

**IN THE MATTER OF THE BANKRUPTCY OF  
UPMEALS FOOD INNOVATIONS LTD.  
OF THE CITY OF VANCOUVER, IN THE PROVINCE OF BRITISH COLUMBIA**

**TRUSTEE'S REPORT TO CREDITORS ON PRELIMINARY ADMINISTRATION**

**Dated June 16<sup>th</sup>, 2025**

**A. INTRODUCTION**

1. This report (this "**Report**") has been prepared by Grant Thornton Limited ("**GTL**") in its capacity as trustee (the "**Trustee**") of the bankruptcy estate (the "**Estate**") of UpMeals Food Innovations Ltd. ("**UpMeals**" or the "**Company**") to provide information to the creditors of the Estate with respect to the current state of affairs and the administration of the Estate by the Trustee to June 13<sup>th</sup>, 2025.
2. On March 10, 2025, UpMeals filed a notice of intention ("**NOI**") under section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"). On May 27, 2025, UpMeals was deemed to have made an assignment in bankruptcy by failing to file a proposal within the extension granted by the Supreme Court of British Columbia (the "**Court**"). On May 28, 2025, GTL was assigned as the Trustee in the matter of the bankruptcy of UpMeals by a Certificate of Assignment issued by the Office of the Superintendent of Bankruptcy Canada ("**OSB**") Official Receiver.

**B. BACKGROUND**

3. UpMeals was co-founded by Mr. Andrew Munro ("**Mr. Munro**" or "**Management**") and incorporated in British Columbia in April 2019 under the name of Readyco Food Services Inc. The Company changed its name to UpMeals Technologies Inc. in March 2022 and later changed to its current name in November 2024.
4. The Company was in the business of delivering packaged meals via the following sales channels:
  - (a) retail locations such as grocery stores and coffee shops ("**Wholesale Food Business**");

- (b) business to business, primarily workplace catering for corporate customers (“**Modern Catering Business**”); and
  - (c) vending machines at the Vancouver International Airport, hospitals and universities (“**Smart Vending Business**”).
- 5. UpMeals was still in its early stages of growth and development and has not become profitable since its incorporation as indicated in the unaudited financial statements.
- 6. The Company faced financial difficulties because of enforcement actions taken by its judgement creditors, Mr. Glenn Lim Lee and Ms. Susana Du. On February 28, 2025, a writ of seizure and sale from the Court was served to the major customers of UpMeals, which harmed the Company’s cash flow by preventing them from collecting revenue from key customers.
- 7. On March 10, 2025, the Company filed a NOI for a stay of proceedings and continued operations while searching for solutions for its financial obligations and issues.
- 8. On March 27, 2025, the Court granted the first order, among other things, extending the stay of proceedings and the time of filing a proposal by UpMeals to May 15, 2025.
- 9. On April 10, 2025, GTL in its capacity as the proposal trustee, filed a material adverse change report in light of various changes in the UpMeals’ circumstances, which included, among other things:
  - (a) the loss of a major customer – Facebook Canada Ltd. (“**Facebook**”);
  - (b) a contract dispute between UpMeals and FundThrough Inc. which caused delays in receiving various accounts receivables from Facebook (the “**Meta Receivables**”);
  - (c) a previously undisclosed liability to the Canada Revenue Agency (“**CRA**”) for unremitted employee source deductions and
  - (d) the failure to fulfill various post-filing payment obligations as they became due.
- 10. On May 13, 2025, the Court granted the second order, among other things, extending the stay of proceedings and the time of filing a proposal by UpMeals to 5 p.m. PST on May 26, 2025.

11. On May 26, 2025, UpMeals was unsuccessful in obtaining an extension order from the Court.
12. On May 27, 2025 (the “**Bankruptcy Date**”), the Company was deemed to have made an assignment in bankruptcy by failing to file a proposal within the extension period granted by the Court, pursuant to section 50.4(8) of the BIA.
13. According to the most recent cash flow forecast for UpMeals, appended to the Second Report dated May 12, 2025 relating to the NOI proceedings (the “**Latest Cash Flow Statement**”), the Company’s operating revenue was primarily derived from the Wholesale Food Business and Smart Vending Business, with minimal or no income generated from the Modern Catering Business.

## **C. SALE OF WHOLESALE FOOD BUSINESS**

### *Perishable Nature of Inventory and Shrinking Business Value*

14. Given UpMeals’ business model involving the delivery of packaged meals, its inventory included perishable food ingredients and packaging equipment. The Company had minimal cash on hand at the date of bankruptcy, and ongoing customer contracts for food delivery.
15. Apart from the loss of Facebook as a major customer, two (2) corporate customers terminated their service contracts with UpMeals before the May 26, 2025 hearing, leading to a potential revenue loss of \$67,500 per month.
16. The perishable nature of inventory and shrinking customer base would potentially lead to a rapid decline of business value. Immediate conservatory measures were required, and the Trustee rapidly took steps to sell property that was likely to depreciate rapidly in value, and to preserve the business marketability as a going concern.
17. Pursuant to section 18(a) of the BIA, the Trustee decided that it was appropriate to market and sell the Wholesale Food Business of UpMeals prior to the First Meeting of Creditors (“**FMOOC**”) to avoid a notable loss to the Estate.

### *Sale Process and Outcome*

18. During the early marketing process, the Trustee received an indicative offer with a tight timeline for acceptance (the “**Initial Offer**”). The Trustee negotiated an extension to the Initial Offer in order to run an expedited sales process. The Trustee contacted

stakeholders including the CRA in order to solicit their input on the Initial Offer. Throughout the marketing process, a total of four (4) interested parties were engaged, including a third-party bidder who had no previous connection to UpMeals. The Trustee worked with the Company to answer questions from the interested parties and provided responses to due diligence requests as completely as possible, given the expedited timeline. As a result of these efforts, three (3) indicative offers were received as of May 30, 2025. The Trustee reviewed all the indicative offers and determined the successful bidder was 1542002 B.C. Ltd. (the “**Purchaser**”), which offered the most competitive total cash consideration of \$100,000 and was able to close the deal quickly and unconditionally.

19. The Purchaser is an entity wholly owned by Mohit Wasan (“**Mr. Wasan**”), who was a former employee of UpMeals.
20. On June 2, 2025, an asset purchase agreement was executed between the Purchaser and GTL in its capacity of Trustee of UpMeals (the “**Asset Sale**”).
21. On June 6, 2025, the Trustee confirmed receiving the entire purchase consideration deposited into the Trustee’s account for UpMeals.
22. The Trustee understands that the Purchaser has retained the majority of the UpMeals’ employees for continued business operations.

*Included and Excluded Assets and Liabilities*

23. The Purchaser acquired the assets associated with the Wholesale Food Business, including the followings, among others:
  - (a) tangible assets, such as inventory, small wares, office and productions equipment and business electronics;
  - (b) customer contracts;
  - (c) operational contracts and leases, to the extent such can be assigned and subject to lessor’s consent or court order; and
  - (d) intellectual property, such as the trademarks and brand name of UpMeals.
24. The Purchaser would not assume any liabilities associated with UpMeals including its financial obligations related to tax and employees.

25. The Asset Sale excluded the followings assets, among others:
- (a) secured assets if any;
  - (b) intellectual property and source code of the UpMeals software application (the “**UpMeals App**”); and
  - (c) the Smart Vending Business, including the vending machines, customer contracts, equipment and permits.
26. The lists of included and excluded assets are attached hereto as Appendix “1”.

Assessment of Related Party

27. The Purchaser’s counsel, Watson Goepel, has advised the Trustee:
- (a) Mr. Wasan was not a director or officer of UpMeals;
  - (b) Mr. Wasan did not directly or indirectly control UpMeals;
  - (c) Mr. Wasan is not related to a person described in (a) and (b) above;
  - (d) the Purchaser, 1542002 B.C. Ltd., is wholly owned by Mr. Wasan; and
  - (e) the entire purchase consideration was financed by Mr. Wasan’s personal fundings.
28. Pursuant to section 30(5) of the BIA, the Trustee determined the Purchaser is not a related party of UpMeals.

**D. CONSERVATORY AND PROTECTIVE MEASURES**

29. The Trustee performed the necessary conservatory and protective measures upon its assignment effective on May 28, 2025.

Wholesale Food Business

30. On June 2, 2025, the Wholesale Food Business was sold for a total cash consideration of \$100,000 after an expedited sales process.

Smart Vending Business

31. The Smart Vending Business is not included in the Asset Sale. The Trustee understands that there are approximately 15 vending machines primarily located in

British Columbia and Alberta in Canada. Management has been working out an asset summary for the vending machines and associated accessories, outlining details of their location, lease status, net book value, customer contracts and contacts etc. As of the date of this Report, the Trustee has contacted the majority of customers with Smart Vending machines on their premises for status updates.

32. According to the Latest Cash Flow Statement dated May 12, 2025, the Smart Vending Business was scheduled to be sold at a consideration of \$280,000 in the week ending June 29, 2025. However, the offer did not include a deposit, and the closing date was still to be determined.
33. Management advised that the potential buyer withdrew the offer due to the overall difficulty in obtaining financing and the bankruptcy of UpMeals. The Trustee verbally verified the offer withdrawal with the potential buyer's agent.

Statutory Requirements and Others

34. The Trustee has been advising and assisting the full-time and part-time employees of UpMeals regarding their interests under the Wage Earner Protection Program (the "WEPP").
35. The Trustee requested the major operating banks of UpMeals to freeze the Company's bank accounts and allow deposits only.
36. The Trustee performed the customary statutory requirements, including sending a notice of the bankruptcy to all known creditors and publishing notice of the bankruptcy in a local newspaper.

**E. TRUSTEE'S PRELIMINARY EVALUATION OF ASSETS**

37. In accordance with the Company's sworn Statement of Affairs ("SOA"), the following assets were possessed as of the Bankruptcy Date:

Description	Book Value	Net Realizable Value
Cash	\$0	\$0
Accounts and Other Receivable	\$412,131.14	\$412,131.14
Inventory	\$46,144.47	\$46,144.47
Machinery and Equipment	\$389,176.45	\$389,176.45
Intangible Assets	\$972,461.32	\$972,461.32
Other Property	\$46,695.82	\$46,695.82
<b>Total</b>	<b>\$1,866,609.20</b>	<b>\$1,866,609.20</b>

### Cash

38. UpMeals maintained three (3) major operating bank accounts with Royal Bank of Canada (“**RBC**”), Venn (formerly Vault) and Airwallex. On May 28, 2025, the Trustee delivered a formal letter to the respective three (3) banks via email, requesting them to freeze the bank accounts held under UpMeals and allow deposits only.
39. The Trustee has been advised that the Company’s bank accounts with RBC and Venn have been set to allow deposits only. As of June 5, 2025, its total bank balance with RBC and Venn was \$44,443.27. No update has been received from Airwallex with respect to the Trustee’s request for an account freeze, despite several follow-up attempts.

### Accounts and Other Receivables

40. Accounts receivables (“**A/R**”) represent the amounts invoiced and owing from customers. The net book value of A/R was computed at \$412,131 and Management has assumed a full realization rate.
41. The total A/R includes the Meta Receivables in the amount exceeding \$231,000. The Trustee via its counsel, has advised Facebook to direct the Meta Receivables to the trust account for UpMeals. As of the date of this Report, the Trustee has not received the settlement from Facebook.
42. On June 9, 2025, the Trustee sent out the A/R signification letters via email to the customers with balance due to UpMeals, directly their payments to the trust account for UpMeals. The Trustee has been working with the Company’s accounting team to obtain the relevant documentation requested by the customers.

### Inventory

43. Inventory was mainly encompassed of food ingredients and packaging materials. The SOA indicated the same net book value and net realizable value at \$46,144. Owing to the perishable nature of food ingredients, inventory was included in the Asset Sale.

### Machinery and Equipment

44. Machinery and equipment were primarily comprised the fixed assets in meal production and delivery. These assets include vehicles, freezers, ovens and other equipment involved in the preparation, packaging and distribution of meals, as well as vending

machines associated with the Smart Vending Business. The SOA listed the same net book value and net realizable value for machinery and equipment at \$389,176.

45. The Asset Sale included vehicles, freezers, ovens and other machinery and equipment associated with the Wholesale Food Business, and excluded vending machines, screens and other accessories associated with the Smart Vending Business.
46. The Trustee has been working with Management for an asset summary for the vending machines, including their details of initial value, net book value and lease value.

#### Intangible Assets

47. The intangible assets represent the intellectual properties of UpMeals, which include the capitalized development cost of the UpMeals App, license for using the UpMeals App, the UpMeals' trademarks and brand name. The SOA listed the same net book value and net realizable of intangible assets at \$972,461.
48. The Asset Sale included the UpMeals' brand name and the license for using the UpMeals App, and excluded the intellectual properties associated with the Smart Vending Business and the UpMeals App.

### **F. BOOKS AND RECORDS OF THE BANKRUPT**

49. The Trustee has sought and obtained copies of certain of the Company's electronic records. Upon execution of the Asset Sale, the Trustee had shared the login information to the Purchaser for accessing various platforms and software relating to UpMeals.
50. The Trustee will continue to locate and collect the necessary books and records for them to complete their mandate.

### **G. CREDITORS**

#### Priority Statutory Claims

51. The Trustee connected with the CRA. They are internally reviewing and assessing the UpMeals file. The Trustee is expected to receive updates from the CRA during the week of June 16, 2025.
52. UpMeals' Management advised, as of the Bankruptcy Date, the outstanding payroll and GST liabilities to the CRA amounted to \$1,550,545.73 and \$116,911.53 respectively.

53. Service Canada, as the administrator of the WEPP, has security for unpaid wages and vacation pay up to a maximum of \$2,000 per employee over current assets pursuant to section 81.3 of the BIA. The total secured claim from Service Canada is subject to confirmation once all employee claims are filed with the Trustee.

Administrative Charge

54. On March 27, 2025, the Court granted the first order for an administrative charge (the “**Administrative Charge**”) of \$100,000 equally shared between the UpMeals’ counsel, the proposal trustee and its counsel to secure their professional fees and disbursements relating to the NOI proceedings against the property of UpMeals.

55. The Administrative Charge is excluded in the SOA sworn by Management. It shall rank in priority to all other security interests and claims of other persons other than any secured claims that may arise under section 14.06(7) of the BIA.

Secured Creditors

56. The Trustee conducted a search of the Personal Property Registry (“**PPR**”) of British Columbia in March of 2025 shortly after the NOI was filed. An updated search following the date of bankruptcy in May of 2025 revealed that additional registrations had been made by creditors in April of 2025, including adding the correct legal name of the Company and amending previous registrations made under its former corporate name.

<b>Security Party Information (In Chronological Order of Base Registration Date)</b>	<b>Estimated Secured Claim Per SOA</b>	<b>Estimated Unsecured Claim Per SOA</b>	<b>Amount of Secured Claim Filed</b>
FundThrough Inc.	\$0	\$257,854.55	\$0
Equirex, A Division of Bennington Financial Corp.	\$0	\$0	\$51,873.99
Bodkin, A Division of Bennington Financial Corp.	\$0	\$0	
Jeffrey Michael Barnett and Interprovincial Capital Corporation	\$0	\$346,052.19	\$0

57. Per the Company’s sworn SOA, \$nil secured claim is identified. The Trustee has not taken steps to obtain a formal security opinion on the effect of the amended PPR

registrations. Trustee's counsel has been in contact with FundThrough and has discussed the proceedings generally with their in-house legal team. The Trustee understands that some of the leases which are subject to the amended PPR registrations have been assumed by the Purchaser.

#### Unsecured Creditors

58. The SOA listed total unsecured claims of approximately \$4,985,000, which included the priority statutory claims from the CRA. The former employee claims on outstanding wages were excluded as those had not be quantified.
59. As June 13, 2025, the Trustee has received seventeen (17) completed proof of claims with a total unsecured claim amount of \$2,176,867.26. No claims have been filed by former employees. The Trustee is reviewing the filed claims and will decide prior to the FMOC will be accepted for the purpose of voting at the FMOC.

#### **H. REVIEWABLE TRANSACTIONS AND PREFERENCE PAYMENTS**

60. The Trustee has not yet reviewed the books and records of UpMeals for the purposes of identifying any reviewable transactions, including preferences or transfers at undervalue. This matter will be discussed with the Estate inspectors should same be elected at the FMOC.
61. Since the commencement of the NOI proceedings, the Trustee understands that the transfer of the UpMeals App, including all associated intellectual property rights, source code, data and licensing rights, from the Company to UpMeals System Inc. on November 27, 2024, have been a matter of concern among various creditors, the Court and other interested parties of UpMeals.

#### **I. THIRD-PARTY DEPOSITS OR GUARANTEES**

62. Prior to filing of NOI by UpMeals, GTL was engaged by the Company as the proposal trustee in the proceedings, subject to Court approval. Management agreed to a third-party retainer agreement in the amount of \$25,000 with GTL for payment of its fees and disbursements.
63. As of the date of this Report, the Trustee has received a partial retainer payment of \$5,000 on March 10, 2025.
64. Additionally, GTL has been provided with a third-party guarantee from Mr. Munro for the payment of its fees and disbursements.

**J. PROJECTED DISTRIBUTION**

65. As of the date of this Report, contemplating the notable amount of super-priority claims owned under the CRA, the Trustee does not expect that there will be funds available in the Estate for distribution to the Company's ordinary secured and unsecured creditors, if any.

**K. OTHER MATTERS REGARDING THE ADMINISTRATION OF THE ESTATE**

66. There are no other matters to report at this time.

DATED at Vancouver, British Columbia this 16<sup>th</sup> of June 2025.

**GRANT THORNTON LIMITED,**  
In its capacity as Trustee of the Estate of  
UpMeals Food Innovations Ltd.  
and not in its personal capacity



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Mark Wentzell, CPA, CA, CIRP, LIT  
Senior Vice President

## **APPENDIX 1**

### **Lists of Included and Excluded Assets of the Asset Sale of the Wholesale Food Business of UpMeals**

## **Purchased Assets**

1. Tangible Assets
  - a. Inventory on hand (raw materials, packaging, finished goods)
  - b. Smallwares, utensils, racks, containers
  - c. Office and production equipment (tables, shelves, small appliances)
  - d. Laptops, tablets, business electronics
2. Current Assets
  - a. Any prepaid expenses (if transferable)
3. Intellectual Property
  - a. Business name "UpMeals" and trade names
  - b. Trademarks
  - c. Brand assets: logos, brand guides, menus, labels
  - d. Website and domain for upmeals.ca
  - e. License to use UpMeals software application under the terms as Section 7 "Leaseback License" from Nov 27, 2024 Agreement between UpMeals System Inc. and UpMeals Food Innovations Ltd.
  - f. Social media accounts (Instagram, LinkedIn, etc.)
  - g. Existing marketing materials (Canva, photos, past campaigns)
4. Operational Contracts & Leases
  - a. Refrigerated van lease, to the extent such lease can be assigned, and subject to lessor's consent or court order
  - b. Any essential equipment leases, to the extent such leases can be assigned, and subject to lessor's consent or court order
5. Clients & Vendors
  - a. Client list and history (catering and B2B)
  - b. CRM/order history
  - c. Vendor/supplier relationships

6. Office Administration, Emails, and Storage

- a. Google Drive / Dropbox access
- b. @upmeals.ca email accounts
- c. POS systems, labeling software, templates
- d. Ops tools and back office files

7. Leases to be Assumed

- a. 4517 1 St SE, Calgary, AB T2G 2L2, as per the Commercial Kitchen Sublease dated May 9, 2024, between Deluxe Catering Inc. and UpMeals Technologies Inc., to the extent such lease can be assigned, and subject to landlord's consent or court order
- b. 1735-1737 Powell Street, Vancouver, BC, V5L 1H6 as per the Lease Agreement dated August 15, 2024 between Reliance Properties Ltd. and ReadyCo Food Services Inc. operating as UpMeals, to the extent such lease can be assigned, and subject to landlord's consent or court order

8. Client Contracts

- a. Urban Fare (Pattison Food Group)
- b. UBC
- c. Blenz Coffee
- d. Kinetic Construction
- e. Stong's Market
- f. Sungiven Foods
- g. Body Energy Club
- h. Glory Juice
- i. OSI Maritime
- j. Sodexo
- k. Canteen Canada (currently not ordering)
- l. Spent Ground Coffee
- m. Arbutus Club
- n. Spud Produce

- o. Community Naturals (Calgary)
- p. Rosso Coffee
- q. Pallet Coffee
- r. Georgia Main Food Group

## **Excluded Assets**

1. Secured Assets
  - a. Any assets under creditor security, unless released
  - b. Lease equipment not included in Appendix A
2. Contracts
  - a. Squamish General Hospital
3. Intellectual Property
  - a. Intellectual property and source code of the UpMeals software application
4. Excluded Portion of Business
  - a. Any portion of UpMeals's business relating to the Smart Vending portion of the business, including all vending machines, the client contracts, equipment and permits associated with the Smart Vending business.