

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS
AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
1242939 B.C. UNLIMITED LIABILITY COMPANY, 1241423 B.C. LTD., 1330096 B.C.
LTD., 1330094 B.C. LTD., 1330092 B.C. UNLIMITED LIABILITY COMPANY, 1329608
B.C. UNLIMITED LIABILITY COMPANY, 2745263 ONTARIO INC., 2745270
ONTARIO INC., SNOSPMIS LIMITED, 2472596 ONTARIO INC.,
AND 2472598 ONTARIO INC.**

Applicants

**NINTH REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.**

SEPTEMBER 22, 2025

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1.0 INTRODUCTION

- 1.1 On March 7, 2025, 1242939 B.C. Unlimited Liability Company (at the time, known as Hudson’s Bay Company ULC Compagnie De La Baie D’Hudson SRI) (“**Hudson’s Bay**” or the “**Company**”), and the other applicants listed on **Schedule “A”** hereto (together, the “**Applicants**”), were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), pursuant to an initial order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). The stay of proceedings and other protections and authorizations in the Initial Order were also extended to HBC Holdings LP and the other non-Applicant entities listed on **Schedule “A”** hereto (together with HBC Holdings LP, the “**Non-Applicant Stay Parties**”). Together, the Applicants and the Non-Applicant Stay Parties are referred to herein as “**Hudson’s Bay Canada**”.¹ In accordance with an Order granted by the Court on June 23, 2025, certain Hudson’s Bay Canada entities completed corporate name changes on August 6 and 7, 2025, and again on August 12, 2025. The current names of the Hudson’s Bay Canada entities after the name changes on August 12, 2025, are set out on **Schedule “B”** hereto.
- 1.2 Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed as monitor of the Applicants (in such capacity, the “**Monitor**”) in these CCAA proceedings (the “**CCAA Proceedings**”). A&M, then in its capacity as proposed Monitor, issued a pre-

¹ The CCAA Proceedings have since been terminated in respect of two Applicants (HBC YSS 1 LP Inc. and HBC YSS 2 LP Inc.), and the stay of proceedings no longer applies in respect of certain of the Non-Applicant Stay Parties (RioCan-HBC Limited Partnership, RioCan-HBC General Partner Inc., HBC YSS 1 Limited Partnership, HBC YSS 1 LP Inc., HBC YSS 2 Limited Partnership, HBC YSS 2 LP Inc., RioCan-HBC Ottawa Limited Partnership, RioCan-HBC (Ottawa) Holdings Inc. and RioCan-HBC (Ottawa) GP, Inc.). The defined terms “Applicants”, “Non-Applicant Stay Parties” and “Hudson’s Bay Canada” as used in this Report refer to the applicable entities at the relevant times.

filing Report dated March 7, 2025, to provide the Court with information and, where applicable, its views on the relief sought by the Applicants.

- 1.3 Since the Initial Order was granted, this Court has heard several motions and granted various Orders, and a significant volume of materials have been filed by interested parties in connection therewith. This Report (the “**Ninth Report**”) does not contain a detailed chronology of these proceedings or the various relief granted. Materials filed in the CCAA Proceedings, including the prior Reports of the Monitor (the “**Prior Reports**”) and all endorsements and orders made by the Court, are available on the Monitor’s case website at: www.alvarezandmarsal.com/HudsonsBay, and the Monitor’s Sixth Report dated July 14, 2025 contains a detailed chronology of these proceedings up to that date.

SISP and A&R SISP

- 1.4 On March 21, 2025, the Court granted various Orders, including an order (the “**SISP Order**”), among other things, approving a sale and investment solicitation process in respect of the Applicants’ business and property (the “**SISP**”) to be conducted by the Applicants and the Company’s financial advisor, Reflect Advisors, LLC (“**Reflect**”), under the supervision of the Monitor. The SISP Order provided that the Charter (as defined below) and the Company’s art and artifacts collection (the “**Art Collection**”) would be included in the Property (as defined in the SISP) available for sale pursuant to the SISP.
- 1.5 On April 24, 2025, the Court granted an order amending and restating the SISP Order (the “**A&R SISP Order**”), among other things, approving: (i) the removal of the Charter and the Art Collection from the SISP; and (ii) the engagement of Heffel Gallery Limited

(“**Heffel**”) as auctioneer (the “**Auctioneer**”) to conduct a separate auction for the sale of the Charter and the Art Collection.

September 9 Motion

- 1.6 On July 30, 2025, the Applicants served a motion record in support of a motion returnable September 9, 2025 (the “**September 9 Motion**”) seeking an Order, among other things, approving the sale of the Charter by Hudson’s Bay to Wittington Investments, Limited (“**Wittington**”), a corporation owned by the Weston family, pursuant to the transaction (the “**Charter Transaction**”) contemplated by the offer received from Wittington to acquire the Charter (the “**Wittington Offer**”) dated June 18, 2025. The Charter Transaction contemplated, among other things, that Wittington would purchase the Charter for \$12.5 million and immediately donate the Charter to the Canadian Museum of History.
- 1.7 The Court issued an endorsement on July 31, 2025, among other things, directing that any responding materials in respect of the September 9 Motion be delivered no later than August 21, 2025.
- 1.8 On August 21, 2025, counsel for the Attorney General of Canada served a motion record in support of the September 9 Motion.
- 1.9 On the same date, counsel for DKRT Family Corp. (“**DKRT**”), the personal family holding company of David K.R. Thomson, served a responding motion record, including the affidavit of Patrick Phillips of DKRT sworn the same date (the “**Phillips Affidavit**”). The Phillips Affidavit, among other things, indicated that DKRT:

- (a) opposed the Charter Transaction and is of the view that the Charter should only be sold after an open auction;
 - (b) was prepared to make an initial bid of at least \$15 million, with a view to actively participating in the ensuing auction;
 - (c) would immediately donate the Charter to a suitable Canadian institution if it is the successful purchaser; and
 - (d) intended to commit at least \$2 million to a chosen donee institution to support consultation with Indigenous groups, collaborations with museums, archives, and other cultural institutions, and the sharing of the Charter across Canada to maximize public access, as long as the Charter, in the opinion of qualified experts, is not physically jeopardized in the process.
- 1.10 The Association for Manitoba Archives also served on the service list a letter addressed to the Monitor, among other things, expressing concerns regarding the pending sale of the Charter and arguing that the Charter should be housed in the Archives for Manitoba.
- 1.11 On September 5, 2025, counsel to the Applicants informed the CCAA service list and the Art Service List (as defined below) that the September 9 Motion had been adjourned.
- 1.12 On September 19, 2025, the Applicants served a motion record returnable September 25, 2025, including the affidavit of Adam Zalev sworn the same date (the “**Zalev Art Affidavit**”), seeking an Order (the “**Art Auction Process Order**”), among other things:

- (a) approving the proposed process (the “**Art Collection Auction Procedures**”) for the auction of the Art Collection (the “**Art Collection Auction**”) in the form attached as Schedule “A” to the Art Auction Process Order, with such non-material amendments as the Applicants, Reflect, the Auctioneer and the Monitor may agree;
- (b) authorizing the Auctioneer to conduct the Art Collection Auction in accordance with the Art Collection Auction Procedures; and
- (c) vesting the individual Lots (as defined below) constituting the Art Collection in the Purchasers (as defined therein) at the Art Collection Auction free and clear of all claims and encumbrances.

1.13 On the same date, the Applicants served a motion record returnable September 29, 2025, also including an affidavit of the same date sworn by Adam Zalev (the “**Zalev Charter Affidavit**”, and together with the Zalev Art Affidavit, the “**Zalev Affidavits**”), seeking an Order (the “**Charter Auction Process Order**”), among other things:

- (a) approving the proposed process (the “**Charter Auction Process**”) for the auction of the Charter (the “**Charter Auction**”) in the form attached as Schedule “A” to the Charter Auction Process Order, with such non-material amendments as the Applicants, Reflect and the Monitor may agree; and
- (b) authorizing Reflect to conduct the Charter Auction in accordance with the Charter Auction Process.

Purpose of this Report

- 1.14 The purpose of this Ninth Report is to provide the Court with information and, where applicable, the Monitor's views on:
- (a) the Art Auction Process Order, which is being sought on September 25, 2025;
 - (b) the Charter Auction Process Order, which is being sought on September 29, 2025;
 - (c) the Applicants' cash flow results relative to the Applicants' cash flow forecast attached as Appendix "J" to the Seventh Report of the Monitor dated July 29, 2025 (the "**Seventh Report**");
 - (d) an update on certain employee matters;
 - (e) the activities of the Monitor since its Seventh Report; and
 - (f) the Monitor's conclusions and recommendations in connection with the foregoing.

2.0 TERMS OF REFERENCE AND DISCLAIMER

- 2.1 In preparing this Ninth Report, A&M, in its capacity as Monitor, has been provided with, and has relied upon, unaudited financial information and books and records prepared or provided by the Applicants, and has held discussions with various parties, including senior management of, and advisors to, the Applicants (collectively, the "**Information**"). Except as otherwise described in this Ninth Report, in respect of the Applicants' cash flow forecast:

- (a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (the “CAS”) pursuant to the *Chartered Professional Accountants Canada Handbook* (the “CPA Handbook”) and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of the Information; and
 - (b) some of the information referred to in this Ninth Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.
- 2.2 Future oriented financial information referred to in this Ninth Report was prepared based on the estimates and assumptions of the Applicants. Readers are cautioned that, since projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections and even if the assumptions materialize, the variations could be significant.
- 2.3 This Ninth Report should be read in conjunction with the Zalev Affidavits. Capitalized terms used and not defined in this Ninth Report have the meanings ascribed in the Zalev Affidavits.
- 2.4 Unless otherwise stated, all monetary amounts referenced herein are expressed in Canadian dollars.

3.0 ART AUCTION PROCESS ORDER

Background on Art Collection

- 3.1 As noted above, the A&R SISP Order provided for the removal of the Art Collection from the SISP, and approved the engagement of Heffel as Auctioneer to conduct a separate auction process in respect of the Art Collection at a future date.
- 3.2 In accordance with the A&R SISP Order, the Applicants and Reflect, in consultation with the Auctioneer, created a comprehensive list of the Art Collection and made it available to any interested party upon execution of a non-disclosure agreement (“**NDA**”). The Applicants also prepared a service list consisting of government entities, public institutions, Indigenous stakeholders, and other parties interested in the Art Collection (the “**Art Service List**”). The Applicants first sent a letter to the Art Service List on May 8, 2025, inviting parties to execute an NDA to receive access to the Art Collection catalogue and a virtual database managed by Reflect. The Art Service List has subsequently been used to provide updates to these parties. Approximately 14 of the parties executed the NDA.
- 3.3 The Company and Reflect have received many inquiries regarding the Art Collection and, in consultation with the Monitor, have engaged in numerous discussions with Indigenous groups, government institutions, museums, universities, high-net-worth individuals, and other stakeholders interested in the Art Collection from a cultural and/or historical perspective.
- 3.4 As discussed in the Prior Reports, a significant portion of the Company’s documents, records, and artifact collection was donated prior to these CCAA Proceedings. In particular,

the majority of the Company's documents and records were previously donated to the Hudson's Bay Company Archives, which forms part of the Archives of Manitoba, and the majority of the Company's artifact collection (primarily related to the fur trade and Indigenous culture) was donated to the Manitoba Museum in 1994.

3.5 The Monitor understands that the Art Collection currently comprises over 1,700 pieces of art and over 2,700 artifacts. As a result of the donations to the Manitoba Museum, only a small number of items of Indigenous origin remain in the Art Collection. The Company has recently identified a total of 24 artifacts in the Art Collection that are believed to be of Indigenous origin, potentially of Indigenous origin, or uniquely representative of Indigenous culture, including three artifacts of Indigenous origin currently on long-term loan at a museum. The Company intends to exclude these items from the Art Collection Auction, and with the assistance of Reflect and the Monitor, is in the process of consulting with relevant stakeholders and Indigenous communities to ensure these artifacts are returned or donated.

3.6 At the outset of these CCAA Proceedings, the Company's Art Collection also included four war memorials located in stores across Canada, along with two memorials held in storage. The Applicants do not intend to include the war memorials in the Art Collection Auction. The Company, with the assistance of Reflect and in consultation with the Monitor, has undertaken efforts to ensure appropriate, accessible future locations for these memorials in the cities in which they are currently located, and has engaged in discussions with Canadian institutions and veteran's associations to ensure the war memorials are donated and displayed appropriately.

Art Collection Auction Procedures

- 3.7 The Art Collection Auction Procedures have been developed by Reflect and Heffel, in consultation with the Applicants and the Monitor. As noted above, a comprehensive list of the Art Collection has been prepared, and Heffel has designated specific pieces to be featured in a live, in-person auction while designating others for inclusion in an online auction. Certain items of a lesser monetary value have also been excluded from the Art Collection Auction and have been earmarked for donation.
- 3.8 On September 3, 2025, Reflect wrote to the Art Service List to: (a) advise that the Art Collection Auction Procedures had been developed and were available to be reviewed by parties that had executed an NDA (the “**Interested Parties**”); and (b) request that Interested Parties contact Reflect or the Monitor with any feedback by no later than September 16, 2025, after which the Applicants intended to seek Court approval for same. The Applicants, the Monitor, and Reflect have not received any material feedback on the Art Collection Auction Procedures.
- 3.9 The Art Collection Auction is proposed to begin online on November 12, 2025, with a subsequent live, in-person auction at the Auction House, Heffel Gallery Limited in Toronto, occurring on or about November 19, 2025. The Auctioneer has determined that the interval between the approval hearing and the commencement of the Art Collection Auction is both necessary and suitable to facilitate a comprehensive marketing of the Art Collection, thereby ensuring optimal participation and attendance. In preparation, the Auctioneer will execute an extensive promotional campaign, providing prospective bidders with an opportunity to inspect individual lots available through the Art Collection Auction

(“**Lots**”), review detailed catalogues, and view digital images via Heffel.com. Both physical and virtual catalogues will be distributed to enhance accessibility and engagement.

3.10 The Art Collection Auction will be conducted pursuant to the Art Collection Auction Procedures, which specify the terms applicable to seller commissions, auction formats, expenses, and fees for consigned items across both live and online auctions. The Auctioneer will be exclusively responsible for marketing and event expenses, while consulting with Reflect, the Applicants, and the Monitor to align promotional strategies with the cultural and historical significance of the Art Collection. Interested bidders may register through Heffel.com, and a summary of the eligibility guidelines and participation requirements will be made available. A summary of the guidelines governing eligibility and auction participation is provided in the Zalev Art Affidavit and reproduced below:

- (a) any party who wishes to become a registered bidder (“**Registered Bidder**”) will be required to complete the registration process and provide the required information to the Auction House in full;
- (b) upon becoming a Registered Bidder, the party will be assigned a unique paddle number (the “**Paddle**”) for the purpose of bidding on Lots in the auction. For online auctions, a password will be created in addition to a Paddle;
- (c) items selected for the live auction shall be offered subject to reserve prices. For items included in the online auction, such Lots may be sold without reserve. Heffel reserves the right to combine multiple items into single Lots for the online auction. In order to maximize bidder participation and market exposure, one or more online auctions will

be scheduled over a period of several weeks, with each auction to be curated to appeal to a wide range of prospective bidders;

- (d) subject to approval of the Court, each Lot will be sold on an “as-is, where is” basis, free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests;
- (e) the winning bidder for each Lot will be the Registered Bidder whose bid is recognized by the Auctioneer as the highest at the moment the Lot is sold (the “**Buyer**”);
- (f) each Buyer is required to remit the full purchase price, including the Buyer’s Premium (as defined therein) and any applicable sales tax, to the Auction House by 4:30 PM (ET) on the seventh day after the auction. Upon receipt of payment, the Lot and its associated title will be released or delivered to the Buyer; and
- (g) Heffel’s commissions and expenses are documented in its engagement letter, which was previously approved by this Court.

3.11 The Art Auction Process Order provides that the net proceeds of sale of the Art Collection Auction shall be held by the Monitor pending further order of the Court or distribution to the FILO Agent. Given that amounts owing to the FILO Lenders under the FILO Credit Facility are secured by a first-priority security interest over many of the Applicants’ assets, including all inventory, FF&E, intellectual property, art, and artifacts (including the Art Collection), based on current circumstances and subject to Court approval and the closing of the sales of the Art Collection, the Monitor supports a distribution being made to the FILO Agent on behalf of the FILO Lenders from the net proceeds of the sales of the Art

Collection. To the extent facts and circumstances at the relevant time require that some or all of such net proceeds be retained by the Monitor as a reserve, the Monitor will discuss that with the FILO Agent as soon as practicable.

3.12 The Monitor respectfully recommends that this Court approve the Art Auction Process Order given that, among other things:

- (a) the Art Collection Auction will be conducted by Heffel, an experienced art auctioneer that was previously approved in the A&R SISP Order, and the Art Collection Auction Procedures provide for a process that will allow the Applicants to maximize the value of the Art Collection in a fair and reasonable manner;
- (b) the Art Collection Auction Procedures will respect the cultural and historical significance of the Art Collection, and certain art and artifacts will be excluded from same and have been earmarked for donation;
- (c) the Art Collection Auction Procedures have been available for interested parties to review since September 3, 2025, and no party has provided material feedback; and
- (d) the Monitor does not believe the granting of the Art Auction Process Order will materially prejudice any of the Applicants' stakeholders.

4.0 CHARTER AUCTION PROCESS ORDER

Background on the Charter and September 9 Motion

4.1 Hudson's Bay, which until these proceedings was the oldest continually-operating company in North America, was established in 1670 by Royal Proclamation of King

Charles II pursuant to the Charter. The Charter is not just Hudson's Bay's originating document; it is a foundational document to Canada's historical narrative broadly and is of great importance to Indigenous groups.

- 4.2 Prior to these proceedings, the Charter was stored in a protective case at the Company's head office in Toronto. Recently, the Applicants, with the assistance of Reflect and under the supervision of the Monitor, relocated the Charter to a secure facility equipped to store and protect important documents, art and artifacts. The Applicants intend for the Charter to remain in that secure facility until the Charter is conveyed to a bidder in connection with the Charter Auction.
- 4.3 The Applicants had originally intended to include the Charter in the Art Collection Auction. However, following receipt of the Wittington Offer and consultation with the Monitor, Reflect and the Auctioneer, and with the consent of the FILO Agent, on July 26, 2025, the Applicants withdrew the Charter from the Art Collection Auction. As noted above, the Applicants served motion materials on July 30, 2025, in support of their motion seeking approval of the Charter Transaction with Wittington on September 9, 2025.
- 4.4 As noted above, the Phillips Affidavit was served on the service list on August 21, 2025. Among other things, DKRT's bid as described in the Phillips Affidavit represented an increase of \$2.5 million above the Wittington Offer, included a commitment to donate the Charter to a public institution, and committed to endow a minimum of \$2 million to the chosen donee institution to support consultation with Indigenous groups, collaborations with cultural institutions, and the sharing of the Charter across Canada to maximize public access.

- 4.5 After reviewing the Phillips Affidavit on August 21, 2025, and subsequently receiving expressions of interest from additional parties, the Applicants, in consultation with Reflect, the Monitor, the FILO Lenders, and Pathlight, ultimately determined that a competitive process for the Charter, with certain Court-approved participation requirements, was more appropriate in the circumstances.
- 4.6 The Monitor understands that Reflect and counsel to the Applicants engaged in discussions with the advisors for DKRT and Wittington regarding the possibility of an auction for the Charter. Further, the Applicants, in consultation with the Monitor, subsequently obtained a binding commitment letter dated September 9, 2025, from DKRT (the “**DKRT Commitment Letter**”) to: (a) participate in any Court-approved process; and (b) submit an opening bid of no less than \$15 million on terms consistent with those set out in the Phillips Affidavit.
- 4.7 On September 5, 2025, the Applicants informed the CCAA service list and the Art Service List that the September 9 Motion had been adjourned. Counsel to the Monitor reached out to the Association for Manitoba Archives to discuss its opposition to the Wittington Offer on September 9, 2025. The Monitor understands that the Association for Manitoba Archives would not oppose the bid described by DKRT in the Phillips Affidavit. The Monitor advised the Association of Manitoba Archives that a motion would be served in respect of the Charter Auction in the near term, and that the Monitor was available to discuss any further concerns after that motion record was served.
- 4.8 On September 19, 2025, the Applicants served the motion in support of the Charter Auction Process Order.

Charter Auction²

- 4.9 The Applicants, in consultation with Reflect, the FILO Lenders, Pathlight, and the Monitor, have since developed an auction process to govern the sale of the Charter. The goal of that process is to maximize value, while balancing the need to safeguard the Charter and ensure it is preserved in a publicly-accessible manner that respects its historical significance.
- 4.10 The Charter Auction Procedures contemplate that the Charter Auction will take place on or about October 15, 2025, and that Interested Potential Bidders will submit Bid Proposals to Reflect and the Monitor by no later than 5:00 p.m. on October 7, 2025.
- 4.11 The Charter Auction Procedures provide various requirements for a Potential Bidder to be classified as a Qualified Bidder. Only Qualified Bidders may participate in the Charter Auction.
- 4.12 To be classified as a Qualified Bidder, a Potential Bidder must submit an executed confidentiality agreement, provide their identity and contact details, and commit to bidding at least \$15 million. Qualified Bidders are also required to acknowledge the Charter's status as protected cultural property under Canadian law and commit to acquiring it for their own account, with a promise to permanently donate it to a Canadian public institution or museum acceptable to Reflect and the Monitor. The Canadian public institution or museum chosen as donee will be required to share the Charter with other Canadian public institutions and Indigenous groups pursuant to arrangements developed through a consultation process. Additional requirements include outlining donation terms, supplying

² Capitalized terms used in this section and not otherwise defined have the meanings ascribed in the Charter Auction Process.

a letter from the recipient institution confirming acceptance, agreeing to cover all handling and moving expenses, demonstrating authority to complete the purchase, confirming that registration is non-transferable and payment matches bidder details, and attesting that the funds used are not proceeds of crime under the Canadian *Criminal Code*.

4.13 The Charter Auction Procedures are summarized in the Zalev Charter Affidavit. Among other things, the Charter Auction Procedures provide that:

- (a) bid increments at the Charter Auction shall be set by Reflect, in consultation with the Monitor, at the commencement of the Charter Auction and from time to time thereafter and communicated to the Qualified Bidders;
- (b) all bids made at the Charter Auction shall remain irrevocable and binding on the Qualified Bidder until the later of such Qualified Bidder submitting a higher bid and closing of the sale of the Charter. All bids shall be communicated to the Charter Auction participants, and the Monitor shall maintain a summary of all bids made and announced at the Charter Auction;
- (c) Reflect, with the consent of the Monitor, may waive any of the rules set forth therein and/or announce and employ additional rules at the Charter Auction, provided that such rules are: (i) not inconsistent with the Charter Auction Process Order; (ii) disclosed to each Qualified Bidder; and (iii) designed, in Reflect's business judgement, to result in the highest and/or otherwise best Successful Bid;
- (d) each Qualified Bidder participating in the Charter Auction must confirm at the commencement and again at the conclusion of the Charter Auction, that it has not

engaged in any concerted action with any other Qualified Bidder: (i) without the consent of Reflect and the Monitor; and (ii) that has been disclosed to all other Qualified Bidders;

- (e) Reflect, in consultation with the Monitor, shall determine when the Charter Auction has concluded. The Qualified Bidder who submitted the highest bid during the Charter Auction shall be the Successful Bidder; and
- (f) no bids submitted after the announced conclusion of the Charter Auction will be considered.

4.14 DKRT has already been designated as a Qualified Bidder based on the DKRT Commitment Letter.

4.15 Following the conclusion of the Charter Auction, the Applicants will return to Court to seek approval of the proposed sale, in accordance with the Charter Auction Process and any further direction of the Court.

4.16 The Charter Auction Process Order provides that the net proceeds of sale of the Charter Auction shall be held by the Monitor pending further order of the Court or distribution to the FILO Agent. The Monitor supports a distribution being made to the FILO Agent on behalf of the FILO Lenders from the net proceeds of the sale of the Charter on the same basis as it is supportive of such a distribution being made from the proceeds of the sale of the Art Collection. To the extent facts and circumstances at the relevant time require that some or all of such net proceeds be retained by the Monitor as a reserve, the Monitor will discuss that with the FILO Agent as soon as practicable.

4.17 The Monitor respectfully recommends that this Court approve the Charter Auction Process Order given that, among other things:

- (a) the Charter Auction Process will provide for an open and transparent sale of the Charter during the Charter Auction in a value-maximizing manner;
- (b) the Charter Auction Process was designed with the Charter's unique cultural and historical importance in mind, and contains appropriate safeguards to ensure, among other things, that the Charter remains in Canada and will be made publicly-accessible;
- (c) the DKRT Commitment Letter ensures that, even if no new bids are received, appropriate value will be achieved and the Charter will be donated to a public institution and additional funds have been committed to be provided to the donee institution to support consultation with Indigenous groups, collaborations with cultural institutions, and the sharing of the Charter across Canada to maximize public access; and
- (d) the Monitor does not believe the granting of the Charter Auction Process Order will materially prejudice any of the Applicants' stakeholders.

5.0 UPDATE ON EMPLOYEE MATTERS

5.1 On June 3, 2025, this Court granted an Order, among other things, declaring that the Applicants met the criteria under section 3.2 of the *Wage Earner Protection Program Regulations* effective June 21, 2025, pursuant to subsections 5(1)(b)(iv) and 5(5) of the *Wage Earner Protection Program Act*.

- 5.2 The Monitor has continued to work closely with the Applicants, Ursel Phillips Fellows Hopkinson LLP, in its capacity as the Court-appointed representative counsel for certain employees (“**Employee Representative Counsel**”), and Service Canada to facilitate the implementation of the Wage Earner Protection Program (“**WEPP**”) claims process and to ensure employees are able to access their entitlements in an efficient and timely manner.
- 5.3 As described in the Seventh Report, information packages (the “**Information Package**”) were prepared to provide former employees with the information necessary to submit their WEPP application to Service Canada. Each Information Package contained a formal WEPP notice, a frequently asked questions document, a proof of claim form, and an individualized claim summary of eligible claims owing to the applicable employee (which estimates were prepared by the Monitor with the assistance of the Company). As further described in the Seventh Report, the Monitor is required to prepare and submit a Trustee Information Form (“**TIF**”) before Service Canada can process an employee’s application.
- 5.4 Since the date of the Seventh Report, the Information Package was finalized and approximately 8,500 packages were mailed to all eligible former employees of the Company. The Monitor has spent considerable time corresponding with former employees to assist them with their WEPP applications and answering their queries. In addition, if a package was determined to be undelivered, the Monitor has attempted to e-mail the package to the intended recipient.
- 5.5 The Monitor has held regular discussions with both Employee Representative Counsel and Service Canada with respect to the WEPP materials being provided to employees, and the timing of the WEPP process. As part of these discussions, Service Canada has granted the

Monitor an extension to submit all TIFs from September 30, 2025, to October 31, 2025.

Accordingly, employees now have until December 26, 2025, to submit their applications to Service Canada, which represents 56 days from October 31, 2025.

- 5.6 As of the date of this Ninth Report, approximately 6,100 TIFs have been submitted by the Monitor to Service Canada, representing 72% of the total. The Monitor expects to have all TIFs submitted to Service Canada by early October.

6.0 CASH FLOW RESULTS RELATIVE TO FORECAST³

- 6.1 Actual receipts and disbursements for the eight-week period from July 19 to September 12, 2025 (the “**Reporting Period**”), as compared to the cash flow forecast attached as **Appendix “J”** to the Seventh Report, are summarized in the following table:

³ Capitalized terms used in this section and not otherwise defined have the meanings ascribed in the First Report of the Monitor dated March 16, 2025.

Cash Flow Variance Report			\$000's
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Receipts			
Lease Monetization Process Proceeds	7,078	7,045	33
Other Receipts	2,324	-	2,324
Total Receipts	9,402	7,045	2,357
Disbursements			
Payroll & Benefits	(2,459)	(3,873)	1,414
Occupancy Costs	(7,712)	(7,404)	(308)
Operating Expenses	(4,164)	(10,850)	6,686
Store Closure & Exit Costs	(4,017)	(10,863)	6,845
Sales Tax Remittances	(4,130)	(4,250)	120
Consultant Fees & Expenses	(1,000)	(1,280)	280
Professional Fees	(12,442)	(11,793)	(649)
Shared Service Payments	(747)	(4,554)	3,807
Interest Payments & Fees	(1,572)	(1,529)	(43)
Total Disbursements	(38,243)	(56,396)	18,153
Net Cash Flow	(28,841)	(49,351)	20,510
Opening Cash Balance	82,034	82,026	8
Net Cash Flow	(28,841)	(49,351)	20,510
FILO Credit Facility Paydown	(7,125)	(7,025)	(100)
Closing Cash Balance	46,068	25,650	20,418

6.2 Pursuant to paragraph 22(c) of the Court's endorsement in these proceedings dated March 29, 2025, the Monitor is required to advise the Court if, at any time, actual results vary as compared to the applicable Cash Flow Forecast by 15% or more. Since the filing of the applicable Cash Flow Forecast, the Monitor notes that, on a net cash flow basis, actual cash flow results have not negatively varied from the applicable Cash Flow Forecast.

6.3 Explanations for the variances during the Reporting Period are as follows:

- (a) the positive variance in other receipts of \$2.3 million relates to: (i) the return of post-filing vendor deposits of \$1.8 million; (ii) interest earned on cash balances held in the Company's bank accounts of \$386,000; and (iii) gross proceeds from the closing of

the sale of Zellers intellectual property of \$113,000. These receipts were not included in the forecast and are permanent positive variances.

- (b) the positive variance in payroll and benefits of \$1.4 million is comprised primarily of approximately \$1.2 million in positive timing variances, related to outstanding arrears owed to HBC India, an affiliated entity, for personnel providing support and administrative services to the Company, as well as forecast KERP and retention payments that have not yet been paid. The remaining positive variance is permanent resulting from approximately \$0.2 million of payroll reimbursements received from the pension administrator for payroll costs incurred by the Company for employees assisting directly with pension related matters.
- (c) the positive variance in store closure and exit costs of approximately \$6.8 million is a timing variance, as FF&E removal and record destruction work continues to advance, while store signage removal work remains on pause at the request of the FILO Agent;
- (d) the negative variance in professional fees of approximately \$649,000 is considered a permanent variance;
- (e) the positive variance in shared service payments of \$3.8 million is a timing variance relating to ongoing reconciliations for services incurred during June, July and August that have not yet been paid; and
- (f) the remaining net positive variance in total disbursements of approximately \$6.7 million is comprised of: (i) a positive permanent variance of approximately \$3.0

million due to lower than forecast operating and insurance expenses; and (ii) a positive timing variance of approximately \$3.7 million due to timing differences in certain operating expenses. The Monitor anticipates that this timing variance will reverse as the Company continues to receive invoices and related reconciliations from vendors for post-filing services.

6.4 During the Reporting Period and in accordance with the Stay Extension and Distribution Order dated May 13, 2025, which authorized distributions to be made to the FILO Agent in respect of amounts owing under the FILO Credit Facility (excluding the “Make-Whole”) (each as defined in the Third Report of the Monitor dated May 9, 2025), the Company made the following distributions:

- (a) on August 1, 2025, the Monitor transferred \$2.0 million to the Company from the \$6.0 million of funds held in trust in respect of the proceeds from the closing of the Affiliate Lease Assignment Transaction (as defined in the Fifth Report of the Monitor dated June 19, 2025). The funds transferred to the Company represent proceeds related to the lease in which the FILO Agent held a first-ranking priority charge. Upon receipt of these funds, the Company distributed \$2.0 million to the FILO Agent as an interim distribution;
- (b) on August 7, 2025, concurrent with the closing of the sale of Zellers brand intellectual property, the Company distributed the net proceeds of \$100,000 (i.e. the process net of HST) to the FILO Agent as an interim distribution; and

(c) on August 8, 2025, concurrent with the closing of the YM Transactions (as defined in the Seventh Report), the Company distributed gross proceeds of \$5.025 million to the FILO Agent as an interim distribution.

6.5 The principal balance owing to the FILO Lenders under the FILO Credit Facility, after accounting for the distributions noted above and excluding the Make-Whole, is approximately \$57.1 million.

6.6 Overall, during the Reporting Period, the Company experienced a positive net cash flow variance of approximately \$20.5 million, before considering the distributions to the FILO Agent. The closing cash balance as of September 12, 2025, was approximately \$46.1 million, as compared to the projected cash balance of \$25.7 million.

6.7 As noted above, the Monitor is holding the remaining proceeds from the closing of the Affiliate Lease Assignment Transaction of \$4.0 million in trust (received on June 26, 2025). These funds are incremental to the Company's closing cash balance as of September 12, 2025.

7.0 ACTIVITIES OF THE MONITOR

7.1 Since the granting of the Initial Order on March 7, 2025, the Monitor has worked closely with the Applicants to assist in stabilizing its business and operations. As summarized in the Prior Reports and below, this has included concerted efforts to address urgent operational and logistical issues essential to the orderly liquidation of inventory and FF&E at each of the stores, extensive communications with stakeholders, as well as assisting with

other activities essential to the Liquidation Sale, the Lease Monetization Process and the SISP.

7.2 Since the date of the Seventh Report, the primary activities of the Monitor and its counsel, Bennett Jones LLP, have included the following:

- (a) continuing to assist in discussions and negotiations with key service providers to facilitate ongoing service and/or termination of services, and to reconcile and settle all outstanding post-filing obligations;
- (b) monitoring cash receipts and disbursements and coordinating with management in preparing weekly cash flow variance reporting; communicating with the FILO Lenders and its financial advisor in respect of ongoing variance reporting, and responding to related information requests and questions; and communicating with Pathlight in respect of ongoing variance reporting, and responding to related information requests and questions;
- (c) preparing the Confidential Secured Lender Recovery Waterfall Analysis;
- (d) working with the Applicants and Saks Global on shared services cost allocations, negotiating the draft shared service agreement, coordinating the level of support necessary to advance workstreams anticipated to generate future recoveries and properly administer remaining aspects of the wind-down, and reviewing/analyzing related supporting information and documentation;
- (e) participating in the contested motion for the assignment of the Subject Leases (as defined in the Monitor's Eighth Report dated August 20, 2025), including reviewing

materials filed in connection therewith; organizing and attending examinations; preparing the Eighth Report; and preparing for and participating in two-day hearing regarding same;

- (f) monitoring the concurrent receivership proceeding in respect of the JV Entities (as defined in the Fourth Report of the Monitor dated May 29, 2025) and coordinating with the Receiver of the JV Entities on various matters;
- (g) assisting Reflect in conducting the SISP as it pertains to the Art Collection, including participating in discussions and meetings with the auction services provider and other parties in respect of the Art Collection; and assisting Reflect in conducting the SISP as it pertains to the Charter, including participating in discussions and meetings with the auction service provider and other parties in respect of the Charter and developing the Charter Auction Process;
- (h) assisting the Applicants in vacating the stores and assessing and responding to the Applicants' requests for Monitor consents to notices to disclaim contracts, leases and agreements;
- (i) assisting the Applicants in assessing contracts and agreements to be disclaimed and responding to the Applicants' requests for Monitor consents to notices to disclaim such contracts and agreements;
- (j) assisting the Applicants in obtaining quotes from third-party contractors and coordinating the removal of FF&E;

- (k) working with the Applicants and Employee Representative Counsel to advance employee issues arising during the CCAA Proceedings and liaising with the Applicants, Employee Representative Counsel and Service Canada in relation to the WEPP process;
- (l) preparing estimates of eligible employee claims that may be owed to individual employees under WEPP, preparing and mailing Information Packages sent to former employees, and submitting TIFs on behalf of each of the former employees for WEPP purposes;
- (m) working with the Applicants and their counsel to develop a process to address the pension surplus;
- (n) responding to a high volume of enquiries from stakeholders, including addressing questions or concerns of parties who contacted the Monitor on the toll-free number or email account established for the case by the Monitor;
- (o) posting non-confidential materials filed with the Court to the Case Website; and
- (p) with the assistance of Bennett Jones, preparing this Ninth Report.

8.0 CONCLUSIONS AND RECOMMENDATIONS

8.1 For the reasons set out in this Ninth Report, the Monitor respectfully recommends that this Court grant the relief sought by the Applicants.

All of which is respectfully submitted to the Court this 22nd day of September, 2025.

**Alvarez & Marsal Canada Inc.,
in its capacity as Monitor of
1242939 B.C. Unlimited Liability Company, et al,
not in its personal or corporate capacity**

Per: 

Alan J. Hutchens
Senior Vice-President

Per: 

Greg A. Karpel
Senior Vice-President

SCHEDULE A⁴

OTHER APPLICANTS

HBC Canada Parent Holdings Inc.

HBC Canada Parent Holdings 2 Inc.

HBC Bay Holdings I Inc.

HBC Bay Holdings II ULC

The Bay Holdings ULC

HBC Centerpoint GP Inc.

HBC YSS 1 LP Inc.

HBC YSS 2 LP Inc.

HBC Holdings GP Inc.

Snospmis Limited

2472596 Ontario Inc.

247598 Ontario Inc.

NON-APPLICANT STAY PARTIES

HBC Holdings LP

RioCan-HBC General Partner Inc.

RioCan-HBC Limited Partnership

RioCan-HBC (Ottawa) Holdings Inc.

RioCan-HBC (Ottawa) GP, Inc.

RioCan-HBC (Ottawa) Limited Partnership

HBC Centerpoint LP

⁴ This schedule lists the Applicants and Non-Applicant Stay Parties as of the Initial Order. As noted within the Ninth Report, the CCAA Proceedings were terminated in respect of two of the Applicants, and the stay of proceedings no longer applies in respect of several of the Non-Applicant Stay Parties.

The Bay Limited Partnership

HBC YSS 1 Limited Partnership

HBC YSS 2 Limited Partnership

SCHEDULE B

Name Changes for Hudson's Bay Canada Entities

Former Name	New Name	CCAA Status	Effective Date of Name Change
HBC Centrepont GP Inc.	2745263 Ontario Inc.	Applicant	August 12, 2025
HBC Holdings GP Inc.	2745270 Ontario Inc.	Applicant	August 12, 2025
Hudson's Bay Company ULC Compagnie de la Baie d'Hudson SRI	1242939 B.C. Unlimited Liability Company	Applicant	August 12, 2025
HBC Canada Parent Holdings Inc.	1241423 B.C. Ltd.	Applicant	August 12, 2025
HBC Canada Parent Holdings 2 Inc.	1330096 B.C. Ltd.	Applicant	August 12, 2025
HBC Bay Holdings I Inc.	1330094 B.C. Ltd.	Applicant	August 12, 2025
HBC Bay Holdings II ULC	1330092 B.C. Unlimited Liability Company	Applicant	August 12, 2025
The Bay Holdings ULC	1329608 B.C. Unlimited Liability Company	Applicant	August 12, 2025
2472596 Ontario Inc.	--	Applicant	--
2472598 Ontario Inc.	--	Applicant	--
Snospmis Limited	--	Applicant	--

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED, AND IN THE MATTER OF 1242939 B.C.
Unlimited Liability Company et al.

Court File No.: CV-25-738613-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

NINTH REPORT OF THE MONITOR

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Counsel for Alvarez & Marsal Canada Inc., solely in its capacity
as Monitor and not in its personal or corporate capacity