

District of: Ontario
Division No.: 09 - Toronto
Court No.: 31-2845861
Estate No.: 31-2845861

**IN THE MATTER OF THE BANKRUPTCY OF
ENJOY TECHNOLOGY CANADA LTD.
OF THE CITY OF VAUGHAN
IN THE PROVINCE OF ONTARIO**

TRUSTEE'S REPORT TO THE CREDITORS ON PRELIMINARY ADMINISTRATION

SECTION A: BACKGROUND

Enjoy Technology Canada Ltd. ("Enjoy") was incorporated under the laws of British Columbia. The Company maintained multiple offices in Canada, the addresses of which are set out in Appendix "A" hereto.

Enjoy was incorporated on June 27, 2019 and was engaged in the business of providing same-day delivery and set-up of mobile devices through a strategic partnership with Rogers Communications.

Enjoy is a wholly-owned subsidiary of Enjoy Technology Inc. ("Enjoy US"), which obtained protection under Chapter 11 of the United States Bankruptcy Code on June 30, 2022.

Insolvency Causes and Proceedings

Enjoy struggled to achieve profitability both in Canada and the US due to staffing shortages, supply chain issues and difficulty in securing additional liquidity after Enjoy US went public via a special purpose acquisition vehicle in 2021.

On July 8, 2022, Enjoy filed an Assignment in Bankruptcy which was accepted by the Office of the Superintendent of Bankruptcy. Pursuant to the Assignment in Bankruptcy, Deloitte Restructuring Inc. was appointed as Trustee of the Bankrupt estate, subject to affirmation by the creditors at the First Meeting of Creditors.

SECTION B: CONSERVATORY AND PROTECTIVE MEASURES

The Trustee notified Royal Bank of Canada to freeze the bank accounts of Enjoy and has requested a transfer of funds to its trust account in the amount of \$1,739.61. Enjoy ceased operations on June 30, 2022.

SECTION C: TRUSTEE'S PRELIMINARY EVALUATION OF ASSETS

In light of current concerns around the COVID-19 pandemic and given the limited realizable value of the office furniture and computer equipment located at the Company's premises, the Trustee has determined that it would not be commercially reasonable to take possession of the premises or the limited assets available onsite. Subject to the instructions of creditors and / or inspectors, any assets left onsite for the benefit of the landlord will be valued and used to reduce the landlord's claim in the Estate. The Trustee has been advised that all material records are maintained digitally. As such, there has been no need to attend at any of the lease premises.

Accounts Receivable

The Trustee has been provided with financial records that suggest accounts receivable and unbilled revenue of approximately \$885,000 in respect of a single customer. The Trustee anticipates, however, that actual realizations may be impacted by set-off claims.

Other Assets

The Trustee is investigating a potential recovery of over-remitted GST/HST but is unable to quantify the potential recovery at this time.

SECTION D: LEGAL PROCEEDINGS, TRANSFERS AT UNDERVALUE AND PREFERENCE PAYMENTS

The Trustee has not commenced any legal proceedings and it does not expect to commence any such proceedings prior to the First Meeting of Creditors. The Trustee proposes to appoint Aird & Berlis LLP ("Aird") as counsel to the Estate, as necessary. Aird's appointment will be confirmed at the First Meeting of Creditors.

The Trustee will report its findings to the Inspectors, if any, following the completion of its review of Enjoy's books and records.

SECTION E: INFORMATION RELATING TO PROVABLE CLAIMS

The claims of creditors as per Enjoy's Statement of Affairs as at July 8, 2022 and the claims filed prior to 10:00 am on July 25, 2022 are summarized below. The Trustee has not received any proxies as at the date of this report.

	Statement of Affairs	Claims Filed
Secured	\$ -	\$ -
Preferred	-	-
Unsecured	1,995,982.75	1,321,758.83
Total	\$ 1,995,982.75	\$ 1,321,758.83

SECTION F: CONFLICTS OF INTEREST, DETAILS OF FEE GUARANTEES

The Trustee completed a conflict check prior to consenting to act and determined that it had no conflicts.

In accordance with Section 136(1)(b) of the *Bankruptcy and Insolvency Act*, the Trustee and its legal counsel are paid in priority to creditors of the estate of Enjoy from the receipts in the estate. Only deemed trust claims would rank ahead of the Trustee and its legal counsel.

The Trustee obtained a third-party deposit from Enjoy US in the amount of \$100,000. The deposit will only be drawn upon in the event there are no available funds in the estate.

SECTION G: PROJECTED DISTRIBUTION AND TRUSTEE'S COMMENTS ON ANTICIPATED ASSET REALIZATIONS

The timing and amount of any distribution to creditors is unknown at this time and will depend on amounts realized from the accounts receivable and insurance claims, if any.

DATED AT TORONTO, Ontario this 25th day of July, 2022

Deloitte Restructuring Inc.

solely in its capacity as Trustee of
the Estate of Enjoy Technology Ltd. and not
in its personal or corporate capacity

Per:

Richard Williams CIRP, LIT
Senior Vice President

APPENDIX 'A'
LIST OF PREMISES

Address 1	Address 2	Address 3	City	State	Zip Code	Country
636 Yonge St			Barrie	ON	L4N	CA
1816 25 Avenue NE	Unit B		Calgary	AB	T2E 7K1	CA
4532 55th Ave NW			Edmonton	AB	T6B 3S8	CA
201 Chain Lake Drive			Halifax	NS	B3S	CA
1475 Sandhill Drive			Ancaster	ON	L9G	CA
1628 Dickson Ave			Kelowna	BC	V1Y	CA
1280 Fanshawe Park W Rd			London	ON	N6G	CA
7297 E Danbro Crescent			Mississauga	ON	L5N	CA
2575 Rue Debray			Laval	QB	H7S 2J4	CA
2413 Stevenage Drive	Unit 15		Ottawa	ON	K1G 3W1	CA
625 Rowntree Dairy Road	Unit 1		Vaughan	ON	L4L 5T9	CA
7 Burbidge Street	Suite 103 / 104		Coquitlam	BC	V3K 7B2	CA
16 South Landing Drive	Unit 1-4		Winnipeg	MB	R4G 0C4	CA