	(13,985)
Net Change in Cash from Operations	(11,178)
Non-Operating Disbursements	
Professional Fees	(2,880)
Professional Fees - Other	(103)
Other	(1,338)
Total Non-Operating Disbursements	(4,322)
Financing	
RioCan Receiver's Advances	9,496
Other Syndicate Advances	4,074
Total Financing	13,570
Total Net Change in Cash	(1,930)
Opening Cash	5,581
Ending Cash	**$ 3,651**

15. Descriptions for each of the line items identified above are as follows:

(a) Other Receipts are amounts collected for rent and related cost reimbursements from the subtenant occupying part of the Calgary Real Property, interest, and other miscellaneous cash receipts for various booking and licensing agreements across multiple properties and the transaction proceeds associated with the Laval and St. Bruno Properties;

(b) Lease Obligations represent monthly headlease payments with respect to the leasehold interests;

(c) Utilities include water, gas, electricity and other utility charges of the real properties;

(d) Property Taxes represent payment of annual property taxes on a pro-rata basis for the real properties for the period subsequent to the Date of Appointment;

(e) Security represents costs relating to on-site security guards in place to monitor and safeguard the real properties;

(f) Property Management Fees are payable to RMI for their management and oversight of the real properties and are based on the agreement with the Receiver as consented to by the appropriate secured lenders;

(g) Insurance represents premium payments for property and equipment insurance, commercial general liability, pollution and terrorism insurance policies for the real properties;

(h) Sales Tax represents payment of sales tax remittances;

(i) Critical Capital Expenditure includes the costs incurred for building condition assessment reports and other capital costs for such things as fire system maintenance and repairs;

(j) Sales Process Assessments Costs represents costs for specialty building reports or assessments required specifically to enhance the sale process of the various real properties;

(k) Operating Expenses represent the payment of ongoing operating costs of the real properties including building maintenance, cleaning services and waste removal, pest control, elevator / escalator repairs, and other miscellaneous operating costs;

(l) G&A and Overhead Costs represent costs for general expenses and overhead costs and certain contractor costs required for property maintenance;

(m) Other Costs include rental costs for a chiller unit specifically related to the Calgary Real Property;

(n) Professional Fees represents the fees of the Receiver and its legal counsel;

(o) Professional Fees – Other represents the fees of other professionals (secured lenders, HBC);

(p) Other Non-Operating Disbursements represents the payment of certain trust funds from the cash realized by the Receiver at the outset of these proceedings;

(q) RioCan Receiver's Net Advances represents borrowings from the Receiver's Certificates funded by RioCan since the date of the Receivership Order;

(r) Other Syndicate Advances represents borrowings from the Receiver's Certificates funded by the Secured Lenders to Calgary, Laval and St. Bruno, net of cash on hand for these specific properties from the lease termination transactions for Laval and St. Bruno which was held by the Receiver but directly applies to the funding provided; and

(s) Opening Cash as summarized above represents the cash balance in the JV Entities' bank accounts as at the date of the Receivership Order that was transferred to the General Receivership Account.

16. As at November 30, 2025, as detailed in the table above, the Receiver borrowed approximately $13.6 million to fund the Receivership, and held approximately $3.7 million in net cash on hand to fund upcoming forecast disbursements.

STATUS OF THE JV PROPERTIES

Co-Ownership Interests

17. RioCan is the managing partner of Oakville and Georgian with the non-managing Co-Ownership Interests being held by the JV Entities. The Receiver has actively reviewed monthly/quarterly management reports, and understands that Oakville and Georgian are forecast to be self-sufficient from a cash flow perspective.

18. On August 14, 2025, the Receiver entered into term sheets with RioCan (the "**RioCan Term Sheets**") pursuant to which, among other things, RioCan would agree to acquire the Co-Ownership Interests of the Oakville and Georgian JV Entities, subject to a marketing period during which the Receiver would seek to identify alternative superior transactions (the "**Alternative Transaction Solicitation Process**"). Details of the RioCan Term Sheets are as described in the Third Report of the Receiver.

19. The Receiver engaged RBC Capital Markets to act as agent of the Receiver for the purpose of conducting the Alternative Transaction Solicitation Process for the Co-Ownership Interests. Phase 1 of the Alternative Transaction Solicitation Process commenced on August 13, 2025, and the deadline for binding offers was October 13, 2025.

20. Ultimately, the Alternative Transaction Solicitation Process did not result in any superior offers to the RioCan Term Sheets. Accordingly, the RioCan Term Sheets were accepted as the best offers for the Co-Ownership Interests. The transactions for Oakville and Georgian were scheduled to close in January 2026.

OWNED REAL PROPERTIES

21. The Receiver consulted each of the Secured Lender(s) holding an interest in the Owned Real Properties regarding the preservation of and next steps for such JV Properties (specifically, Vancouver, Calgary, Devonshire, Ottawa, and Montreal). The Receiver, in consultation with and the support of RMI as required, also took steps to maintain insurance, perform critical on-site maintenance as required, maintain security and safety, retain former HBC employees as applicable, and ensure the continuity of utility services at each of the Owned Real Properties.

22. In November 2025, with the exception of limited occupancy rights at the Vancouver, Calgary and Ottawa locations, each of the Owned Real Properties were unoccupied following HBC's departure on or about the middle of June 2025.

23. To the extent cash on hand in each property-specific bank account was insufficient to fund the costs of insurance, maintenance, security, utilities, and taxes at each JV Property, the Receiver requested and obtained funding through Receiver's borrowings from either RioCan or the applicable Secured Lender(s) with an interest in the relevant property.

24. In accordance with the Receivership Order, and following consultation with relevant stakeholders and several other real estate brokerages, the Receiver engaged a local team of real estate experts from CBRE Limited ("**CBRE**") to act as its listing agents for Vancouver, Calgary, Devonshire, and Ottawa;

25. As at November 30, 2025, the Owned Real Properties other than Montreal were subject to on-going marketing processes being conducted by CBRE, and no transactions had been entered into by the Receiver. Additional details surrounding the marketing process for these properties can be found in the Sixth Report of the Receiver.

26. Due to the highly complex nature, large size, existing state, and age of the Montreal property, the Receiver, in consultation with the relevant stakeholders prepared additional building assessments and reports to understand the complexities of the property before taking Montreal to market. As at November 30, 2025, a real estate broker had not yet been engaged for this property and a sale process had not commenced.

LEASEHOLD INTERESTS

27. Upon issuance of the Receivership Order, the Receiver began to consider options to solicit value maximizing transactions for the Leasehold Interests.

28. The Receiver's steps included the following:

(a) discussions with the CCAA Monitor, Oberfeld, HBC, and Reflect Advisors regarding steps taken to market these assets in the sale process conducted in the CCAA Proceedings (collectively, the "**HBC Monetization Process**");

(b) reviewing the lists of parties solicited, level of interest received, and understanding the most recent status of discussions held with potentially interested parties during the HBC Monetization Process;

(c) outreach to landlords of the Leasehold Interests to determine if there was interest in proposing a lease surrender transaction;

(d) discussions and efforts working with RioCan regarding identification and solicitation of tenants who may be interested in occupying these spaces; and

(e) reviews with the assistance of the Receiver's legal counsel of the contractual terms governing the Leasehold Interests.

29. Recognizing that these Leasehold Interests were previously the subject of a marketing process in the CCAA Proceedings, and occupancy costs continued to accrue on the Leasehold Interests, the Receiver was of the view that a targeted and expedited marketing approach was appropriate and reasonable in the circumstances.

30. On June 20, 2025, the Receiver delivered correspondence to a list of approximately 12 parties who the Receiver believed would reasonably be interested in the opportunity for the Leasehold Interests, able to utilize the large format store, and could complete a transaction. Offers were requested by July 16, 2025.

31. In parallel, the Receiver requested offers from the applicable landlords for each Leasehold Interest regarding their interest in entering into a surrender or acquisition transaction for these properties.

32. The Secured Lenders with claims against Leasehold Interests were consulted with and updated throughout on the status of this process.

Laval and St. Bruno

33. The Receiver received multiple expressions of interest for transactions regarding Laval and St. Bruno.

34. In reviewing the offers received, the Receiver considered in particular:

(a) the dollar value of the transaction;

(b) the anticipated timing of closing;

(c) any execution risks; and

(d) transaction conditions.

35. An expedited closing was of material benefit to stakeholders in the circumstances as rent and other expenditures continued to accrue on Laval and St. Bruno at an aggregate amount of approximately $225,000 per month.

36. Following a review of all offers received, based on the factors above, and following consultations with the relevant stakeholders, the Receiver determined that the Lease Surrender Transaction (as discussed in detail in the Fourth Report of the Receiver) proposed by the landlord of Laval and St. Bruno, was the highest and best offer and maximized value in the Receivership.

37. On September 24, 2025, the Receiver entered into the Lease Surrender Agreement, and following approval of the Lease Surrender Transaction by the Court on September 26, 2025, closed the transaction on October 9, 2025. The gross proceeds from the Lease Surrender Transaction was $2.5 million.

Yorkdale

38. Further to the Receiver's marketing efforts and previous discussions between RioCan and Fairweather Ltd. ("**Fairweather**"), Fairweather's legal counsel contacted the Receiver expressing Fairweather's interest in a potential transaction for the Yorkdale Property, among other properties (the "**Fairweather Transaction**").

39. The Receiver reviewed the responses received in connection with its canvassing of the market and concluded that the Fairweather opportunity was most likely to result in a value maximizing transaction for Yorkdale for all parties. Accordingly, the Receiver commenced negotiations with Fairweather to finalize the terms of a sublease for the Yorkdale.

40. As discussed in detail in the Fifth Report of the Receiver, on August 13, 2025, the Receiver signed a sublease arrangement with Fairweather to give effect to the Fairweather Transaction, subject to court approval.

41. The landlord to Yorkdale disputed the proposed Fairweather Transaction and a dispute timetable was established by the Court with a proposed hearing date of January 14, 2026. Accordingly, as at November 30, 2025, the Fairweather Transaction was pending.

42. The Receiver was advised by RioCan that they would continue to provide funding through Receiver's Borrowings for the Leasehold Interest costs of Yorkdale.

Square One and Scarborough

43. The Receiver did not identify, through the process described above, an executable transaction for the leasehold interests at Square One and Scarborough from any party willing to fund the interim costs of holding these leasehold interests.

44. In late July 2025, the Receiver was advised by RioCan and the relevant Secured Lenders that they declined to provide ongoing funding for rent payments and other costs payable for continued occupancy of Square One and Scarborough following the results of the marketing process.

45. Pursuant to the Receivership Order, unless otherwise agreed by the relevant landlord, the Receiver is to provide the landlord with 30 days' written notice of the intention to reject a Leasehold Interest (a "**Rejection Notice**").

46. Once the Receiver had determined that no party would provide ongoing funding for these locations, counsel for the Receiver delivered a Rejection Notice to counsel for the landlord of each of the Square One and Scarborough locations on August 1, 2025. The effective date of the Rejection Notice for both Scarborough and Square One was August 31, 2025. Accordingly, there was nil recovery realized on Square One and Scarborough.

EXPECTED RECOVERIES FOR UNSECURED CREDITORS

47. Based on the status of the JV Properties as at November 30, 2025, aside from Laval and St. Bruno, expected recoveries were unknown and expected recoveries to secured creditors cannot be determined. However, based on the debt levels and early stages of the various sale processes on the JV Properties, the Receiver was of the view that it was unlikely that the realizations on the JV Properties would be in excess of the secured debt. Accordingly, the Receiver was of the view that it is unlikely that there would be any recoveries available for unsecured creditors.

INFORMATION REGARDING THE COMPLETION OF THE RECEIVERSHIP

48. The intended plan for the completion of the Receivership includes the following:

   (a) complete the sale and marketing process for the remaining JV Properties, obtain Court approval of such transactions identified, and work to close transactions approved by the Court;

   (b) complete required statutory tax returns and filings;

   (c) collect outstanding sales tax refunds;

   (d) obtain Court approval for any distribution(s) to the JV Entities secured creditors;

   (e) seek Court approval of the fees and expenses of the Receiver; and

   (f) upon completing realization for the assets of the JV Entities and the Receiver's statutory duties, obtain a Discharge Order from the court discharging the Receiver.

49. Given the uncertain timing to complete the sale of the remaining JV Entities, distributions to secured creditors, and administration of the Receivership generally, the time to complete the Receivership cannot be reasonably estimated at this time.

50. Creditors who wish to receive a copy of this First Interim Report may request a copy from the Receiver at the following address:

FTI Consulting Canada Inc.
79 Wellington Street West
Suite #2010, P.O. Box 104
Toronto, Ontario M5K 1G8

Attention: Matthew Greenberg

Email: riocanhbcjv@fticonsulting.com

Dated this 9th day of July, 2026.

FTI CONSULTING CANADA INC.
solely in its capacity as Court-appointed receiver and manager of
2455034 Ontario Limited Partnership, 2455034 Ontario Inc., 2491815 Ontario Limited Partnership, 2491815 Ontario Inc., 2491816 Ontario Limited Partnership, 2491816 Ontario Inc., 2681842 Ontario Limited Partnership, 2681845 Ontario Inc., 2681842 Ontario Inc.,
and not in its personal or corporate capacity

Per: ______________________________
Jim Robinson, HBA, CPA•CA, CIRP, LIT
Senior Managing Director