C A N A D A
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL
DIVISION NO.: 01-MONTRÉAL
COURT NO.: 500-11-065279-255
ESTATE NO.: 41-345183

S U P E R I O R C O U R T

Bankruptcy and Insolvency Act

IN THE MATTER OF THE RECEIVERSHIP OF:

9418-8778 QUÉBEC INC.

a corporation existing under the *Canada Business Corporations Act*, having its principal place of business at 3145 Jarry Street East, Montreal, Québec, H1Z 0B6

Debtor

-and-

EQUITABLE BANK

a corporation existing under the *Bank Act of Canada*, having its principal place of business at 30 Saint Claire Avenue West, suite 700, Toronto, Ontario, M4V 3A1

Secured Creditor

-and-

RICHTER INC.

Receiver

SECOND INTERIM REPORT OF THE RECEIVER

INTRODUCTION

1. On March 14, 2025, Richter Inc. was appointed Interim Receiver to the assets of 9418-8778 Québec Inc. (the "**Company**" or "**Debtor**").

2. On April 10, 2025, Equitable Bank ("**EQB**" or the "**Secured Creditor**"), filed an Application for the Appointment of a Receiver ("**Receivership Application**"), pursuant to Section 243 of the *Bankruptcy and Insolvency Act* with respect to the assets of the Company.

3. On May 2, 2025, the Quebec Superior Court (the "**Court**") issued an order (the "**Receivership Order**"), appointing Richter Inc. ("**Richter**" or the "**Receiver**") as receiver to the property of the Debtor located at 3145 Jarry Street East, Montreal (the "**Property**" or "**Immovable**").

4. The Receivership Order authorizes the Receiver to exercise, without having any obligation to do so, amongst other things, the following powers:

    - Take all the necessary steps in respect of the protection and conservation of the Immovable;
    - Take possession of the books and records of the Debtor;
    - Control of the receipts and disbursements of the Debtor;
    - The completion and/or sale of the construction project relating to the Immovable, including obtaining all necessary permits and licenses;
    - The sale of all residential and/or commercial units comprising the Immovable, in the event that the said Immovable is or becomes subject to a divided co-ownership (condominium) regime; and
    - All necessary powers to review the security and hypothecs published against the property and to seek further instructions from the Court.

5. On July 10, 2025, the Court granted an order to compel the Debtor and its representatives to provide the Company's books and records to the Receiver. The Debtor and its representatives have yet to comply with this order.

6. On January 30, 2026, the First Interim Report of the Receiver (the "**First Interim Report**") was issued.

PURPOSE OF THIS REPORT

7. The purpose of this report (the "**Second Interim Report**") is to update the creditors with information pertaining to:

    i. Background information and operations of the Company;
    ii. The activities of the Receiver since the First Interim Report;
    iii. The sale process;
    iv. Interim statement of receipts and disbursements; and
    v. The anticipated completion of the receivership.

QUALIFICATIONS

8. Unless otherwise noted, all monetary amounts contained in this Report are expressed in Canadian dollars.

9. In preparing this Second Interim Report, the Receiver has relied upon certain unaudited information from the Secured Creditor as well as discussions with the Secured Creditor's representatives and legal counsel (the "**Information**"). As noted below, current and former representatives of the Debtor have not been cooperative and have not provided the Receiver with access to the books and records of the Company.

10. Except as otherwise described in this Report, the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Chartered Professional Accountant of Canada Handbook and, as such, the Receiver expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information. The Information has been provided by the Secured Creditor, who is responsible for the accuracy of such Information.

BACKGROUND AND OPERATIONS OF THE DEBTOR

11. The Debtor's principal activity is the development of a 78-unit condo project ("**Project**") located at 3145 Jarry Street East, Montreal which was still under construction at the time of the Receivership Order.

12. For detailed background information of the Debtor, refer to the Receivership Application and the First Interim Report. The Court orders, together with other publicly available information, can be found on the Receiver's website at: https://www.richter.ca/insolvencycase/9418-8778-quebec-inc/.

ACTIVITIES OF THE RECEIVER

13. Since the First Interim Report, the Receiver has (directly or through its legal counsel):

    i. Maintained security and protective measures in place to safeguard the Property;

    ii. Assisted in the renewal of the insurance policy;

    iii. Performed regular on-site visits;

    iv. Held numerous meetings and discussions with EQB and EQB's legal counsel;

    v. Follow up on due diligence of Potential Purchaser, as defined below;

    vi. Initiated a third sales process for the acquisition of the Property, as further detailed below;

    vii. Responded to creditors' queries; and

    viii. Prepared this Second Interim Report.

SALE OF PROPERTY

14. As detailed in the First Interim Report, in August 2025, the Receiver launched a sale process for the acquisition of the Project ("**First Sale Process**") with a deadline to submit offers of September 11, 2025. Several offers were received, however, following a review and analysis conducted by the Receiver in consultation with EQB, the offers were deemed unsatisfactory and insufficient and were rejected.

15. As also specified in the First Interim Report, on September 25, 2025, the Receiver initiated a second sales process (the "**Second Sales Process**") and notified the bidders of the First Sales Process, those interested parties who had access to the data room, as well as potentially new interested parties of the

second sales process. The deadline to submit offers for the Second Sales Process was October 14, 2025 (subsequently extended to October 20, 2025).

16. The Second Sales Process resulted in the Receiver once again receiving several offers. After review and analysis by the Receiver and EQB, it was determined that the offer from Elm Acquisition Corp (the "**Potential Purchaser**") was the best offer and should be accepted, as it was significantly higher than any offer received in both the First Sales Process and Second Sales Process.

17. The offer from the Potential Purchaser was subject to due diligence. On April 9, 2026, following the completion of a lengthy due diligence by the Potential Purchaser, the Receiver was advised by the Potential Purchaser's legal counsel that it was not willing to proceed with its offer and the offer was terminated.

18. Following the termination of the offer, on April 14, 2026, the Receiver, in conjunction with EQB, decided to relaunch a third and final sale process (the "**Third Sales Process**"). The Receiver circulated a teaser email to approximately 90 potentially interested parties, including all parties from the First Sales Process and Second Sales Process, as well as newly identified interested parties. The potential interested parties include real estate developers, investors, real estate professionals and other parties aware of the Project.

19. The deadline to submit offers was May 12, 2026, at 12:00 p.m. (EDT) (the "**Deadline**").

20. A total of 20 interested parties signed a non-disclosure agreement and were granted access to a virtual data room which included the Terms and Conditions Governing the Sale of the Assets, as well as more detailed information about the Property.

21. The Third Sales Process resulted in the Receiver receiving multiple offers (the "**Offers**").

22. At the time of the filing of the Second Interim Report, the Offers were under review by the Receiver.

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

23. An interim statement of receipts and disbursements has been produced for the period from May 2, 2025 to May 22, 2026, attached hereto as **Appendix A**. The costs of the receivership are being funded by EQB.

ANTICIPATED COMPLETION OF THE RECEIVERSHP

24. The following is the intended plan of action of the Receiver, in accordance with the Receivership Order, to complete the receivership:

    i. Finalize the review of the Offers, received in the Third Sale Process, to determine if any offer should be accepted and proceed with a transaction ("**Transaction**");

    ii. Complete the Transaction including Court approval;

iii. Review the existing hypothecs and liens on the Project to determine their validity and to settle same and seek direction from the Court, as necessary; and

iv. Any other matters with respect to the receivership as may arise.

25. It is too preliminary at this time to determine when the receivership will be completed.

26. Based on the offers received, the Receiver is of the opinion that there will be no funds available to unsecured creditors or to secured creditors who rank behind EQB.

DATED AT MONTREAL, this 3rd day of June 2026

Richter Inc.
In its capacity as Court appointed Receiver of
9418-8778 Québec Inc. and not in its personal or
corporate capacity

Olivier Benchaya, CPA, CIRP, LIT

Andrew Adessky, CPA, CIRP, LIT

Appendix A

CANADA
PROVINCE OF QUÉEBEC
DISTRICT OF MONTRÉAL
DIVISION NO.: 01-MONTRÉAL
COURT NO.:500-11-065279-255
FILE NO.: 41-345183

SUPERIOR COURT
(Commercial Division)
Insolvency and Bankruptcy Act.

IN THE MATTER OF THE RECEIVERSHIP OF 9418-8778 QUÉBEC INC.
legal person duly incorporated under the laws of Canada, having its principal place of business at 3145 Jarry Street East, Montreal, Québec, H1Z 2C2

DEBTOR

RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
for the period May 2, 2025 to May 22, 2026

RECEIPTS		
1. Advance from Secured Lender		$ 627,507.73
2. Interest		4,801.64
TOTAL RECEIPTS		**632,309.37**
DISBURSEMENTS		
1. Fees paid		
a) To Official Receiver		83.96
2. Operating costs		
a) Municipal and school taxes		104,761.96
b) Security & protective measures		79,480.58
c) Utilities		46,405.27
d) Repairs and maintanence		15,019.51
e) Other		324.90
TOTAL DISBURSEMENTS BEFORE RECEIVER'S REMUNERATION AND LEGAL FEES		**246,076.18**
3. Sales taxes paid		
a) GST paid	21,629.16	
b) QST paid	41,909.02	
d) GST remitted	-	
e) QST remitted	-	63,538.18
4. Receiver's fees		238,885.25
5. Legal counsel fees		44,509.11
TOTAL DISBURSEMENTS		593,008.72
AMOUNT HELD IN RECEIVER'S TRUST ACCOUNT		**$ 39,300.65**