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.)

SECOND INTERIM REPORT OF THE RECEIVER

(Subsection 246(2) of the *Bankruptcy and Insolvency Act*)

September 15, 2026

FTI CONSULTING

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SECOND 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)
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.)

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

FTI 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. On July 9, 2026, the first interim report of the Receiver (the "**First Interim Report**") was issued for the Receivership pursuant to section 246(2) of the BIA for the period from the Date of Appointment to November 30, 2025.

3. 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 second interim report of the Receiver (the "**Second Interim Report**"). The purpose of this Second Interim Report is to provide information in respect of the following:

(a) the activities of the Receiver undertaken since December 1, 2025 to May 31, 2026;

(b) the Receiver's interim statement of receipts and disbursements for the period from December 1, 2025 to May 31, 2026;

(c) the status of the JV Properties of which the Receiver took control that have not been disclaimed, sold or realized as of May 31, 2026;

(d) an update of expected recoveries for unsecured creditors; and

(e) updated information about the anticipated completion of the Receivership.

4. A copy of the Second 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

5. In preparing this Second 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**").

6. Except as described in this Second 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 Second Interim Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.

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

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

9. 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.

ACTIVITIES UNDERTAKEN SINCE THE DATE OF APPOINTMENT

10. Since December 1, 2025, the Receiver has, among other things, completed the following:

(a) closed the Oakville and Georgian transactions (as defined and described in the Third Report of the Receiver);

(b) sent a notice of rejection of lease for Yorkdale on March 4, 2026 upon review and consideration of the decision of the Court dated February 9, 2026 and discussions with applicable stakeholders;

(c) by way of CBRE as sales agent, launched the marketing processes for the Calgary, Vancouver, Ottawa and Devonshire properties, and executed and obtained Court approval of corresponding asset purchase agreements for each property;

(d) in consultation with the secured lender, engaged a team of local experts from RBC Capital Markets Real Estate Group Inc., ("**RBC CM**") to act as the Receiver's listing agent for Montreal;

(e) in accordance with the Receivership Order, maintained monthly cash flow and variance reporting and prepared monthly update reports to secured lenders with respect to their interest in the JV Entities;

(f) monitored the CCAA Proceedings for aspects pertinent to the Receivership, including the pension plan litigation;

(g) responded to inquiries from stakeholders and creditors who contacted the Receiver;

(h) updating the Case Website as applicable where the Receiver has and will continue to post court materials, reports of the Receiver and other information with respect to the Receivership; and

(i) preparing this Second Interim Report.

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS TO MAY 31, 2026

11. The Receiver's consolidated interim statement of receipts and disbursements from the Date of Appointment to May 31, 2026 (and for the six-month period from December 1, 2025 to May 31, 2026) are summarized in the table below:

Consolidated Statement of Receipts and Disbursements	Period Ended 11/30/2025	6-month Period Ended 05/31/2026	Cumulative Total for Period Ended 05/31/2026
(CAD 000's)			
Operating Receipts			
Sales Taxes	$ -	$ 1,670	**$ 1,670**
Other Receipts	2,806	1,094	**3,900**
Total Operating Receipts	2,806	2,764	**5,571**
Operating Disbursements			
Lease Obligations	(2,654)	(829)	**(3,483)**
Utilities	(1,237)	(2,228)	**(3,465)**
Property Taxes	(5,294)	(3,494)	**(8,789)**
Security	(830)	(1,068)	**(1,898)**
Property Management Fee	(1,264)	(1,101)	**(2,365)**
Insurance	(683)	(693)	**(1,376)**
Sales Tax	(1,014)	-	**(1,014)**
Critical Capital Expenditure	(109)	(222)	**(331)**
Sales Process Assessments Costs	(372)	(314)	**(685)**
Operating Expenses	(277)	(997)	**(1,274)**
G&A and Overhead Costs	(27)	(29)	**(56)**
Other Costs	(223)	(0)	**(223)**
Total Operating Disbursements	(13,985)	(10,975)	**(24,960)**
Net Change in Cash from Operations	(11,178)	(8,211)	**(19,390)**
Non-Operating Disbursements			
Professional Fees	(2,880)	(1,793)	**(4,673)**
Professional Fees - Other	(103)	(2,171)	**(2,274)**
Other	(1,338)	-	**(1,338)**
Total Non-Operating Disbursements	(4,322)	(3,964)	**(8,285)**
Financing			
RioCan Receiver's Advances	9,496	9,737	**19,233**
Repayment of RioCan Receiver's Advances & Interest	-	(4,007)	**(4,007)**
RioCan Receiver's Advances Outstanding	9,496	5,730	**15,226**
Other Secured Lenders Receiver's Advances	4,074	6,185	**10,259**
Total Financing	13,570	11,915	**25,484**
Total Net Change in Cash	(1,930)	(260)	**(2,190)**
Opening Cash	5,581	3,651	**5,581**
Ending Cash	**$ 3,651**	**$ 3,391**	**$ 3,391**

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

(a) Sales Taxes (Receipts) represents the receipt of sales tax refunds;

(b) 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;

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

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

(e) 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;

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

(g) 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;

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

(i) Sales Tax (Disbursements) represents payment of sales tax remittances;

(j) 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;

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

(l) 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;

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

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

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

(p) Professional Fees – Other represents the fees of other professionals (e.g. counsel to the secured lenders, HBC, and others as applicable);

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

(r) RioCan Receiver's Advances represents borrowings via the Receiver's Certificates funded by RioCan since the date of the Receivership Order;

(s) Repayment of RioCan Receiver's Advances & Interest represents borrowings and accrued interest that were repaid to RioCan by the Secured Lenders of Montreal in transition of funding of the JV Entity by them directly;

(t) Other Secured Lenders Receiver's Advances represents borrowings from the Receiver's Certificates funded by the Secured Lenders to Calgary, Laval and St. Bruno and Montreal; and

(u) 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.

13. As at May 31, 2026, the Receiver borrowed approximately $25.5 million to fund the Receivership, and held approximately $3.4 million in cash-on-hand to fund forecast disbursements.

STATUS OF THE JV PROPERTIES

CO-OWNERSHIP INTERESTS

14. The transactions contemplated by the RioCan Term Sheets entered into for the transfer of the JV Entities' interests of the Oakville and Georgian JV Entities to Riocan (as described in the Third Report of the Receiver) closed on January 5, 2026. The gross consideration from the RioCan Term Sheets were $63.0 million and $79.1 million, respectively.

OWNED REAL PROPERTIES

15. As of December 1, 2025, the Receiver had engaged CBRE to act as its listing agent for Vancouver, Calgary, Devonshire and Ottawa. CBRE commenced the marketing process of each individual property within their local markets, details of which are included in the Sixth Report of the Receiver, dated April 27, 2025.

16. Set out below is a summary of the timeline with key dates in the marketing process for each property:

	Calgary	**Devonshire**	**Vancouver**	**Ottawa**
Start of Process ("SOP")	October 24th	October 16th	December 3rd	October 27th
Confidential Data Site Access	October 24th	November 6th	December 8th	October 27th
Site Visits	Up to December 31st	Up to January 21st	February 2nd – February 27th	December 1st, January 19th
LOIs	December 17th *(54 days from SOP)*	"Bid After" date of January 21st *(97 days from SOP)*	March 11th *(98 days from SOP)*	January 21st *(86 days from SOP)*

	Calgary	Devonshire	Vancouver	Ottawa
Deadline for Binding Bids	February 18th *(117 days from SOP)*	February 26th *(133 days from SOP)*	March 30th *(117 days from SOP)*	March 19th *(143 days from SOP)*
Selection of Successful Bid	February 18th *(117 days from SOP)*	February 26th *(133 days from SOP)*	April 23rd *(140 days from SOP)*	March 19th *(143 days from SOP)*
Execution of Purchase Agreement	February 18th	April 13th	April 23rd	March 19th

17. The Sixth Report of the Receiver provides in depth details of each of the purchase agreements executed for the individual properties. Additionally, the Supplement to the Sixth Report, dated May 19, 2026, and the Second Supplement to the Sixth Report, dated June 1, 2026, provide additional updates on the transactions and requests for approval by the Court of the purchase agreements by property.

18. In January 2026, in accordance with the Receivership Order, and following consultation with relevant stakeholders, the Receiver engaged RBC CM to market Montreal.

19. On or around April 15, 2026, RBC CM launched the marketing process for Montreal. The deadline for an initial request for bids was June 16, 2026. As of May 31, 2026, the marketing process for Montreal is still ongoing.

20. On May 4, 2026, the Court approved the Ottawa Transaction and the execution of the Ottawa APS. On May 25, 2026, the Court approved the Calgary, Devonshire and Vancouver transactions and the execution of the Calgary APS, Devonshire APS and Vancouver APS.

21. As of May 31, 2026, the Ottawa Transaction, Devonshire Transaction, and Vancouver Transaction were all anticipated to close in June 2026. The Calgary Transaction was anticipated to close by the end of July 2026.

LEASEHOLD INTERESTS

Yorkdale

22. As of December 1, 2025, Yorkdale represented the sole remaining Leasehold Interest in the Receivership.

23. On August 13, 2025 as summarized in the Fifth Report of the Receiver, the Receiver signed a sublease arrangement with Fairweather to give effect to the Fairweather Transaction, subject to approval by the Court. 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.

24. On February 9, 2026, the Court issued an Order dismissing the Receiver's motion for approval of the Fairweather Transaction. Following consultations with applicable stakeholders, on March 4, 2026, the Receiver issued a notice of rejection of the Yorkdale lease, effective April 3, 2026, to the Yorkdale landlord resulting in nil recovery for 2491815 Ontario Limited Partnership from the rejected lease.

EXPECTED RECOVERIES FOR UNSECURED CREDITORS

25. Based on the status of the JV Properties as at May 31, 2026, aside from the Leasehold Interests (Laval, St. Bruno, Scarborough, Square One and Yorkdale) and the Co-Ownership Interests (Oakville and Georgian), the expected recoveries for the Owned Real Properties were unknown. However, based on the amounts of secured debt and feedback from the early stages of the sale processes underway for the Owned Real Properties, the Receiver was of the view that it was unlikely the realizations on the JV Properties would be in excess of the secured debt. Accordingly, the Receiver remains of the view that it is unlikely that there would be any recoveries available for unsecured creditors.

INFORMATION REGARDING THE COMPLETION OF THE RECEIVERSHIP

26. As at May 31, 2026, the intended plan for the completion of the Receivership included the following:

    (a) completion of each of the Ottawa, Vancouver, Devonshire and Calgary Transactions approved by the Court;

    (b) completion of the sale and marketing process for Montreal, and Court approval of the transaction, and closing of the transaction;

    (c) completion of required statutory tax returns and filings;

    (d) collection of outstanding sales tax refunds;

    (e) obtaining Court approval for any distribution(s) to the JV Entities' secured creditors;

    (f) continuing to monitor the CCAA Proceedings as they relate to or impact the Receivership;

    (g) seeking Court approval of the fees and expenses of the Receiver; and

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

27. Given the uncertain timing to complete i) the sale of Montreal, ii) distributions to secured creditors of Montreal, and iii) administration of the Receivership generally, the time to complete the Receivership cannot be reasonably estimated at this time.

28. Creditors who wish to receive a copy of this Second 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 15th day of September, 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