

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

TENTH REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.

OCTOBER 17, 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**”).

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.

- 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 “**Tenth 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.alvarezmarsal.com/HudsonsBay, and the Monitor’s Sixth Report dated July 14, 2025 contains a detailed chronology of these proceedings up to that date.

FILO Motion and Central Walk Approval Motion

- 1.4 On August 28 and 29, 2025, this Court heard the FILO Motion and the Central Walk Approval Motion, each of which are defined and discussed in detail in the Eighth Report of the Monitor dated August 20, 2025 (the “**Eighth Report**”). The Monitor’s views in respect of each are also detailed in the Eighth Report. As of the date hereof, the Court’s decision in respect of those motions remains under reserve.

September 25 and September 29 Motions

- 1.5 On September 19, 2025, the Applicants served a motion record returnable September 25, 2025, including the affidavit of Adam Zalev of Reflect Advisors, LLC (“**Reflect**”), the Applicants’ financial advisor, sworn the same date, 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 Heffel Gallery Limited, as auctioneer, to conduct the Art Collection Auction in accordance with the Art Collection Auction Procedures; and
- (c) vesting the individual Lots (as defined in the Art Collection Auction Procedures) constituting the Art Collection in the Purchasers (as defined in the Art Auction Process Order) at the Art Collection Auction free and clear of all claims and encumbrances.

1.6 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, 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 Royal Charter of 1670 (the “**Charter**”, and that auction, 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.

1.7 The Monitor filed its Ninth Report dated September 22, 2025 (the “**Ninth Report**”) in connection with the motions for the Art Auction Process Order and the Charter Auction Process Order.

- 1.8 The Art Auction Process Order was granted by the Court on September 25, 2025.
- 1.9 At the hearing for the Charter Auction Process Order on September 29, 2025, counsel for the Applicants advised that an unsolicited proposal in respect of the Charter had been received late in the evening of September 28. As such, the Applicants requested an adjournment, which was not opposed by any party and was supported by the Monitor and the Attorney General of Canada. The Court granted the adjournment request pursuant to an endorsement of the same date.
- 1.10 The hearing of the motion for the Charter Auction Process Order was re-scheduled for October 9, 2025 and was subsequently scheduled for October 20, 2025. The Monitor understands that the Applicants do not intend to seek relief in respect of the Charter on October 20, 2025.

October 20 Stay Extension Motion

- 1.11 On October 15, 2025, the Applicants served a motion record returnable October 20, 2025, including the affidavit of Franco Perugini sworn the same date (the “**Third Perugini Affidavit**”), seeking an Order, among other things, extending the Stay Period (as defined below) to and including December 12, 2025 (the “**Stay Extension Order**”).

Purpose of this Report

- 1.12 The purpose of this Tenth Report is to provide the Court with information and, where applicable, the Monitor’s views on:
- (a) the Stay Extension Order;

- (b) an update on Wage Earner Protection Program (“**WEPP**”) matters;
- (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) the Sixth Updated Cash Flow Forecast (as defined below); and
- (e) the Monitor’s conclusions and recommendations in connection with the foregoing.

2.0 TERMS OF REFERENCE AND DISCLAIMER

2.1 In preparing this Tenth 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 Tenth 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 Tenth 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 Tenth 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 Tenth Report should be read in conjunction with the Third Perugini Affidavit. Capitalized terms used and not defined in this Tenth Report have the meanings ascribed to them in the Third Perugini Affidavit.

2.4 Unless otherwise stated, all monetary amounts referenced herein are expressed in Canadian dollars.

3.0 STAY EXTENSION

3.1 The Initial Order granted a stay of proceedings in favour of the Applicants, the Non-Applicant Stay Parties, and third-party tenants of commercial shopping centres or other properties where premises operated by Hudson's Bay were located (the "**Co-Tenant Stay**") until and including March 17, 2025 (the "**Stay Period**"). At the Comeback Hearing, the Court extended the Stay Period until May 15, 2025, excluding the Co-Tenant Stay. The Stay Period was subsequently extended to July 31, 2025, by Order dated May 13, 2025.

- 3.2 As discussed in the Prior Reports, on June 3, 2025, the Court granted an Order, among other things, appointing FTI Consulting Canada Inc. (the “**Receiver**”) as receiver and manager over 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. (collectively, the “**JV Entities**”). On the same date, the Court granted a separate Order, among other things, terminating the stay of proceedings and the protections and authorizations provided for by the ARIO in favour of the JV Entities, and terminating the CCAA Proceedings with respect to HBC YSS 1 LP Inc. and HBC YSS 2 LP Inc. concurrently with the appointment of the Receiver over the JV Entities.
- 3.3 Pursuant to an Order granted on July 31, 2025 (the “**Stay Extension and Distribution Order**”), the Applicants obtained an extension of the Stay Period to and including October 31, 2025. Given the Orders granted on June 3, the stay extension did not include the JV Entities, and the JV Entities no longer have the benefit of the CCAA stay.
- 3.4 The Applicants’ activities since the granting of the Stay Extension and Distribution Order are detailed in the Third Perugini Affidavit and are not repeated herein.
- 3.5 The Monitor supports the Applicants’ request to extend the Stay Period to December 12, 2025, for the following reasons:
- (a) the Applicants have acted, and continue to act, in good faith and with due diligence to advance the CCAA Proceedings;

- (b) regardless of the decision to be rendered by the Court in respect of the FILO Motion and the Central Walk Approval Motion, an extension of the Stay Period is required to provide the Applicants with the time necessary to attend to and complete various matters, including:
 - (i) responding to the decision to be issued in respect of the Central Walk Approval Motion and the FILO Motion;
 - (ii) conducting the Art Collection Auction;
 - (iii) returning to Court to seek relief in respect of the Charter Auction, and implement the monetization efforts in respect of the Charter;
 - (iv) addressing any remaining applicable FF&E and signage matters;
 - (v) attending to various employee and pension related matters, including completing WEPP matters, working with Employee Representative Counsel in respect of the potential Hardship Fund, and addressing the pension surplus;
 - (vi) completing further distributions for the benefit of the Applicants' stakeholders;
- (c) as shown in the Sixth Updated Cash Flow Forecast, the Applicants have sufficient liquidity to operate through the proposed extension of the Stay Period; and
- (d) the Monitor is not aware of any party that would be materially prejudiced by the proposed extension of the Stay Period.

4.0 UPDATE ON WAGE EARNER PROTECTION PROGRAM MATTERS

- 4.1 As discussed further in the Ninth Report, on June 3, 2025, this Court granted an Order recognizing 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*.
- 4.2 Since the date of the Ninth Report, 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 WEPP claims process to ensure employees are able to access their entitlements in an efficient and timely manner.
- 4.3 As discussed in the Ninth Report, the Monitor and the Employee Representative Counsel prepared an information package (the “**Information Package**”) for former employees containing the information necessary to submit their WEPP application to Service Canada. As of July 29, 2025, the Information Packages were finalized and approximately 8,500 packages were mailed to all eligible former employees of the Company.
- 4.4 Before Service Canada can process an employee’s application, the Monitor must prepare and submit a Trustee Information Form (“**TIF**”) for each WEPP eligible employee. As of September 30, 2025, substantially all TIFs (approximately 8,500), had been submitted by the Monitor to Service Canada.
- 4.5 The Monitor and the Employee Representative Counsel have held regular discussions with Service Canada with respect to the WEPP materials being provided to employees, and the

timing of the WEPP process. As noted in the Ninth Report, 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.

- 4.6 As of October 8, 2025, approximately 4,200 WEPP applications had been submitted by former employees to Service Canada and of those submitted, Service Canada has processed approximately 1,080 applications.

5.0 CASH FLOW RESULTS RELATIVE TO FORECAST²

- 5.1 Actual receipts and disbursements for the eight-week period from July 19 to October 10, 2025 (the “**Reporting Period**”), as compared to the cash flow forecast attached as **Appendix “J”** to the Seventh Report (the “**Fifth Updated Cash Flow Forecast**”), are summarized in the following table:

² 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	3,365	-	3,365
Total Receipts	10,443	7,045	3,398
Disbursements			
Payroll & Benefits	(4,128)	(4,737)	609
Occupancy Costs	(9,679)	(7,404)	(2,275)
Operating Expenses	(5,110)	(12,117)	7,007
Store Closure & Exit Costs	(5,346)	(10,863)	5,516
Sales Tax Remittances	(4,130)	(4,300)	170
Consultant Fees & Expenses	(1,000)	(1,280)	280
Professional Fees	(15,395)	(15,037)	(358)
Shared Service Payments	(1,066)	(5,048)	3,982
Interest Payments & Fees	(2,385)	(2,401)	16
Total Disbursements	(48,240)	(63,187)	14,947
Net Cash Flow	(37,797)	(56,142)	18,345
Opening Cash Balance	82,034	82,026	8
Net Cash Flow	(37,797)	(56,142)	18,345
FILO Credit Facility Paydown	(7,125)	(7,025)	(100)
Closing Cash Balance	37,112	18,860	18,252

5.2 Pursuant to paragraph 22(c) of the Court's endorsement 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.

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

- (a) the positive variance in other receipts of approximately \$3.4 million relates to: (i) the return of post-filing vendor deposits and other refunds totaling approximately \$2.8 million; (ii) interest earned on cash balances held in the Company's bank accounts of

approximately \$500,000; 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 represent permanent positive variances;

- (b) the positive variance in payroll and benefits of approximately \$609,000 is comprised primarily of approximately \$400,000 in positive timing variances related to payroll tax, accrued vacation and retention payments that have not yet been paid. The remaining positive variance is permanent, resulting from approximately \$200,000 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 negative variance in occupancy costs of approximately \$2.3 million relates to rent payments for the 25 leases (the “**Subject Leases**”) that are subject to the proposed Central Walk Transaction (as defined in the Eighth Report) for the period from October 1 to October 15, 2025. Occupancy costs in the Fifth Updated Cash Flow Forecast for the Subject Leases had been forecast to be paid through September 30, 2025. Accordingly, the negative variance is permanent;
- (d) the positive variance in operating expenses of approximately \$7.0 million is comprised of: (i) a permanent positive variance of approximately \$5.4 million, resulting from provisions included in the forecast that are no longer expected to materialize, and lower than forecast property insurance expenses; and (ii) a positive timing variance of approximately \$1.6 million, relating to invoices not yet received from vendors and ongoing vendor reconciliations;

- (e) the positive variance in store closure and exit costs of approximately \$5.5 million is primarily a timing variance, as FF&E removal work continues to advance and store signage removal work remains on hold at the request of the FILO Agent. In addition, the forecast included an estimate for document destruction costs, which have not been paid to date. The Company and its legal counsel, in consultation with the Monitor and its legal counsel, are reviewing data retention and destruction matters and associated costs. The Company and Monitor anticipate returning to the Court at a future date to address data and document retention matters;
- (f) the negative variance in professional fees of approximately \$358,000 is considered a permanent negative variance;
- (g) the positive variance in shared service payments of approximately \$3.8 million is comprised of: (i) a positive timing variance of approximately \$2.5 million relating to ongoing reconciliations for services incurred during June, July, August, and September 2025, that have not yet been paid; and (ii) a permanent positive variance of approximately \$1.3 million; and
- (h) the remaining net positive variance in total disbursements of approximately \$466,000 is comprised of: (i) a permanent positive variance of approximately \$170,000 due to lower than forecast sales tax remittances; and (ii) a positive timing variance of approximately \$296,000 arising from timing differences in the payment of certain other expenses.

5.4 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 proceeds 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.

5.5 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.

5.6 Overall, during the Reporting Period, the Company experienced a positive net cash flow variance of approximately \$18.4 million, before considering the distributions to the FILO

Agent. The closing cash balance as of October 10, 2025, was approximately \$37.1 million, as compared to the projected cash balance of \$18.9 million.

- 5.7 As previously reported, 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 October 10, 2025.

6.0 SIXTH UPDATED CASH FLOW FORECAST

- 6.1 Hudson's Bay, with the assistance of the Monitor, has prepared an updated and extended cash flow forecast (the "**Sixth Updated Cash Flow Forecast**") for the 9-week period from October 11 to December 12, 2025 (the "**Cash Flow Period**"). A copy of the Sixth Updated Cash Flow Forecast, together with a summary of assumptions (the "**Cash Flow Assumptions**") is attached hereto as **Appendix "A"**.
- 6.2 A summary of the Sixth Updated Cash Flow Forecast is provided in the table below:

Sixth Updated Cash Flow Forecast		\$000's
		<u>9-Week Period</u>
Receipts		1,500
Disbursements		
Payroll & Benefits		(2,258)
Occupancy Costs		(7,934)
Wind-down Expenses		(2,959)
Store Closure & Exit Costs		(2,388)
Consultant Fees & Expenses		(280)
Professional Fees		(4,908)
Shared Service Payments		(3,291)
Interest Payments & Fees		(1,390)
Total Disbursements		(25,407)
Net Cash Flow		(23,907)
Opening Cash Balance		37,112
Net Cash Flow		(23,907)
FILO Credit Facility Paydown		--
Closing Cash Balance		13,205

6.3 The Monitor notes the following with respect to the Sixth Updated Cash Flow Forecast:

- (a) as described above, as of the date of this Tenth Report, a decision with respect to the proposed Central Walk Transaction remains pending. Accordingly, the forecast does not include any receipts from proceeds of the transaction, and for conservatism, occupancy costs for the Subject Leases have been forecast for the full duration of the Cash Flow Period;
- (b) receipts include: (i) an estimated partial refund of amounts held by the Company's credit card processor to cover potential credit card chargeback exposure; and (ii) an estimated claim payout in respect of a class action lawsuit commenced prior to the CCAA Proceedings, that was recently settled by the relevant counterparties;

- (c) payroll and benefits include salaries, wages, remittances, and payroll taxes for store-level employees assisting with FF&E removal and the ongoing maintenance and supervision of the Subject Leases, as well as corporate employees and other support personnel assisting with the wind-down of the estate;
- (d) occupancy costs include third-party rents, property taxes and common area maintenance for the Subject Leases, which are subject to the proposed Central Walk Transaction;
- (e) wind-down expenses relate to ongoing store-level carrying costs associated with the Subject Leases, as well as corporate wind-down costs. These expenses include, among other items, utilities, security and maintenance expenses, and record retention and storage fees;
- (f) store closure & exit costs relate to estimated costs to remove FF&E and interior and exterior store signage of approximately \$1.0 million and \$1.4 million, respectively.³ As noted above, removal of store signage was put on hold following receipt of a demand from the FILO Agent that the Company not incur any further costs associated with signage removal. The Monitor notes that the issue of signage removal was raised in the motions before the Court on August 28 and 29 and in recent communications with certain of the Landlords. If a consensual arrangement cannot be reached with the FILO Agent and the Landlords, the Company and the Monitor may require the Court's assistance to resolve signage removal matters;

³ Estimated costs to remove FF&E and interior and exterior store signage do not include potential costs related to the Subject Leases.

- (g) consultant fee & expense payments of approximately \$280,000 relate to the remaining payments claimed by the Consultant for Costs (each as defined in the Consulting Agreement dated March 25, 2025) incurred in conducting the Liquidation Sale; and
- (h) shared services payments consist of: (i) cost reimbursement for limited Saks Global employees that provide support services to Hudson's Bay; (ii) an estimate for Hudson's Bay's share of third party IT costs and related support services necessary to properly administer the remaining aspects of the wind-down; and (iii) reimbursement for shared services incurred during June, July, August, and September 2025, which remain subject to ongoing reconciliation between the Company (with the assistance of the Monitor) and Saks Global. The parties continue to advance a shared services agreement to address shared services and data retention matters.

- 6.4 Based on the Sixth Updated Cash Flow Forecast, the Monitor believes that the Applicants will have sufficient liquidity throughout the Cash Flow Period.
- 6.5 Based on the Monitor's review, nothing has come to its attention that causes it to believe, in all material respects that: (a) the Cash Flow Assumptions are not consistent with the purpose of the Sixth Updated Cash Flow Forecast; (b) as at the date of this Tenth Report, the Cash Flow Assumptions are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Sixth Updated Cash Flow Forecast, given the Cash Flow Assumptions; or (c) the Sixth Updated Cash Flow Forecast does not reflect the Cash Flow Assumptions.

7.0 CONCLUSIONS AND RECOMMENDATIONS

7.1 For the reasons set out in this Tenth Report, the Monitor respectfully recommends that this Court grant the Stay Extension Order.

All of which is respectfully submitted to the Court this 17th day of October, 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	--

APPENDIX A
Sixth Updated Cash Flow Forecast

See attached.

Appendix A – Sixth Updated Cash Flow Forecast

Hudson's Bay Canada

Sixth Updated Cash Flow Forecast

\$CAD 000's

Cash Flow Week: Week Ending:	Note	Week 1 17-Oct-25	Week 2 24-Oct-25	Week 3 31-Oct-25	Week 4 07-Nov-25	Week 5 14-Nov-25	Week 6 21-Nov-25	Week 7 28-Nov-25	Week 8 05-Dec-25	Week 9 12-Dec-25	Total
Receipts	1	-	-	-	-	500	-	-	-	1,000	1,500
Disbursements											
Payroll & Benefits	2	(584)	(48)	(207)	(390)	(344)	18	(596)	(57)	(49)	(2,258)
Occupancy Costs	3	(1,982)	-	(1,982)	-	(1,982)	-	(1,982)	-	(6)	(7,934)
Wind-down Expenses	4	(151)	(436)	(849)	(249)	(378)	(378)	(137)	(155)	(228)	(2,959)
Store Closure & Exit Costs	5	(320)	(320)	(320)	(476)	(476)	(476)	-	-	-	(2,388)
Consultant Fees & Expenses	6	-	(280)	-	-	-	-	-	-	-	(280)
Professional Fees	7	(635)	(819)	(542)	(655)	(461)	(421)	(421)	(534)	(421)	(4,908)
Shared Service Payments	8	(1,737)	(739)	(414)	-	-	-	-	(401)	-	(3,291)
Interest Payments & Fees	9	-	-	(695)	-	-	-	(695)	-	-	(1,390)
Total Disbursements		(5,409)	(2,642)	(5,008)	(1,770)	(3,641)	(1,257)	(3,831)	(1,146)	(703)	(25,407)
Net Cash Flow		(5,409)	(2,642)	(5,008)	(1,770)	(3,141)	(1,257)	(3,831)	(1,146)	297	(23,907)
Opening Cash Balance		37,112	31,704	29,062	24,053	22,283	19,142	17,885	14,054	12,908	37,112
Net Cash Flow		(5,409)	(2,642)	(5,008)	(1,770)	(3,141)	(1,257)	(3,831)	(1,146)	297	(23,907)
FILCO Credit Facility Paydown		-	-	-	-	-	-	-	-	-	-
Closing Cash Balance		31,704	29,062	24,053	22,283	19,142	17,885	14,054	12,908	13,205	13,205

Hudson's Bay Canada
9-Week Cash Flow Forecast
Notes and Summary of Assumptions

Disclaimer

*In preparing this cash flow forecast (the "**Forecast**"), the Company has relied upon unaudited financial information and has not attempted to further verify the accuracy or completeness of such information. The Forecast includes assumptions described below with respect to the requirements and impact of a filing under the Companies' Creditors Arrangement Act ("CCAA"). Since the Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Forecast period will vary from the Forecast, even if the assumptions materialize, and such variations may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.*

The Forecast is presented in thousands of Canadian dollars.

1) Receipts

Includes: (i) an estimated partial refund from amounts held back by the Company's credit card processor to cover chargeback exposure; and (ii) an estimated claim payout in respect of a class action lawsuit commenced prior to the CCAA Proceedings, that was recently settled by the relevant counterparties.

The remaining gross proceeds from the closing of the Affiliate Lease Assignment Agreement (\$4.0 million), continue to be held in trust by the Monitor and are incremental to the closing cash balance presented in the Sixth Updated Cash Flow Forecast.

2) Payroll & Benefits

Includes salaries, wages, statutory remittances, employee benefits and applicable taxes for remaining store-level employees assisting with FF&E removal and the ongoing maintenance and supervision of the Subject Leases as well as corporate employees assisting with wind-down of the estate. This line also includes: (i) the payroll tax component of the final payments to KERP Participants; (ii) accrued vacation payments to remaining employees; (iii) payments to HBC India, an affiliated entity, for personnel providing support and administrative services to the Company; and (iv) payments to remaining store-level employees pursuant to the liquidation retention bonus program, developed in consultation with the Consultant.

3) Occupancy Costs

Includes third-party rent, property taxes and CAM for the Subject Leases, which are subject to the proposed Central Walk Transaction.

4) Wind-down Expenses

Includes expenses related to ongoing store-level carrying costs associated with the Subject Leases, as well as corporate wind-down costs. These expenses include, among other items, utilities, security and maintenance expenses, record retention and storage fees, insurance premiums, and property tax payments made directly to municipalities.

5) Store Closure & Exit Costs

Includes: (i) estimated remaining costs to remove FF&E from store locations (approximately \$1.0 million); and (ii) estimated costs to remove interior and exterior signage from certain store locations (approximately \$1.4 million). Costs to remove FF&E and store signage from the 25 store locations that are subject to the proposed Central Walk Transaction are not included and would be incremental to the amounts included in the Forecast.

6) Consultant Fees & Expenses

Represents payments claimed by the Consultant for Costs (each as defined in the Consulting Agreement dated March 25, 2025) incurred in conducting the Liquidation Sale.

7) Professional Fees

Represents estimated payments to the Applicants' legal counsel and financial advisor; the Monitor and its legal counsel; Employee Representative Counsel; and legal counsel and financial advisors to the FILO Lenders.

8) Shared Service Payments

Represents estimated payments for shared services provided by Saks Global, consisting of: (i) cost reimbursement for the limited Saks Global employees providing support services to the Company; (ii) an estimate for the Company's share

Hudson's Bay Canada
9-Week Cash Flow Forecast
Notes and Summary of Assumptions

of third party IT costs and related support services necessary to properly administer the remaining aspects of the wind-down; and (iii) reimbursement for services incurred during June, July, August, and September 2025, which remain subject to ongoing reconciliation between the Company (with the assistance of the Monitor) and Saks Global as the parties continue to advance a shared services agreement to address shared services and data retention matters.

9) Interest Payments & Fees

Represent payments owing to the FILO Lenders for: (i) accrued and unpaid interest; and (ii) forecast interest for the period covered by the Sixth Updated Cash Flow Forecast.

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

TENTH REPORT OF THE MONITOR

BENNETT JONES LLP

One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, ON M5X 1A4

Sean Zweig (LSO# 573071)

Tel: (416) 777-6254

Email: ZweigS@bennettjones.com

Preet Gill (LSO# 55526E)

Tel: (416) 777-6513

Email: GillP@bennettjones.com

Mike Shakra (LSO# 64604K)

Tel: (416) 777-3236

Email: ShakraM@bennettjones.com

Thomas Gray (LSO# 82473H)

Tel: (416) 777-7924

Email: GrayT@bennettjones.com

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